

|  |          |
|--|----------|
| <b>INTERNAL<br/>COMMUNICATION FORM</b><br>DEPARTMENT OF HUMAN SERVICES | Suspense |
|--|----------|

|   |                                       |
|---|---------------------------------------|
| Subject: FMO CIRCULAR NO. PM 07-01, AMENDMENT 1<br>DOCUMENTATION REQUIREMENTS FOR PURCHASE OF GOODS OR SERVICES | Originator: Eloise Uehara<br>586-5020 |
| To: SOs, DAs, BAs, SAs, USs   | From: FMO                             |
| Date: 11/21/07  | Memo No. 1                            |

Attached is Comptroller's Memorandum 2007-20 (Amended) which defines required documents when payments are made by state checks, by state pCard, and by payees requiring reimbursement. All document requirements cited in this memorandum pertains to both employees and clients. Following are additions to the original memorandum.

Payments Made by State Checks

"If a receipt for reimbursement is lost or destroyed and the amount of the reimbursement is less than \$25.00, the individual must certify that the receipts was lost or destroyed and that no other request for payment for the item will be made."

The amount of the purchase and description of the "item" (i.e., parking, taxi fare, folder, diapers, etc.) should be included in the certification statement.

Payments Made by State Procurement Cards (pCard)

"As allowed under Section 40-56, HRS, I have determined that a pCard charge made prior to the receipt of the materials, supplies, and incidentals is an advance payment that conforms to common business practice."

The Comptroller recognizes it is common business practice that payments are processed by the vendor prior to the delivery of goods/services from online ordering. He deems it acceptable as long as the goods/services are received within a reasonable length of time after the charge has been processed.

Payments Made by Employees Requiring Reimbursements from the State

"Employees requesting reimbursements from the State should provide one of the documents listed above under the heading 'Payments Made by State Procurement Cards (pCard).' The documents should include the amount paid by the employee. If there is no indication of the actual amount paid or no charge receipt is given, the employee must provide a copy of the credit card statement reflecting the actual cost for which reimbursement is being sought.

Employees and clients requesting reimbursements are required to show proof of payment if the document received from the vendor does not indicate payment was made. If the employee's/client's charge card was used to make the payment and the document used to support the reimbursement does not indicate the amount paid, a copy of the credit card statement reflecting the cost must also be submitted. Reimbursement will be made payable to the cardholder.

If there are any questions, please call the Pre-Audit clerk assigned to your office. Thank you for assistance and cooperation.

  
 \_\_\_\_\_  
 FMO

Attachment

c: DIR  
 CSW



07 1070

RUSS K. SAITO  
Comptroller

BARBARA A. ANNIS  
Deputy Comptroller

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

NOV - 9 2007

2007 NOV 13 A 8:54  
FISCAL  
DEPT OF HUMAN SVCS  
STATE OF HAWAII

**COMPTROLLER'S MEMORANDUM NO. 2007-20 (AMENDED)**

TO: Heads of Departments  
ATTN: Fiscal Offices  
SUBJECT: Documentation Requirements for Purchases of Goods or Services

This memorandum supersedes the following memorandums:

Comptroller's Memorandum No. 2003-28 dated November 14, 2003,  
Requirement for Original Bills (Invoices or Receipts);

Comptroller's Memorandum No. 2004-21 dated August 17, 2004,  
Electronic Billing and Payment; and

Comptroller's Memorandum No. 2005-10 dated May 6, 2005, pCard  
Charges Made Prior to Receipt of Goods.

**Payments Made by State Checks**

As required by Section 40-56, Hawaii Revised Statutes (HRS), original bills (invoices or receipts) must be submitted and certified that all materials, supplies, and services have been received in good order and condition before payments are made from State funds.

If the original invoice is lost or destroyed, a carbon copy or a photocopy of the original invoice will be accepted with a statement from an authorized vendor representative certifying that the invoice is a true and correct copy of the original invoice.

If a receipt for reimbursement is lost or destroyed and the amount of the reimbursement is less than \$25.00, the individual must certify that the receipt was lost or destroyed and that no other request for payment for the item will be made.

Reimbursements for payment to parking meters, and newspaper dispensers or for bus fares for which receipts are not provided and which are generally less than \$5.00 will not require receipts. A certification by the individual claiming the reimbursement for the amount paid is sufficient.

If there is no original receipt and the amount exceeds \$25.00, the individual seeking reimbursement shall obtain the Comptroller's approval regarding the acceptability of the documents submitted in lieu of the receipt. The request should specify why no receipt can be submitted, and the individual must substantiate the amount being requested by confirmation from the original vendor of what the reimbursement amount would be for similar goods or services.

#### **Payments Made by State Procurement Cards (pCard)**

As allowed under Section 40-56, HRS, I have determined that a pCard charge made prior to the receipt of the materials, supplies, and incidentals is an advance payment that conforms to common business practice. Furthermore, Section 40-57.6, HRS, allows the Comptroller to determine "...the acceptability of any document submitted in lieu of an original bill." The following documents will be accepted for purchases made by pCard:

1. Customer sales slip or charge receipt reflecting the vendor's name, date of purchase, description and cost of goods purchased.
2. Electronic purchase confirmation (for internet purchases) reflecting the vendor's name, date of purchase, and description and cost of goods purchased.
3. Itemized packing slip (if an itemized invoice is not provided) reflecting the vendor's name, date of purchase, and description and cost of goods purchased.
4. E-mail confirmation of purchase must include the vendor's name, date of purchase, and description and cost of goods purchased.

A certification that the goods were received in good order and condition must be noted on the documents.

When charges are made prior to receipt of goods for pCard purchases, departmental staff shall confirm that goods ordered and paid by pCard are actually received and are in good order and condition. If delivery is not made in a timely manner, vendors should be contacted to determine if the order should be cancelled and credit received. If goods are not received in good order and condition, vendors should be contacted to determine if the goods will be replaced or appropriate credit made on the pCard account that was originally charged.

Charges for services should be made upon satisfactory completion of the services. Examples of such services include services performed by doctors, dentists, and court reporters, as well as custodial services.

**Payments Made by Employees Requiring Reimbursements from the State**

Employees requesting reimbursements from the State should provide one of the documents listed above under the heading "Payments Made by State Procurement Cards (pCard)". The documents should include the amount paid by the employee. If there is no indication of the actual amount paid or no charge receipt is given, the employee must provide a copy of the credit card statement reflecting the actual cost for which reimbursement is being sought.

Employees are reminded that travel related charges must agree with the amounts reflected on the "Statement of Completed Travel". If the amounts do not match, the employee must provide an explanation and documents (i.e. travel approval form and worksheet) that authorize and support the claim. The documents submitted to support the request for travel related reimbursements must reflect the vendor's name, date, description of the expense and evidence of payment. Requests for excess lodging must be supported by the original hotel bill reflecting the dates of occupancy and all charges. Hotel reservations made through an online booking source (not directly with a hotel) must be supported by an electronic purchase confirmation reflecting the vendor's name, date of purchase, dates of occupancy and all charges, and evidence of payment.

If you have any questions, please call Wayne Horie, Accounting Division Chief, at 586-0600 or Sheila Walters, Pre-Audit Branch Chief, at 586-0650.

  
RUSS K. SAITO  
State Comptroller