Procurement and Payment Handbook

Goal/Deliverable:

This website was developed to provide Department of Accounting and General Services' employees with a central website (on the DAGS website, for DAGS' employees use only) that will contain the instructions/procedures to guide them in procuring and paying approximately 80% of their transactions.

Background:

With the implementation of the pCard, HePS, and the delegation of authority in selective areas of procurement, employees who have not been involved with procurement and payment of goods and services are thrown into these areas with no readily available and understandable reference guide. The result is exceptions and non-compliance to the existing procedures, policies, and statutes requiring extra work and frustration for all involved. In some instances, delayed payment also results.

Deliverable Description:

The topics were developed to assist departmental personnel based on input from selected departmental users via a survey. **To make a selection, click on the following six topics highlighted in blue below:**

- Basic Procurement Guidelines – Summary of Small Purchase Requirements with website links to the State Procurement Office's webpage (Website updated September 14, 2010)
- Basic Payment Guidelines – Explanation of the State of Hawaii and the DAGS-Administrative Services Office payment processing requirements
- Procurement and Payment Requirements for Specific Object Codes Excluding Travel – DAGS' procurement and payment instructions for various object code expenditures
- Purchasing Card (pCard) Rules and Procedures – Explanation of the State of Hawaii and the DAGS-Administrative Services Office pCard procedures
- Hawaii Electronic Procurement System (HePS) Rules and Procedures – Explanation of the State of Hawaii and the DAGS–Administrative Services Office HePS procedures
- Encumbrance Policies and Procedures – Explanation of the State of Hawaii and the DAGS–Administrative Services Office encumbrance policies and procedures (Website updated September 14, 2010)

Disclaimer:

Should information contained in this handbook/website differ from the Department of Budget and Finance, Department of Human Resources Development, Department of Attorney General and other authoritative programs such as the Accounting Division, State Procurement Office, Audit Division, Information and Communication Services Division, etc., their current rules and procedures will prevail over this handbook/website. Because by statutes the authoritative programs are assigned distinct responsibilities, they will make the final decision on all matters related to procurement and payment processing. Additionally, these are guidelines only and your procedures may be more stringent from the requirements contained in the handbook/website.

Important Information:

Because this website will be updated on an annual basis during the months of September or October, please refer to the following publications/websites to determine if there are any changes to the procedures during the year:

- Governor's Budget Execution Policies and Procedures at website link: http://hawaii.gov/budget/memos/executive.htm
- Comptroller's Memorandums at website link: http://hawaii.gov/dags/cm
- Procurement Circulars at website link: http://www4.hawaii.gov/spo/procapps/procurement_circulars.cfm?&ShowAll=Yes
- DAGS' internal memorandums from the Comptroller, Administrative Services Office, Accounting Division, State Procurement Office, Personnel Office, etc.

On August 26, 2008, an amended Governor's Budget Execution Policies and Procedures (Executive Memorandum 08-05) was issued with the following changes:

1. The dollar limits for staffing by contract have been reduced to less than $10,000 from less than $50,000 (item number 16d.) Governor's approval is now required for staffing by contract costing $10,000 or more.
2. All out-of-state travel requires the Governor's approval through the Comptroller (item number 17.) This was previously delegated to the Comptroller as the department head.
3. All budgeted and unbudgeted single purchase orders of equipment totaling over $10,000 require the Governor's approval (item number 21f.) Previously, only unbudgeted single purchase orders of equipment totaling over $50,000 required the Governor's approval.
4. All budgeted and unbudgeted motor vehicle purchases require the Governor's approval (item number 21g.). Previously, only unbudgeted single purchase orders of motor vehicles totaling over $50,000 required the Governor's approval.