

House Appropriations Committee

January 20, 2016

Department of Administration

Testimony in support of SB 248

John Milburn, Director of Legislative and Public Affairs

Good morning and thank you for the opportunity to present testimony in support of SB 248, that would repeal the statute for the Key Deposit fund.

As you are aware, the Office of Repealer was established in 2011 by executive order with the purpose of identifying those laws, rules and regulations that were cumbersome, onerous or burdensome. The proposal that is before you for your consideration fits that definition.

In 2010, the State of Kansas moved to a new system for financial management, an effort was initiated to look at all forms, policies and procedures to make sure they were still appropriate and required by statute or regulation. This proposed legislation is a result of that review effort.

Specifically, SB 248 addresses the Key Deposit Funds at state institutions. These were authorized local bank accounts and in some cases local cash funds used to hold security deposit moneys received from employees who were assigned keys to a facility or institution.

As local bank accounts (moneys held outside the state treasury) there were requirements for the agencies to follow certain prescribed accounting controls and safeguarding of assets procedures, like performing bank reconciliations and submitting the bank rec and bank statement to the Director of Accounts and Reports and the Director of Accounts and Reports audit of those bank accounts and cash accounts.

In reviewing the current policy manual items related to key deposit funds, the Office of the Chief Financial Officer staff within the Department of Administration contacted the potential user agencies and determined that key deposit funds are no longer needed or used.

Passage of this proposal would bring statutes into concert with existing practices within agencies. I would note that the Senate took action on this bill in 2015 and passed it by a vote of 40-0.

Thank you for this opportunity and I would be pleased to answer any questions.