

From Errors to Excellence

Stacy Jaramillo, Office of Accounts and Reports

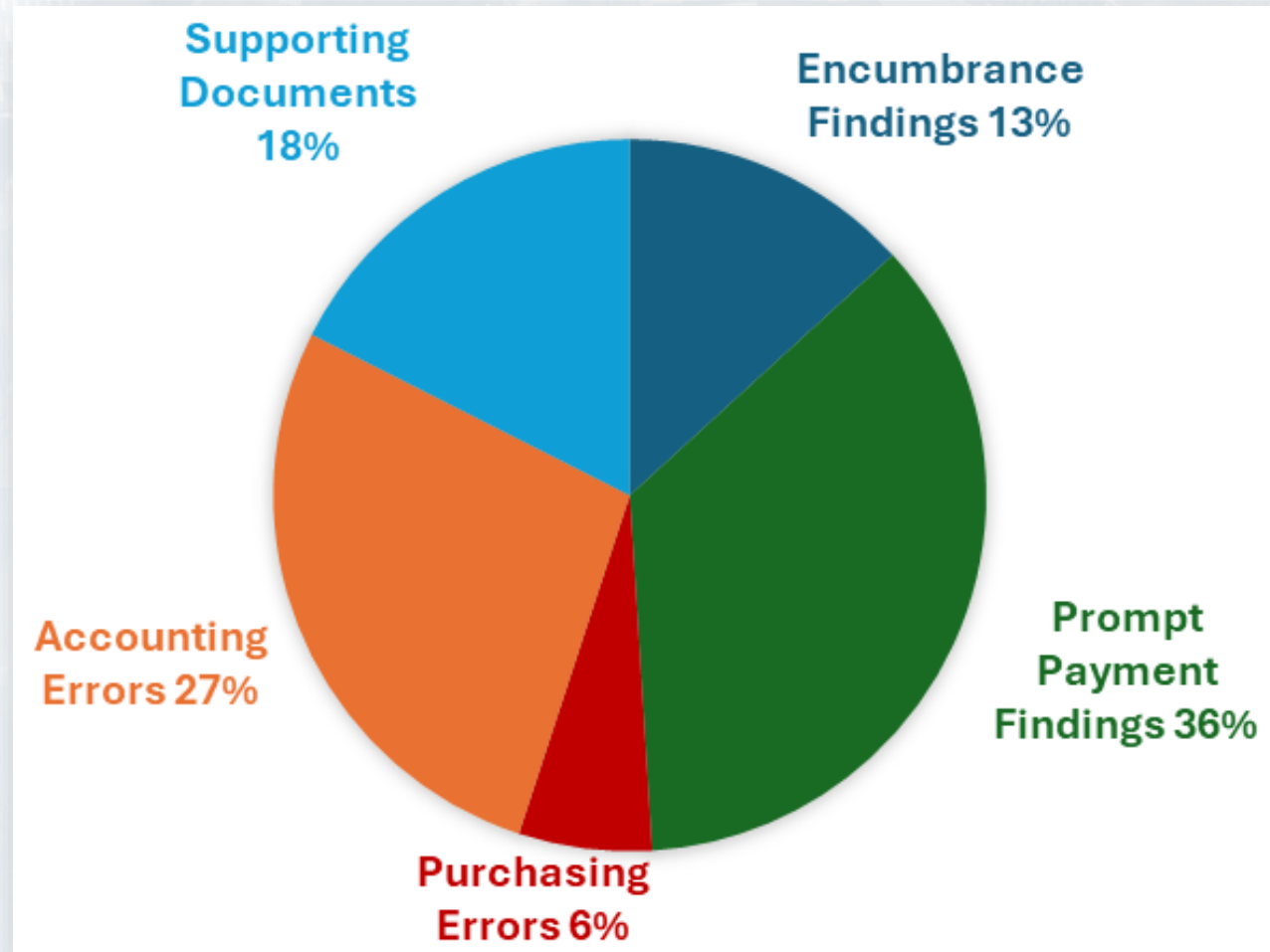
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Meet the Speaker



Stacy Jaramillo, Deputy Director
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FY26 Error Analysis



Purchasing Errors

- Incorrect contract attached in SMART
- Failure to follow contract specifications
 - Cost Sheet
 - Goods/Services provided under the contract
 - Collecting bids/quotes when required
 - Task Orders
- Purchase Order/Contract/Voucher not tied together completely

Supporting Documentation

- Quotes and Task Orders
- Multi-year software approval
- KCI Waiver
- Certified AIA form (construction projects)
- Invoices
- Issue Paper or Claim Number
- Any other miscellaneous supporting information



Supporting Documentation

Quotes

- OAR Informational Circular 20-A-10
- When a cost sheet is not available, obtain and attach a quote for goods/services
- Any amended quotes must also be attached

Multi-Year Software

- OPC Informational Circular 25-02
- If paying for multi-year agreement from single year funding, exception form must be completed AND ATTACHED in SMART

Supporting Documentation

Invoices

- Informational Circular 20-A-10
- All vouchers require supporting invoices or documentation.
- If invoice cannot be attached due to statutory authority, proper reference must be included on voucher. Voucher must also include:
 - Applicable dates, payment description, detailed breakdown, any other relevant information.
 - See IC 20-A-10 for detailed information.

Supporting Documentation

Others

- AIA Form – Application and Certificate for Payment (Construction Projects)
- Issue paper exception or Claim Numer
- Radio Plan approval letter from KDOT

KCI Waiver

- State Law (KSA 75-5276) requires certain items to be purchased from KCI
- MUST obtain waiver to purchase from other suppliers

Ask the Auditor

I'm processing a payment, but my supporting documents are not sufficient. Should I just process the payment anyway?



Accounting Errors



- Expenditure account codes
- Fiscal year determination
- Incorrect voucher amount
- Incorrect payment type
- Advance Payments
- Duplicate payments

Expenditure Account Codes

- Policy Manual 7,002 Uniform General Ledger Expenditure Classification Account Codes
- Facilitates various levels of reporting detail required for budgetary, financial, management, or other reports.
- Entering category codes correctly DOES NOT GUARANTEE the correct account code.

Ask the Auditor

What is the appropriate account code for windows?

- A) 524400 Building and Grounds Repair and/or Service
- B) 534100 Materials and Supplies for Buildings and Grounds
- C) 5420XX Building Improvements
- D) 524800 Computer Software Maintenance and Service



Ask the Auditor

What is the appropriate account code for fuel?

- A) 533*** Fuel (Non-Motor Vehicle Use)
- B) 535*** Motor Vehicle Parts, Supplies and Accessories



Ask the Auditor

I'm buying a vehicle for \$8,000. What account code should I use?

- A) 540500 Passenger Cars
- B) 540590 Passenger Cars – Non-Capital
- C) 540600 Trucks
- D) 540690 Trucks – Non-Capital
- E) 540610 Other Self-Propelled Equipment
- F) 540691 Other Self Propelled – Non-Capital



Expenditure Account Codes

Capital Assets are managed by Policy Manual 13,001 Capital Asset Records

Effective July 1, 2025 – Capitalization thresholds are increased to \$10,000 for software, equipment, furnishings, and vehicles.

Note: Software projects in the amount of \$10,000 or more should be coded as a capital expense to match the capitalization threshold but are only entered in the SMART Asset Management Module with a total cost of \$250,000 or more.

Fiscal Year Determination

Policy Manual 14,002 Fiscal Year Closing Including Fiscal Year Determination

- Provides detailed guidance on the appropriate fiscal year to charge agency obligations
- Commodities – FY determined by order placement date
- Dues, Memberships, Subscriptions – FY determined by beginning date
- Maintenance or Ongoing Service Contracts – FY determined by commencement date of period covered
- Other Services – FY determined by date services are received

Ask the Auditor

We have extra funds that we didn't get spent this year. I'm planning to have some work done next year. Can I just create a PO for whatever funds are left and get the work scheduled in the following fiscal year?



Advance Payments

- State law generally requires payments to be made after goods/services have been received
- Paying for standard good/services prior to receipt creates significant risk
- Exceptions:
 - Subscriptions/Memberships/Dues
 - Ongoing Maintenance
 - Rents/Leases
 - Registration Fees
 - Payments contractually required to be paid in advance

Ask the Auditor



The supplier sent me an invoice requesting a 50% downpayment for my order of widgets. The supplier told me this is a standard practice. Can I pay this?

General Accounting Errors

- Incorrect voucher amount
 - Payment should be fully supported by invoice or other documents.
- Incorrect payment type
 - Wires contain payment type of ACH or Check
- Duplicate payments
 - Attempting to pay invoices that have already been paid.

Encumbrance Violations

- DofA Policy Manual Filing 10,300 Statewide Encumbrance Policy
- Obligations must be encumbered in the appropriate fiscal year (PM 14,002)
- Obligations must be encumbered no later than the service date or order date



Prompt Payment Act



- State Law (KSA 75-6401 et seq) generally requires payments of goods and services to be made within 30 days after receipt and acceptance of goods/services or receipt of bill for goods/services, whichever is later.
- Identify root cause of delays
 - Suppliers
 - Field staff
 - Processing
 - Approvals

Prompt Payment Act

- Utilize SMART queries to review purchase orders that have not yet been paid.
- Develop internal policies to encourage timely processing
- Utilize shared inboxes for suppliers to submit invoices directly to fiscal office

Ask the Auditor

I found an invoice that is beyond the prompt payment act, but we do not want to get a finding. Should we just split the invoice to bypass the audit review?



Thinking like an Auditor

- Double check your work! Use the Agency Pre-Audit Checklist.
- Review state policies to ensure understanding.
- Ask questions.
- Document findings to learn, adjust, and improve.
- Seek the root cause of findings to mitigate for the future.

Questions?