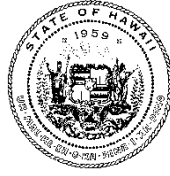


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**DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES**  
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September 14, 2022

**COMPTROLLER'S MEMORANDUM NO. 2022-16**

TO: Department Heads  
FROM: Curt T. Otaguro, Comptroller   
SUBJECT: Use of the Uniform Chart of Accounts

This memorandum is issued under the Comptroller's mandate in Section 40-2 of the Hawaii Revised Statutes to "make such changes and modifications in the accounting system as shall from time to time appear to be in the best interest of the State and counties." This provision gives the Comptroller authority and responsibility for changing and modifying the State accounting system in the best interest of the State and counties.

This memorandum requires use of the new uniform chart of accounts ("UCOA") by all State entities (collectively, "Covered Entities"). UCOA frequently asked questions attached.

The UCOA was developed by identifying the source and object codes that are commonly used in reporting units' secondary systems (non-FAMIS/DataMart) to capture the requisite level of detail needed. The list of such source and object codes was then standardized and organized into groupings based upon the Government Finance Officers Association's Blue Book.

The UCOA incorporates standardization of the current source and object codes in place for FAMIS today. The UCOA will be incorporated into the State's new Enterprise Financial System ("EFS") SAP platform and will represent the chart of accounts used by all Covered Entities, regardless of whether the Covered Entities directly use EFS as their accounting system or are approved to interface their accounting systems into EFS.

Data elements that are required must be received in accordance with the new UCOA. Including any other component agencies that may be operating independent accounting systems.

The EFS implementation team will provide more details for your use at a later time.

If you have any questions, please contact Lenora Fisher, DAGS Accounting Administrator at [lenora.d.fisher@hawaii.gov](mailto:lenora.d.fisher@hawaii.gov).

## Uniform Chart of Accounts (UCOA) FAQs

### WHAT IS THE STATE OF HAWAI'I UNIFORM CHART OF ACCOUNTS?

The UCOA is the State of Hawai'i's standard chart of accounts. It provides an enterprise framework to capture original transactions, to organize transaction data logically and consistently, and to provide a robust basis for reporting on the results.

### WHAT DOES STANDARDIZING THE UCOA DO FOR THE STATE?

The UCOA implementation is part of the State's continued efforts to modernize State government for better public service. A modern accounting system is replacing the aging FAMIS/Data Mart system, and the UCOA and associated business rules are necessary to:

- Support summary and detailed budget reporting (i.e. budgeted disbursements to actual disbursements; budgeted receipts to actual receipts).
- Support financial transaction reporting (actual data) to meet the reporting requirements of the State and individual departments.
- Provide a coding system with various components to meet complex reporting requirements (e.g. Annual Comprehensive Financial Report (ACFR), Schedule of Expenditures of Federal Awards (SEFA), month-end closing, year-end closing, budget to actual reporting, grants, projects, and investments) across the State.
- Address current (and any future) GAAP and Governmental Accounting Standards Board (GASB) reporting requirements.
- Provide the ability to aggregate data across and/or within the State (e.g., all cell phone costs for an organizational unit or for all State departments).
- Provide State departments, divisions, agencies, and other organizational units the flexibility to "drill down" to the lowest level of detail to view organizational data.
- Update the State of Hawai'i Accounting Manual.

Standardizing the chart of accounts presents several significant opportunities to trigger improvements in the State of Hawai'i's accounting practices:

- **Develops Single Structure**
  - Creates a single language
  - Creates efficiencies in recording and reporting
- **Creates Quality Standard for Finances**
  - Increases level and quality of financial detail
  - Improves the level of accounting performed
- **Reduces Recording and Reporting Risk**
  - Reduces translation errors
  - Streamlines data analysis and processing
  - Increases ability to manage and monitor financial information

### WHAT COMPLIANCE OPTIONS DO COVERED ENTITIES HAVE?

The Comptroller's Memorandum states:

*“The UCOA...will represent the chart of accounts used by all Covered Entities, regardless of whether the Covered Entities directly use EFS as their accounting system or are approved to interface their accounting systems into EFS. Data elements that are required must be received in accordance with the new UCOA, including from other component agencies that may be operating independent accounting systems.”*

Consequently, Covered Entities may:

1. Transition to the State EFS system, which incorporates the State UCOA into its enterprise data design and master data design.
2. Develop an interface that will translate data in accordance with the new State UCOA. The State will require all departments and attached agencies who choose to remain on their systems to create an interface that will convert their data in compliance with the new State UCOA.

#### **WHAT IS THE TIMEFRAME AND COST TO COMPLY WITH THE NEW UCOA?**

The EFS Project Team will be setting up meetings with respective departments in the near future to further discuss and assess potential impacts, such as system interfaces and sub-systems, which will be necessary to comply with the new UCOA.