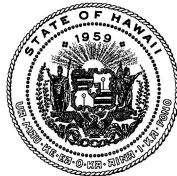


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July 21, 2023

COMPTROLLER'S MEMORANDUM NO. 2023 – 16

TO: Heads of Departments and Agencies
FROM: Keith A. Regan, Comptroller 
SUBJECT: Extending Claims Encumbrances

This memorandum supersedes Comptroller's Memorandum No. 1997-37 dated December 29, 1997.

Effective immediately, the Comptroller's policy on extending claims encumbrances for operating and CIP appropriations has been revised. The following describes the changes that are now in effect.

Claims encumbrances for operating appropriations

- In accordance with Hawaii Revised Statutes §40-90, an annual review will be conducted at the end of each December to determine if an encumbrance is eligible for extension. Encumbrances recorded against appropriations not subject to §40-90 will be automatically extended to the maximum allowed period.
- The allowable period for State operating appropriations is one year after the lapse date of the appropriation and three years after the lapse date for federal operating appropriations. At the discretion of the Comptroller, an extension may be granted if well-documented extenuating circumstances, such as supply chain issues, cause the appropriation to not be expended timely.

Claims encumbrances for CIP appropriations

- Annual extensions will be allowed for three years after the lapse date of the appropriation.

Departments are encouraged to cancel any encumbrance prior to the specified period if it is no longer required. If there are any questions, please call the Accounting Division Administrator at 808-586-0599.