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January 25, 1994

COMPTROLLER'S MEMORANDUM NO. 1994-2

TO: Heads of Departments

FROM: Robert P. Takushi, Comptroller

SUBJECT: Unused Airline Tickets

This memorandum addresses a current problem in the procedures relating to airline tickets purchased by a department, but apparently not used until a travel date later than the approved date under which the tickets were purchased.

Generally, the purchase of airline tickets is subject to the provisions of Section 40-56 of the Hawaii Revised Statutes. Under those provisions, payment should be made only after services have "been received in good order and condition." The standard certification signed on your department's payment voucher reflects that condition by stating that payment is "for services which have been faithfully performed and/or for materials and supplies received in good order and condition". In general, therefore, payment for airline tickets is made only after the travel for which the tickets were purchased.

There is an approved exception procedure in the case of discount airline tickets for which advance payment is required. This procedure is covered in Comptroller's Memorandum 1980-3 (January 25, 1980). The procedure covered in that Memorandum remains in effect and is not altered in any manner by this Memorandum.

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Our Pre-Audit Branch has noted several recent cases in which currently approved travel is undertaken with airline tickets that the department purchased for earlier travel. Voucher information relative to the earlier travel indicates that the earlier travel was completed in the normal manner; however, it apparently was not completed, since the airline tickets that had been purchased were not used for the previously approved travel. The conclusion is that the department submitted voucher certifications to the effect that the previously approved travel occurred when in fact it didn't.

To ensure an adequate understanding of the payment requirements applicable to airline tickets, please remind your staff responsible for processing payments as follows:

(1) Payments must conform to the statutory standards of Section 40-56, H.R.S.

(2) Advance payments are not allowed except as provided by statute and related policy (e.g., Comptroller's Memorandum 1980-3).

(3) In any unusual circumstances in which a department believes it should hold a purchased airline ticket for future use, the prior, written approval of this office must be obtained.

If your staff have any questions regarding this reminder memorandum, they may call our Pre-Audit Branch staff at 586-0663 or 586-0664. If a written approval (or determination) on this matter is needed, your department must make its request to this office in writing.

for ROBERT P. TAKUSHI
Comptroller