

NEIL ABERCROMBIE  
GOVERNOR



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**STATE OF HAWAII**  
**DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES**

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

July 9, 2014

**COMPTROLLER'S MEMORANDUM NO. 2014-20**

TO: Department Heads

FROM: Dean H. Seki, Comptroller 

SUBJECT: Clarification of Blanket CIP Encumbrance Policy

Requirements for encumbering funds contained in the State Accounting Manual, Volume II, Section 470 specifies that, "No encumbrance can be recorded against an appropriation as of the end of a quarter or other fiscal period, or as of a particular lapse date, unless an allotment of the appropriation signed by the applicable approving authority has been received by the Comptroller as of that date." Therefore, an encumbrance requires all funding sources be available and allotted as of the particular lapse date, i.e., June 30, 2014.

An exception to the above is provided for CIP funded projects that do not have sufficient allotted funds as of the lapse date but have additional funding in the next fiscal year. The department must submit a request to the Comptroller for approval to allow the blanket encumbrance of the lapsing funds. The request should specify the act and the item number of the appropriation that will provide the additional funding.

Approval must be received prior to submittal of the CIP blanket encumbrance and should be attached to the blanket encumbrance document.

If you have any questions, please call Wayne Horie, Accounting Division Chief, at 586-0600 or Sheila Walters, Pre-Audit Branch Chief, at 586-0650.