

76-12a25. Key deposit funds; procedures; disposition of interest; post audit; rules and regulations. (a) As used in this section, unless the context otherwise requires:

(1) "Key deposit fund" means the moneys that employees pay to a state institution to be held as a security deposit for keys to the buildings or facilities of the state institution.

(2) "State institution" means any institution, as defined by K.S.A. 2014 Supp. 38-2302 or K.S.A. 76-12a01, and amendments thereto.

(b) The superintendent, president or other chief administrative officer of any state institution may apply to the director of accounts and reports for authority to establish a key deposit fund in the institution supervised by such officer. The director of accounts and reports may authorize the establishment of any such key deposit fund. The director of accounts and reports shall prescribe a system of accounts and accounting procedures to be used in the operation of key deposit funds.

(c) Moneys of key deposit funds in an amount prescribed by the director of accounts and reports shall be retained at the institution as cash on hand for the purpose of making refunds of deposits to employees terminating employment at the institution.

(d) Unless otherwise authorized by the director of accounts and reports, moneys of key deposit funds in excess of the amount prescribed under subsection (c) shall be deposited daily as provided by this section. Such moneys shall be deposited in an account of a financial institution designated by the pooled money investment board. Such financial institution shall be:

(1) A bank, a savings and loan association or a federally chartered savings bank, which bank, association or savings bank is insured by the federal government or an agency thereof; or

(2) a credit union which is insured with an insurer or guarantee corporation as required under K.S.A. 17-2246, and amendments thereto.

Except as otherwise directed by the pooled money investment board, moneys of key deposit funds shall be placed in one or more interest-bearing accounts. Moneys shall be withdrawn from one or more of such accounts in order to replenish cash on hand to the amount prescribed in subsection (c) when necessary.

(e) The provisions of K.S.A. 75-4217, and amendments thereto, and the provisions relating to security of article 42 of chapter 75 of Kansas Statutes Annotated shall apply to accounts in banks, savings and loan associations, credit unions, and federally chartered savings banks under this section.

(f) Interest earned on moneys invested under this section and the amounts of any forfeited key deposits shall be transferred at least monthly and credited to the fee fund of the state institution. The director of accounts and reports shall prescribe the circumstances under which deposits shall be forfeited.

(g) Key deposit funds shall be subject to post audit under the provisions of the statutes contained in article 11 of chapter 46 of Kansas Statutes Annotated.

History: L. 1993, ch. 204, § 1; L. 1996, ch. 229, § 139; L. 2001, ch. 106, § 4; L. 2006, ch. 169, § 135; Jan. 1, 2007.