



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

**JUN - 6 2006**

**COMPTROLLER'S MEMORANDUM NO. 2006-14**

TO: Department Heads

SUBJECT: Quarterly Interest Rate for Late Vendor Payments

Pursuant to Section 103-10 of the Hawaii Revised Statutes, the interest rate for obligations related to goods delivered or services performed that are unpaid after 30 days is equal to the prime rate for each calendar quarter plus two percent. The interest rate is adjusted quarterly using the prime rate as posted in the Wall Street Journal on the first business day of the month preceding the calendar quarter.

This memorandum is to inform you that the interest rate for the quarter beginning July 1, 2006 and ending September 30, 2006 will be 10.00% per annum. To calculate the daily rate of interest, divide the rate of interest by 365 days.

We will inform you of the effective interest rate at the beginning of each calendar quarter. If you have any questions, please call Mr. Kurt Muraoka of our Systems Accounting Branch at 586-0610.

A handwritten signature in cursive script that reads "Russ K. Saito".

RUSS K. SAITO  
State Comptroller