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BENJAMIN J. CAYETANO
GOVERNOR

WAYNE H. KIMURA
COMPTROLLER

MARY ALICE EVANS
DEPUTY COMPTROLLER

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

MAY 10 2001

COMPTROLLER'S MEMORANDUM NO. 2001-13

TO: Heads of Departments and Agencies

ATTN: Administrative and Fiscal Officers

SUBJECT: New Form - Assignment of Money By Party to Whom State is Directly Indebted, SAFORM C-34

This is to inform departments that a new form, Assignment of Money By Party to Whom State is Directly Indebted, SAFORM C-34, will be implemented on May 1, 2001. This new form will allow the current contract's assignee to bill the State directly for the payments being received under a chapter 37D contract.

Departments may start ordering this form from Correctional Industries beginning May 14, 2001. Attached for your information is a sample copy of the new form which will be printed on blue paper.

Should there be any questions regarding this memorandum, please call Dona Kang of our Systems Accounting Branch at 586-0610.

WAYNE H. KIMURA
State Comptroller

Attachment

MAY 14 2001

STATE OF HAWAII

# ASSIGNMENT OF MONEY BY PARTY TO WHOM STATE IS DIRECTLY INDEBTED

(Pursuant to Section 37D-2, Hawaii Revised Statutes)

## INSTRUCTIONS AND EXPLANATION FOR FILLING IN FORM
## DO NOT FILL IN THIS SIDE OF FORM

1. **Legal Reference.** Section 40-58, Hawaii Revised Statutes (HRS). " In favor of assignees. No assignment of moneys by a person to whom the State is directly indebted shall be effective unless the assignment is first approved by the comptroller. The comptroller may prescribe the form for an assignment, and may approve the assignment within a reasonable time period if in his discretion, the rights or obligations of the State under any contract or other undertaking or under any law, rule, or order by a competent authority will not be prejudiced thereby. Upon approval of the assignment, the comptroller shall draw a check payable to the assignee. Except as to contracts encumbered by the comptroller, each expending agency, upon modification of the comptroller's approval of an assignment, shall prepare a claim for payment in accordance with the terms of the assignment." Section 37D-2(4), HRS. "Except as otherwise provided in this section with respect to the University of Hawaii, the sale, assignment, or other disposition of any financing agreements, including certificates of participation, shall require the approval of the director [of finance]."

2. **Instructions to CONTRACTOR for filling in the blank spaces on this form.**
Enter information in each blank space in the following sequence:

a. _____
(Name of Party to Whom State is indebted, either by virtue of an original Contract or by a prior assignment)

_____
(Address) (City) (State) (Zip Code)

Enter the name and address of party to whom the STATE is indebted.

_____
(This party is referred to as the CONTRACTOR.)

b. _____
(Specify total amount of check(s) or the words "All sums").

Enter either the specified total amount covered by this ASSIGNMENT form, which amount must be within the total amount that will be due and owing to the CONTRACTOR by the STATE OF HAWAII, or the words "All sums", if it is the CONTRACTOR's intent to assign all amounts that will be due and owing to the CONTRACTOR under the CONTRACT.

c. _____
(Contract No., Purchase Order No., or other identification of obligation)

Enter the contract number, purchase order, and any other appropriate identification of the obligation under which the indebtedness will be due and owing to the CONTRACTOR. (NOTE: For other than contract number, attach a copy of the supporting document(s) of the obligation.)

d. _____
(Name)

_____
(Address) (City) (State) (Zip Code) (Assignee No.-Sfx.)

Enter the name and address of the person or entity designated by the CONTRACTOR as the ASSIGNEE, to whom payment is to be made. (Assignee No.-Sfx. to be completed by department.)

e. _____
(Signature) (Title) (Date)

Signature and title of the person authorized to sign the request form on behalf of the CONTRACTOR, and the date signed. Submit the form to the DIRECTOR OF FINANCE, STATE OF HAWAII before the COMPTROLLER, STATE OF HAWAII for their approvals.

3. **Consent.**
Approval of the DIRECTOR OF FINANCE, STATE OF HAWAII is indicated only by the Director's signature, dated in the space provided. Consent to the ASSIGNMENT by the COMPTROLLER, STATE OF HAWAII is indicated only by the Comptroller's signature, dated in the space provided.

4. **Payments.**
Payments are based on specific amounts vouchered and submitted for payment by the expending agency.

5. **Cancellation to Reduction of Assignment.**
Consent or reduction of this assignment must be requested, in writing, supported by a written statement from the ASSIGNEE consenting to the cancellation or reduction.

6. **Signatures and Notarizations.**
   a. **Corporation:** If the CONTRACTOR is a corporation, the officers or other persons authorized to sign on behalf of the corporation, as evidenced by a corporate resolution, should sign and have their signatures acknowledged before a notary, using a corporate acknowledgment form.

   b. **Partnership:** If the CONTRACTOR is a partnership, the partners should sign and have their signatures acknowledged before a notary, using a partnership acknowledgment form.

   c. **Sole Proprietor:** If the CONTRACTOR is an individual, i.e., doing business as a sole proprietor, the owner's signature should be acknowledged before a notary, using an individual acknowledgment form.

7. **Number of Copies.**
Five (5) copies of the form are prepared and submitted to the Department of Accounting and General Services (DAGS) Accounting Division, through the department or agency vouchering the payment.

8. **Distribution.**
Distribution of the completed form is made by DAGS Accounting Division as follows:
   COPY #1 - COMPTROLLER, STATE OF HAWAII (DAGS Pre-Audit Branch)
   COPY #2 - DIRECTOR OF FINANCE, STATE OF HAWAII
   COPY #3 - ASSIGNEE
   COPY #4 - CONTRACTOR
   COPY #5 - DEPARTMENT

# STATE OF HAWAII

## ASSIGNMENT OF MONEY BY PARTY TO WHOM STATE IS DIRECTLY INDEBTED

(Pursuant to Section 37D-2, Hawaii Revised Statutes)

**TO THE COMPTROLLER AND DIRECTOR OF FINANCE, STATE OF HAWAII:**

_____
(Name of Party to Whom STATE is indebted, either by virtue of an original Contract or by a prior assignment)

_____
(Address) (City) (State) (Zip Code)

hereinafter referred to as " CONTRACTOR", requests the COMPTROLLER to pay by a check or checks the amount of

$ _____, now due or to become due and owing to the CONTRACTOR
(Specify total amount of check or the words "All sums")

from the STATE OF HAWAII under _____
(Contract No. Or Purchase Order No.) (Name of State Department or Agency)

(hereinafter referred to as the "CONTRACT") to the order of _____
(Name)

_____
(Address) (City) (State) (Zip Code)

_____ hereinafter referred to as "ASSIGNEE", subject to the conditions set forth herein.
(Assignee No.-Sfx.)

The CONTRACTOR warrants and represents that he/she/it has not heretofore sold, assigned, or otherwise disposed of the money due or to become due under the CONTRACT, and that there are no orders, garnishments, or attachments outstanding affecting the same in any way.

The STATE consents to draw the check(s) for the amount designated by the ASSIGNEE from time to time by invoice up to the total amount set forth above, and by such consent the STATE does not assume any obligation, duty or liability whatsoever under any agreement, written or otherwise, between or among the CONTRACTOR and the designated ASSIGNEE or any other person(s) or entity, notwithstanding any provision, term or condition in or constituting said agreement. The STATE's consent to drawing the check(s) as designated by the ASSIGNEE is also subject to any withholding request by the DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS for violations under Chapter 104, Hawaii Revised Statutes; by the DEPARTMENT OF TAXATION for delinquent taxes; and by any other department of the STATE OF HAWAII for any claim outstanding against the CONTRACTOR or designated ASSIGNEE. Further, it is expressly understood that the STATE's consent hereto is limited strictly to those sums which may be owing to the CONTRACTOR pursuant to the CONTRACT.

The CONTRACTOR hereby releases and forever discharges the STATE from any and all liability whatsoever on account of any and all moneys paid to the ASSIGNEE, pursuant to this ASSIGNMENT.

Evidence of authority to sign this ASSIGNMENT on behalf of the CONTRACTOR must be submitted with this ASSIGNMENT in a form satisfactory to the COMPTROLLER.

_____
(Signature)

_____
(Title)

_____
(Date)

Consent to the above ASSIGNMENT is hereby granted.

_____
(DIRECTOR OF FINANCE, STATE OF HAWAII) (Date)

_____
(COMPTROLLER, STATE OF HAWAII) (Date)

SEE REVERSE SIDE FOR INSTRUCTIONS