

INSTRUCTIONS

To Complete Forms of Department Financial Information Required for the Preparation of the State of Hawaii's Comprehensive Annual Financial Report (CAFR)

DUE DATES:

ALL SCHEDULES EXCEPT VOUCHERS PAYABLE - September 18, 2020

VOUCHERS PAYABLE – October 2, 2020

In accordance with Section 40-4, Hawaii Revised Statutes, we are requesting financial information to assist in the preparation of the State of Hawaii's Comprehensive Annual Financial Report (CAFR).

Information on accounts, notes and loans receivable, accrued vacation and sick leave, and capital assets will be requested for separately.

All financial information must be received on the dates stated above. Unless specified, each Department must consolidate all data or information and are required to submit only one report for the whole department (one department = one report). If you have any questions, please contact Lenora D. Fisher, Accounting System Administrator, at 586-0600, or email at lenora.d.fisher@hawaii.gov.

GENERAL INSTRUCTIONS:

1. **Transmittal Memorandum** – Complete the Transmittal Memorandum indicating the schedules that are attached for submission and the schedules that are not applicable (N/A). The Transmittal Memorandum must be signed by the Preparer and the Department Head or the Department Head's authorized designee.

Note that there are two (2) Transmittal Memoranda to be submitted: First is the transmittal for schedules due September 18, 2020 and the second is the transmittal for vouchers payable schedule due October 2, 2020.

Scan the signed Transmittal Memorandum and email to: bobet-uriel.obedoza@hawaii.gov. Maintain the original for your records.

The Transmittal Memorandum will be used to ensure completeness of all submissions. Schedules that are not applicable (N/A) are not required to be submitted.

2. **Excel templates** – Use Excel templates provided for all submissions. In order to ensure uniformity for all departmental submissions and easy consolidation, do not modify the templates. **ALL DEPARTMENTS ARE REQUIRED TO USE THE TEMPLATES PROVIDED.**

There are two Template files: (1) The templates for all schedules except vouchers payable and, (2) The template for vouchers payable.

Suggestions for modifications to FY 2021 Excel templates may be emailed to: adelyne.a.hayamoto@hawaii.gov.

3. **Schedules requested to be prepared by Fund** – For schedules requested to be prepared by Fund, segregate by the following:

- General
- Special
- Bond
- Trust

Sub-totals for various categories within funds (i.e. Federal Fund sub-total within Special Fund) are not required but may be included at the preparer's discretion. Totals for General, Special, Bond and Trust, and an overall Grand Total must be included.

4. **Variance Analysis for each schedule** – Factors or reasons for significant increase(s) or decrease(s) for each fund or total from the previous fiscal year should be provided. For purposes of determining significant increase or decrease, the increase or decrease should be at least 20.00% (= or >20%) and more than \$100,000 from the previous fiscal year.
5. **Required Schedules** – Vouchers Payable and Accrued Payroll schedules are required to be submitted. All other schedules must also be submitted, if applicable.
6. **Preparer and Reviewer information** – For each schedule, include the Preparer's and Reviewer's name, title, email address, and telephone number.

DEPARTMENT-SPECIFIC INSTRUCTIONS:

1. **B&F** – Exclude ERS and EUTF.
2. **DBEDT** – Exclude HHFDC, HTA, and HCDA.
3. **DCCA** – Exclude HHRF.
4. **DHHL** – Provide separate totals for CIP and non-CIP accounts. Do not prepare separate Construction Projects in Progress (CIP) Summary template.
5. **DHS** – Provide separate totals for Med-Quest Special Fund, CIP and Non-CIP accounts. Exclude HPHA. Do not prepare separate Construction Projects in Progress (CIP) Summary template.
6. **DLIR** – Provide separate totals for Unemployment Insurance.
7. **DLNR** – Provide separate totals for Small Boat Special Fund, CIP and non-CIP accounts. Do not prepare separate Construction Projects in Progress (CIP) Summary template.
8. **DOE** – Provide separate totals for CIP and non-CIP accounts. Do not prepare separate Construction Projects in Progress (CIP) Summary template.

9. **DOH** – Exclude Water Pollution Control Revolving Fund, Drinking Water Treatment Revolving Loan Fund, and HHSC.
10. **DOT Highways** – Provide separate totals for CIP and non-CIP accounts. Do not prepare separate Construction Projects in Progress (CIP) Summary template.
11. **JUD** – Provide separate totals for CIP and non-CIP accounts. Do not prepare separate Construction Projects in Progress (CIP) Summary template.

SCHEDULES REQUESTED:

The following financial information is requested:

1. **Cash Held Outside the State Treasury**

Financial Institution – Name of the financial institution where the cash is deposited (i.e. Bank of Hawaii).

Appropriation Acct. No. – Appropriation Account Number where the cash is recorded in FAMIS (i.e. T-999-V1).

Bank Account No. – Self-explanatory.

Balance 06/30/2020 – Book balance as of 06/30/2020.

Amount Insured or Collateralized – The dollar amount covered by federal deposit insurance or by collateral. Provide detail insurance and collateral (i.e. FDIC).

2. **Investments Held Outside the State Treasury, Including Derivative Instruments**

Financial Institution – Name of the financial institution where the investments are held (i.e. ABC Fund, LLC).

Appropriation Acct. No. – Appropriation Account Number where the investment is recorded in FAMIS (i.e. S-343-B).

Account No. – The department's account number at the financial institution.

Type of Investment – Provide a brief description of the type of investment (i.e. LLC).

Derivative Instrument (Y/N) – Indicate whether the investment is (Y) or is not (N) a derivative instrument. GASB 53 defines a derivative instrument as a financial instrument or contract that has ALL the following characteristics:

- 1) Settlement factors – One or more reference rates (e.g. LIBOR, SIFMA, etc.) and two or more notional amounts (e.g. number of currency units, shares, bushels, etc.) or payment provisions, or both.

2) Leverage – Requires no initial net investment or initial net investment lower than expected.

3) Net Settlement – Requires or permits net settlement.

Purchase Date – Self-explanatory.

Maturity Date – Self-explanatory.

Balance 06/30/2020 – Book balance as of 06/30/2020.

Market Value 06/30/2020 – Market value as of 06/30/2020.

3. **Inventories (Supplies)**

If the total value of consumable office supplies is greater than \$100,000, include a listing of consumable office supplies at 6/30/20. If the total value of consumable office supplies is less than or equal to \$100,000, this schedule may be omitted.

Description – description of the supply (i.e. paper, pens, binders, etc.) Do not include furniture and equipment as this information is captured through the FAIS inventory system, as applicable.

Balance 06/30/2020 – book value at 06/30/2020.

4. **Prepaid Expenses**

If the total value of prepaid expenses is greater than \$100,000, include a listing of prepaid expenses which are individually greater than \$5,000 at 6/30/20. Include expenses paid in advance that have a future benefit (i.e. insurance). If the total value of prepaid expenses is less than or equal to \$100,000, this schedule may be omitted.

Description – Self-explanatory.

Balance 06/30/2019 – This amount should agree to your FY 2019 ending balance.

Additions – Amounts paid in advance during FY 2020.

Deletions – Reductions due to benefit realized in FY 2020.

Balance 6/30/2020 – Equal to Balance 6/30/19 + Additions – Deletions.

5. **Construction Projects in Progress (CIP) Summary**

Attach your CIP detail listing that supports the additions, deductions, and completed projects reflected in the CIP summary schedule. Exclude projects delegated to DAGS where DAGS is the expending agency. DOE, DHHL, DHS, DLNR, JUD, and DOT Highways need not complete this schedule.

Beginning Balance 6/30/2019 – This amount should agree to your FY 2019 ending CIP balance.

New FY 2020→

If applicable, the beginning 06/30/2019 balance should agree to your department's annual financial audit report 06/30/2019 ending balance.

Additions – Amounts incurred and transfers in during FY 2020.

Deductions – Reductions due to deletions and transfers out to related capital asset accounts during FY 2020.

Ending Balance 06/30/2020 – Equal to Beginning balance 06/30/2019 + Additions – Deductions.

6. Impaired Assets

GASB 42 defines impaired assets as assets where BOTH of the following criteria are met:

- 1) The magnitude of the decline in service utility of the capital asset is significant, AND
- 2) The decline in service utility is unexpected (the event or change in circumstance is outside the normal life cycle).

Include the following per the FAMIS report MDB 902:

Asset Type (i.e. Building)

Description

Maint Control No.

Year Acquired

Cost

Accumulated Depreciation

Calculate Net Book Value = Cost – Accumulated Depreciation

Reason Asset is Considered Impaired – Include a brief statement regarding why the asset is considered impaired. DAGS and/or the auditors may contact you for further details.

7a. Vouchers Payable by Fund

Include vendor invoices not paid as of June 30, 2020 for goods received or services rendered prior to July 1, 2020.

Trans Code – Transaction Code per FAMIS (221, 231, 232, 241, 244, 245, 561, 565, 804)

F-FY-ACCT – F-FY-ACCT per FAMIS (i.e. G-20-002, S-21-325)

Object Code – Object Code per FAMIS (29XX – 59XX, 71XX-89XX)

Amounts

Payment – include total payment amount (i.e. \$100)

Encumbered/Unencumbered – Use these columns for **General Fund vouchers only**.

If the payment was encumbered as of 06/30/2020, include the voucher amount (i.e. \$100) in the “Encumbered” column.

- Do not include F-FY-Acct = X-21-YYY vouchers in the “Encumbered” column as these vouchers were not encumbered as of 06/30/2020.

If the voucher was unencumbered as of 06/30/2020, include the voucher amount (i.e. \$100) in the “Unencumbered” column.

Vendor Name – Per FAMIS, self-explanatory

Invoice No. – Per FAMIS, self-explanatory

Invoice Date – Per FAMIS. Invoice date may be before or after 07/01/2020; as long as goods received or services rendered prior to 07/01/2020.

Comptroller Voucher No. – Per FAMIS, self-explanatory

Dept Voucher No. – Per FAMIS, self-explanatory

Processing Date – Per FAMIS. All processing dates must be 07/01/2020 to 09/30/2020.

Prior to submitting the information departments should identify and provide explanations for large fluctuations by Fund total from the prior year.

Departments are also requested to report any material amounts identified after the initial submission.

7b. **Accrued Payroll by Fund**

Include wages and salaries by Fund earned as of June 30, 2020 but paid after June 30, 2020. For the General Fund only, indicate whether amounts were encumbered or unencumbered.

Include dollar amounts in cells highlighted in blue for:

- Regular salaries paid on July 2, 2020 for all employees.
- Regular salaries paid on July 20, 2020 for “after-the-fact” employees.

“After-the-fact” are salaried employees hired after June 30, 1998 not belonging to bargaining units 5 and 7 as well as temporary and part-time employees.

- Overtime and other pay types for pay periods ending on/prior to June 30, 2020 but paid after June 30, 2020.

Do not include imposition of Special Fund “fringe benefits” (e.g. 50.54%).

Details supporting the information being submitted should be maintained by the departments and be made available to the auditors if requested.

7c. **Other Accrued Liabilities by Fund**

Type of Liability – Self-explanatory.

Description – Provide a brief description of the liability.

Amount – Provide amount that should be accrued as of 06/30/2020

8. **Revenue Bonds Payable**

Include Revenue Bonds Payable as of June 30, 2020 and debt service requirements for principal and interest for Fiscal Years 2021 – 2025 and in five-year increments thereafter.

9a. **Rental Expenditures by Category**

Include rent expenditures for operating leases paid in the fiscal year ending June 30, 2020 (major object codes 55XX, 56XX, and 57XX). Sort and sub-total by the following categories – DAGS Managed Facilities, Other Facilities, Photocopiers, and Other.

Description – Self-explanatory

Dates – lease term – from MM/DD/YYYY through MM/DD/YYYY

Amount – Amount paid for the fiscal year ending June 30, 2020

9b. **Future Minimum Lease Commitments for Noncancelable Operating Leases**

Include future minimum lease commitments for noncancelable operating leases for Fiscal Years 2021 – 2025 and in five-year increments thereafter. Exclude amounts related to lease commitments for DAGS managed facilities as these amounts are recorded based on reports provided by the DAGS Leasing Branch.

9c. **Future Minimum Lease Commitments for Capital Leases**

Include future minimum lease commitments for capital leases including Certificates of Participation and Equipment Financing Agreements (not included in 9b above) for Fiscal Years 2021 – 2025 and in five-year increments thereafter.

10. **Service Concession Arrangements**

GASB No. 60 defines Service Concession Arrangements between a transferor (government) and an operator (government or non-government) in which all the following criteria are met:

- 1) The transferor conveys to the operator, the right and related obligation to provide public services through the use and operation of a capital asset in exchange for significant considerations.
- 2) The operator collects and is compensated by fees from a third party.
- 3) The transferor determines or has the ability to modify and approve what services the operator is required to provide, to whom the services are provided, and the price rates that can be charged for the services.
- 4) The transferor is entitled to significant residual interest in the service utility of the facility at the end of the arrangement.

Transferor – Government entity that conveys right and related obligation to the operator.

Operator – Government or non-government entity that collects and is compensated by fees from a third party.

Capital Asset/Facility – Self-explanatory.

Description of Arrangement – Provide a brief description of the arrangement. DAGS and/or the auditors may contact you for further details.