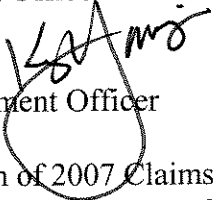


**DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ADMINISTRATIVE SERVICES OFFICE**

November 23, 2007

TO: All Divisions, District and Staff Offices
Administratively Attached Agencies
Risk Management Office

FROM: Kerry Yoneshige 
Business Management Officer

SUBJECT: Early Cancellation of 2007 Claims Encumbrances
Comptroller's Memorandum No. 2007-26 (dated November 21, 2007)

Attached for your information and appropriate action is the above-referenced memorandum regarding encumbered claims (purchase orders, blankets, and payroll blankets) encumbered as of June 30, 2007, for operating funds. As a reminder, both criteria stated in the memo must be met for an encumbrance to be considered active and be automatically extended (with the exception as noted for encumbrances paid by journal vouchers).

Requests to extend encumbrances not meeting the criteria, but required to be extended, should be submitted to the Comptroller *through DAGS Accounting Division* (not the Administrative Services Office) by Friday, December 14, 2007. As stated in the Comptroller's Memorandum, the request must include:

1. The approved/disapproved signature sections.
2. An encumbrance listing that includes fund, followed by appropriation account number, purchase order number or encumbrance advice number (blanket) and applicable suffix (in numerical order), vendor name, and balance amount.

Requests for payments against prior year lapsing encumbrances (with all required supporting documentation) must be received by the Administrative Services Office no later than 12:00 p.m. (noon), Wednesday, December 19, 2007 to be processed as of December 28, 2007.

If you need a listing of the existing affected encumbrances for your program(s), please email a request to Shail Ako at shail.s.ako@hawaii.gov specifying applicable appropriations. A listing of the encumbered purchase orders recorded under the appropriations provided will then be sent to you. If you have any questions, please call Shail at 586-0701.

attachment – Comptroller's Memorandum No. 2007-26



STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES
P.O. BOX 119
HONOLULU, HAWAII 96810-0119

NOV 21 2007

COMPTROLLER'S MEMORANDUM NO. 2007-26

TO: All Department Heads

SUBJECT: Early Cancellation of 2007 Claims Encumbrances

This is a reminder that all inactive operating funds claims encumbrances recorded as of June 30, 2007, will be cancelled and the related appropriation balances lapsed, if the encumbrances have not been expended by the close of December 2007. To meet this deadline, all expenditure vouchers containing payments against prior year encumbrances must be received by DAGS Accounting Division's pre-audit branch on or before December 28, 2007. This early cancellation process is applicable only to operating funds (general, special, federal, revolving and trust) expended by the executive branch unless otherwise provided by law.

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

1. Last activity date of the encumbrance is after August 1, 2007.
2. Total payment against the encumbrance is more than 50% of the encumbrance.

Any claims encumbrance not meeting both conditions as of December 28, 2007 will be considered inactive and will be cancelled. The Department of Education is exempt because carryover provisions provided under general law conflict with the cancellation requirement.

Encumbrances that are paid by journal vouchers using transaction code 804 will not be automatically extended even if both conditions are met. Departments must therefore request an extension for these encumbrances.

Extension requests must also be submitted for federal and trust fund encumbrances that do not meet both conditions above, but whose conditions of funding prohibit cancellation of the encumbrances.

Please submit all extension requests to me through DAGS Accounting Division by December 14, 2007. **The encumbrance list you attach to your request shall be by fund, followed by appropriation account number, purchase order number or encumbrance advice number (blanket) and applicable suffix (in numerical order), vendor name, and balance amount.**

The enclosed approved/disapproved signature sections must also be included in your extension request.

If you have any questions, please call Mr. Glenn Miyashiro of our Accounting Division at 586-0599.


RUSS K. SAITO
State Comptroller

Enclosure

APPROVED DISAPPROVED

WAYNE M. HORIE, DAGS Accounting Division Administrator

Dated: _____

APPROVED DISAPPROVED

RUSS K. SAITO, State Comptroller

Dated: _____

Attachment