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November 12, 1993

COMPTROLLER'S MEMORANDUM NO. 1993-21

TO: Heads of Departments

FROM: Robert P. Takushi, Comptroller

SUBJECT: Submission of Contracts for Encumbrance and Certification

In the interest of prompt processing of contract-related transactions, this memorandum is a reminder to all expending agencies of the need to submit complete, accurate, and timely transaction paperwork.

Contract transaction paperwork includes, in addition to the contract itself, the transmittal letter requesting either encumbrance only or both encumbrance and certification, the CONTRACT INPUT form (State Accounting Form C-41), the BATCH SLIP (State Accounting Form A-47), and all required approvals or clearances for the particular contract being submitted.

When incomplete contract submissions are received, processing of the encumbrance is delayed. That delay often also delays payment to the contractor, as a contract payment cannot be processed until pre-audit of the contract itself has been completed. Such delays are wasteful of staff time both in your department and ours, due to the additional staff time taken to request missing information and to respond to the requests.

Similarly, when contract paperwork with inaccuracies is received, processing of the contract encumbrance is delayed until the inaccuracies can be cleared. The inaccuracies often appear to be the result of carelessness; the mistakes would not have been difficult to avoid. While such errors are simple for an expending agency to correct, a delay of several working days may be taken with the correction.

This reminder on processing contract transactions also extends to the element of timeliness. Submission of your contract paperwork must be submitted to us early enough for the transaction to be processed before the effective date for work to begin under the contract; otherwise, work under the contract is delayed. Also, no payment under the contract can be made under an encumbered contract until the encumbrance transaction has been processed and a fully executed copy of the contract is in our files.

Please forward this reminder memorandum to the offices in your department that are involved with processing contract-related transactions. It is important that the offices understand the delays resulting from the return of incomplete or erroneous submissions. If office staffs have questions regarding the submissions, they may call Shirley Kaiura of our staff at 586-0667.

ROBERT P. TAKUSHI
Comptroller