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DEPT. OF
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DEC 30 1 20 PM '97

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PPB OFFICE

COMPTROLLER'S MEMORANDUM 1997-37

TO: Heads of Departments

SUBJECT: Extending Claims Encumbrances

Effectively immediately, the Comptroller's policy on extending claims encumbrances for operating and CIP appropriations have been revised. The following describes the changes that are now in effect.

Claims encumbrances for operating appropriations

- Departments are no longer required to submit an extension request to the comptroller at the end of each quarter. In accordance with Section 40-90, Hawaii Revised Statutes, an annual review will be conducted at the end of each December to determine if an encumbrance is eligible for extension. Encumbrances recorded against appropriations not subject to Section 40-90 will automatically be extended to the maximum allowed period.

- The maximum allowed period for State operating appropriations is one year after the lapse date of the appropriation and three years after the lapse date for federal operating appropriations. The previous policy was 1 year and 6 years, respectively.

Claims encumbrances for CIP appropriations

- Annual extensions will be allowed for three years after the lapse date of the appropriation. The previous policy was 6 years from the date of recordation of the encumbrance.

Departments are encouraged to cancel any encumbrance prior to the specified period if it is no longer required.

If there are any questions, please call Wayne Horie of our Accounting Division at 586-0599.

SAM CALLEJO
Comptroller