

FILE

Subject

*Health Public Hospitals
Administration - Jefferson*

Copy to



STATE OF KANSAS

Office of the Attorney General

State Capitol Bldg. (913) 296-2215 Topeka, Kansas 66612

VERN MILLER
Attorney General

July 15, 1974

Opinion No. 74- 227

Terry Jay Solander
Anderson County Attorney
413 1/2 Oak Street
Garnett, Kansas 66032

Dear Mr. Solander:

You inquire concerning the procedure followed by the Anderson County Hospital for payment of its employees' compensation.

The procedure which you describe is as follows. A combined voucher is prepared by the Administrator, which recites all of the claims for employee compensation for the two-week pay period, and the total amount due. This total is then paid by warrant check signed by the Trustees into a so-called "imprest payroll account" upon which warrant checks are then drawn and issued to the employees on the signature of the Administrator.

As you point out, K.S.A. 19-1804 states in pertinent part thus:

"All hospital funds shall be credited to the treasury of the hospital board, and shall be paid out only upon claims and warrants or warrant checks as provided in K.S.A. 1971 Supp. 12-105a, 12-105b and 10-801 to 10-806, inclusive."

K.S.A. 12-105a of the act providing a uniform procedure for payment of claims and other indebtedness by municipalities, sets forth the following pertinent definitions:

"(d) 'Warrant' means an instrument ordering the treasurer of a municipality to pay out of a designated fund a specified sum to a named person

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or party who or which has filed a claim against the municipality.

(e) 'Check' means an ordinary check drawn on a depository bank of a municipality by the treasurer of such municipality and payable to the holder of a warrant or warrants issued by the municipality.

(f) 'Warrant check' means a combination of warrant and check. It is a negotiable instrument which orders a depository bank to pay to the order of the payee therein named. A warrant check authorizes the bank upon which drawn to charge the municipality's account with the amount stated therein."

K.S.A. 10-803 specifies the signature requirements for warrants and warrant checks.

"Warrants and warrant checks shall be signed by the chairman, mayor, president, trustee, director or other chief official, or in the absence of such officer, by the like officer authorized by law to act in his stead, and by the clerk, secretary or auditor or like officer"

K.S.A. 10-805 specifies further thus:

"Before delivering any warrant or warrant check to the payee the officer drawing the same shall present the same to the treasurer, who shall enter in a book by him kept for that purpose, the number, date and amount of such warrant, or warrant check, on what fund drawn, and the name of the payee, and thereupon sign the warrant or warrant check on the face thereof."

The combined voucher for all biweekly employee compensation payments is, as you state, presumably processed in accordance with K.S.A. 10-801 et seq. However, it does no more than effect a fund transfer from, presumably, the general operating fund of the hospital, into another fund, the "imprest payroll account." Payment of hospital funds out of that account remains likewise subject to the payment procedure set forth in K.S.A. 10-801 et seq., and K.S.A. 12-105a. Thus, warrant checks issued on that account must likewise be signed as required by K.S.A. 1-803 and -805, supra. K.S.A. 10-803 requires the signature of the chairman of the board of trustees, in this instance, and of the secretary thereof. Your reservations concerning the procedure followed appear to be well-founded. In our view, the procedure described above does not conform to the requirements of K.S.A. 10-801 et seq., and specifically to the requirements of K.S.A. 10-803 and -805.

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If you should have further questions concerning this matter,
please feel free to call upon us.

Yours very truly,



VERN MILLER
Attorney General

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