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STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
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SEP 29 2003

COMPTROLLER'S MEMORANDUM NO. 2003-22

TO: Heads of Departments

SUBJECT: Protocol Fund

This memorandum supersedes Comptroller's Memorandum No. 2001-26, dated October 4, 2001. Section 143 of Act 200, SLH 2003 allows the establishment of a protocol fund of $2,500, to cover expenditures incurred in connection with your official duties as the head of your department. When charges against the protocol fund are required but you are not able to make the purchase (e.g. you are absent or unable to attend an event) and your deputy represents you, the expenses incurred by your deputy shall be considered proper charges against the protocol fund.

The protocol fund charges should relate to the department's program objectives. Acceptable charges include the following:

1. Meals and refreshments while entertaining private and public sector officers on official business, fellow cabinet members on tour of your department, and fellow employees during staff meetings conducted by you or your designated representative;

2. Token gifts (including leis) when welcoming or visiting government officials and miscellaneous client groups; and

3. Gifts such as plaques, framed commendations, or trophies to recognize services rendered to a department by board members, commission members, and volunteers. (Note: Gifts to employees related to service and incentive awards should follow policies issued by the Department of Human Resources Development).

Following is a list of unacceptable charges:

1. Club memberships;

2. Political or charitable contributions which include gifts to legislators and their staff;

3. Show and sporting events tickets;

4. Penalties and fines, including traffic and parking tickets;

5. Clothing except where a uniform or particular form of dress is mandated;

6. Purchase of items which will be used by a director upon termination from the position as department head;

7. Gifts which do not directly support the function of the government entity. Examples include flowers and fruit baskets sent for sickness or death to employees or relatives of employees; appreciation gifts for secretaries, etc.; and

8. Alcoholic beverages and tobacco products.

Bank of Hawaii charge cards have been discontinued. However, you may obtain a purchasing card (pCard) for protocol purchases. Information on obtaining a pCard, which is a Sate Procurement Office (SPO) program, will be provided shortly.

Appropriation accounts previously established to account for expenditures made from the protocol fund remain in effect. The existing process to establish the protocol fund by preparing a Journal Voucher (Form A-27) and Request for Allotment (Form A-19) also remains unchanged. Department fiscal staff should continue to segregate, process, and notate protocol fund expenditures on separate summary warrant vouchers.

If there you have any questions, please call me at 586-0400 or call Wayne Horie of our Accounting Division at 586-0600.

Russ K. Saito

RUSS K. SAITO
State Comptroller