

LINDA LINGLE  
GOVERNOR



RUSS K. SAITO  
Comptroller

KATHERINE H. THOMASON  
Deputy Comptroller

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

DEC - 2 2005

**COMPTROLLER'S MEMORANDUM NO. 2005-31**

TO: Heads of Departments  
ATTN: Fiscal Offices and Personnel Offices  
SUBJECT: Mandatory Reporting of Cash Awards

Employee awards for outstanding work are includable in an employee's gross pay as taxable income and must be reported on Form W-2. To comply with this requirement, all manager, employee, and team award recipients' calendar 2005 awards must be reported in the pay period ending December 15, 2005. Employee cash awards will be included in awardee's gross pay for 2005.

Please review your records and report applicable awards on the appropriate payroll change schedules with pay type code "T".

If you have any questions, please call Wayne Horie, Accounting Division Chief, at 586-0600.

A handwritten signature in black ink, appearing to read "Russ K. Saito".

RUSS K. SAITO  
State Comptroller