STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
HONOLULU, HAWAII

July 29, 1983

MEMORANDUM NO. 1983-21

TO: Heads of Department and Agencies
Attention: Fiscal Offices

FROM: Hideo Murakami, Comptroller

SUBJECT: Red-Tag (Priority) Voucher Payments

Based on our initial experience with vouchers departments are submitting under our new FAMIS accounting system, there may be a need to help fiscal offices recognize the differences between those procedures that have changed and those that have not, with regard to red-tag (priority) voucher payments.

The following procedures have changed:

(1) There are now only two basic methods for a department to use in preparing a Summary Warrant Voucher (SWV). The regular method is to obtain a computer-prepared SWV through the FAMIS "Preliminary edit process" using either of the two PAYMENT CODING INPUT forms -- SAForm C-12 and SAForm C-13. The alternative (exception) method is to prepare manually a SWV using the SUMMARY WARRANT VOUCHER - MANUAL form -- SAForm C-08. The chief difference between these two methods is that the manually-prepared SWV was designed for use only when a department discovers a warrant is required the next day and a computer-prepared voucher has not yet been obtained through the preliminary edit process; in such cases, since it is not then feasible to obtain a computer-prepared voucher through the preliminary edit process, the department can manually prepare the voucher using SAForm C-08.

(2) In FAMIS, transaction-level data-entry of payments vouchered manually on SAForm C-08 is preformed by our Central Accounting personnel (not by EDP Division). This feature of the priority payment procedure was established to enhance the priority processing of such payments within the system, and on the premise that use of manually prepared SWV's would be minimal. Central Accounting cannot allow over-use of manually prepared SWV's, since over-use would result in delayed data-entry for some of the SWV's or later assignment of data-entry to EDP Division; either of these results would, in turn, result in

payments not being made on a priority (next day) basis. For these reasons, manually prepared SWV's must be used only as described in (1) above unless prior approval has been given by Central Accounting to use a manually prepared SWV in some other exceptional case.

(3) If a department needs priority in obtaining a computer-prepared voucher (as distinguished from priority in making payment on a "next day" basis), the department should submit to EDP Division the appropriate PAYMENT CODING INPUT form (SAForm C-12, or SAForm C-13) by 10:00 a.m. of that day for computer-preparation of voucher by FAMIS that night. PAYMENT CODING INPUT forms received by EDP Division after its 10:00 a.m. deadline will be processed in FAMIS during the following night. In either case, the department should code "1" in the red-tag indicator block of the PAYMENT CODING INPUT form, so that FAMIS will process and post the transactions before any payments not so coded on other SWV's.

(4) Generally, under FAMIS, it is to a department's advantage to use a computer-prepared voucher, rather than a manually prepared voucher, to avoid potential delays in payments. This is because of the computer's pre-editing that is performed in connection with producing a computer-prepared voucher. Manually prepared vouchers are more likely to contain errors when the vouchers are submitted to Central Accounting for pre-audit, since there is not computer pre-editing of a manually prepared voucher before Central Accounting's pre-audit. Errors remaining at that point are likely to take longer to correct, due to turnaround with the agency, than they would have taken for correction by the agency at the initial pre-editing stage of a computer-prepared voucher. Departments should also keep in mind that preparing manual SWV's by typewriter in high volume will defeat the efficiency built into the PAYMENT CODING INPUT procedure; the PAYMENT CODING INPUT forms may be handwritten (as long as they are legible).

The following procedures have not changed:

(5) If, at the time a voucher is submitted to Central Accounting for payment, a department needs priority pre-audit so that the payment warrant will be issued the next day, the department must staple a red-tag to the upper edge of the voucher to assure it is put on a priority track when it is received by Central Accounting.

(6) Stapling a red-tag to a voucher for which a department needs priority pre-audit is required for both computer-prepared vouchers and manually prepared vouchers.

(7) A department needing a payment warrant to be issued the next day must have its red-tagged voucher submitted to Central Accounting (specifically, the Pre-Audit Branch) by 2:00 p.m. in order to have the payment warrant issued the next day; the payment warrant for a red-tagged voucher received by the Pre-Audit Branch by the 2:00 p.m. cut-off will be available the following morning (assuming there is no error or pre-audit problem fatal to approval of the voucher).

(8) On any red-tagged voucher for which an agency has special distribution instructions (that is, instructions for distribution other than our direct mailing to the payee, and other than our returning the warrants to the department if "1" has been coded in the warrant routing indicator block), the department must note the special distribution instructions on the face of the voucher. (This continuing procedure also continues to apply to vouchers not red-tagged for priority.)

(9) As has always been the case, it is to the advantage of both departments and Central Accounting for departments to plan ahead sufficiently to avoid the need for a priority (next day) payment to be made. Problems external to FAMIS (such as the recent power outage) can leave departments without payment at the last minute whenever advance planning is not adequate. With regard to over-use of the red-tage priority procedure, the Pre-Audit Branch will continue to maintain its log of such vouchers by department and can be expected to warn departments appearing to over-use the procedure. As in the past, if a department's over-use degrades the operation of the system, Pre-Audit will remove the red-tags as necessary.

In closing, we would like to stress the importance of the changed procedures referred to in items (1) through (4) above. Departments should avoid manually prepared vouchers whenever possible, in favor of utilizing computer-prepared vouchers, because optimum system performance is based on the pre-editing that occurs in connection with computer-prepared vouchers. As indicated in item (6) above, a computer-prepared voucher can be red-tagged in the same manner as a manually prepared voucher, as has always been the case.

Your forwarding this memorandum to the specific offices in your agency responsible for voucher payments will be appreciated.

HIDEO MURAKAMI
Comptroller