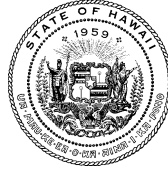


DAVID Y. IGE
GOVERNOR
KE KIA'ĀINA



AUDREY HIDANO
COMPTROLLER
KA LUNA HO'OMALU HANA LAULĀ

MEOH-LENG SILLIMAN
DEPUTY COMPTROLLER
KA HOPE LUNA HO'OMALU HANA LAULĀ

STATE OF HAWAII | KA MOKU'ĀINA O HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | KA 'OIHANA LOIHELU A LAWELAWE LAULĀ
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

December 1, 2022

COMPTROLLER'S MEMORANDUM NO. 2022-19

TO: All Department Heads

FROM: Audrey Hidano, Comptroller *Audrey Hidano*

SUBJECT: **Early Cancellation of 2022 Claims Encumbrances
Negative Response Required**

This is a reminder that all inactive operating funds claims encumbrances recorded as of June 30, 2022, will be cancelled and the related appropriation balances lapsed if the encumbrances have not been expended by the close of December 2022. This early cancellation process is applicable only to OPERATING appropriation accounts (general, special, federal, revolving, and trust) with lapse dates of June 30, 2022 and prior.

An encumbrance will be considered active and will be automatically extended if it meets **all** the following conditions:

1. Last activity date of the encumbrance is after August 1, 2022.
2. Total payment against the encumbrance is more than 50% of the encumbrance.
3. Amount is greater than \$25.00.

Any claims encumbrance not meeting all the above conditions as of the close of December 2022 will be considered inactive and will be cancelled. The Department of Education is exempt because of carryover provisions authorized by general law.

Encumbrances that are paid by journal vouchers using transaction code 804 will **not** be automatically extended even if all the conditions are met. Departments must therefore request an extension for these encumbrances. This is because transaction code 804 is not reflected as an encumbrance expenditure in the accounting records.

Departments (except DOE) should submit a response to us regardless of whether an extension is requested. Your response should be sent to DAGS Accounting Division no later than January 6, 2023. See below for guidelines:

1. Departments with attached agencies/divisions should consolidate the information into **one request.**
2. All encumbrances should be listed in order by fund, appropriation account, document number/suffix and **justification.** (See attached sample for the required format.)
3. Approved/disapproved signature sections must also be included in your extension request. (See attached.)
4. **If applicable, submit a memo indicating "No Extension Required".**
5. Extension requests and encumbrance lists that do not follow instructions in this memorandum will be returned.

If you have any questions, please call our fund accountants at 586-0637 or 586-0636.

Attachment

**ATTACHMENT TO COMPTROLLER MEMORANDUM 2022-19
EARLY CANCELLATION OF 2022 CLAIMS ENCUMBRANCES**

Required Format for Claims Encumbrance Listing:

<u>Apprn Acct</u>	<u>Apprn Lapse Date</u>	<u>Document #</u>	<u>Vendor Name</u>	<u>Amount</u>	<u>Justification</u>
G-22-001-A	06/30/22	1234-01	Vendor A	5,000.00	Goods received – pending invoice
G-22-001-A	06/30/22	1243-02	Vendor B	3,000.00	Pending travel receipts for 5/1-5/5/22
G-22-023-A	06/30/22	0G22023A	Vendor C	6,000.00	Vacation Payout pending
S-20-212-A	06/30/22	3456-01	Vendor D	3,000.00	Pending statement of travel for 1/15/22
S-20-222-A	06/30/22	3566-02	Vendor E	2,000.00	Project active
S-20-222-A	06/30/22	3566-03	Vendor E	1,000.00	Final payment pending
S-22-355-A	06/30/22	4300-01	Vendor F	4,000.00	Pending receipt of goods
T-22-903-A	06/30/22	6544-01	Vendor G	9,000.00	Services in progress (incl dates)

Format for Approved/Disapproved Signature Section:

Approved Disapproved

Lenora D. Fisher, Accounting System Administrator

Dated: _____

Approved Disapproved

Audrey Hidano, Comptroller

Dated: _____