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

MAR 1 2004

COMPTROLLER'S MEMORANDUM #2004-08

TO: Heads of Departments

SUBJECT: Cancellation of Interest Generated Summary Warrant Vouchers (SWV)

This memorandum is to inform all departments that effective immediately, directors or deputy directors must approve all requests to cancel any Summary Warrant Voucher (SWV) for the payment of interest resulting from late vendor payments. This will ensure that you agree on the reason why the interest amount calculated is not owed to the vendor.

For your information, the State's accounting system calculates interest when it takes more than 30 days to pay an invoice and prints a message on the check's remittance advice informing the vendor of the interest amount. If the interest calculated is $5 or more, a SWV is automatically produced. If it is determined that the vendor is entitled to the interest, departments should be approving and processing the SWV for payment. Our current procedures require the vendor to bill the department for any interest that is less than $5.

If you or your staff has any questions, please call Wayne Horie at 586-0600.

Russ K. Saito
RUSS K. SAITO
State Comptroller