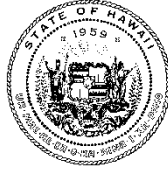


DAVID Y. IGE
GOVERNOR



CURT T. OTAGURO
COMPTROLLER

AUDREY HIDANO
DEPUTY COMPTROLLER

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

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

March 14, 2019

COMPTROLLER'S MEMORANDUM NO. 2019-05

TO: Department Heads

FROM: Curt T. Otaguro, Comptroller

A handwritten signature in black ink, appearing to read "Curt T. Otaguro".

SUBJECT: Quarterly Interest Rate for Late Vendor Payments

Pursuant to Section 103-10 of the Hawai'i Revised Statutes, the interest rate for obligations related to goods delivered or services performed that are unpaid after 30 days is equal to the prime rate for each calendar quarter plus two percent. The interest rate is adjusted quarterly using the prime rate as posted in the Wall Street Journal on the first business day of the month preceding the calendar quarter.

This memorandum is to inform you that the interest rate beginning April 1, 2019 and ending June 30, 2019 will be 7.50% per annum.

Interest due to vendors is automatically calculated if the payment is made in excess of 30 days from the Aging Start Date. The interest calculation is as follows:

Interest Due = (Daily Rate of Interest) x (Days in Excess of 30) x (Payment Amount)

Daily Rate of Interest = Current Interest Rate / 365 days

Days in Excess of 30 = Number of days starting from the day after the Aging Start Date up to and including the Date of the Check.

We will inform you of the effective interest rate at the beginning of each calendar quarter. If you have any questions, please call Mr. Kurt Muraoka of our Systems Accounting Branch at 586-0610.