

JAN 18 2008

S.B. NO. 2677

A BILL FOR AN ACT

RELATING TO COMPTROLLER SUPERVISION OF ACCOUNTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 40-1, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:
3 "(b) With respect to the executive branch, except the
4 University of Hawaii until June 30, 2011, the Hawaii tourism
5 authority, and the department of education until June 30, 2011,
6 the comptroller shall have complete supervision of all accounts.
7 The comptroller shall preaudit all proposed payments of \$10,000
8 or more to determine the propriety of expenditures and
9 compliance with executive orders and rules that may be in
10 effect. When necessary, the comptroller shall withhold approval
11 of any payment. Whenever approval is withheld, the department
12 or agency concerned shall be promptly notified. With respect to
13 the University of Hawaii, the Hawaii tourism authority, and the
14 department of education, the comptroller shall issue warrants
15 for the release of funds for the operating costs of the
16 university, the Hawaii tourism authority, or the department of
17 education, as applicable, in amounts and at times mutually
18 agreed upon by the governor or director of finance and the



1 university, the Hawaii tourism authority, or department of
2 education, as applicable; provided:

3 (1) The amounts released shall not exceed the allotment
4 ceilings for the respective funding sources of the
5 university's or the department of education's
6 appropriations established by the governor for an
7 allotment period pursuant to section 37-34, or in the
8 case of the Hawaii tourism authority, revenues
9 received by the convention center enterprise special
10 fund and the tourism special fund pursuant to section
11 237D-6.5; and

12 (2) The comptroller may issue warrants as an advance from
13 the state treasury to the University of Hawaii, the
14 Hawaii tourism authority, and the department of
15 education to establish a checking account and provide
16 working capital in amounts and at times mutually
17 agreed upon by the governor or director of finance and
18 the University of Hawaii, the Hawaii tourism
19 authority, and the department of education.

20 The University of Hawaii[7] shall preaudit all proposed payments
21 of \$10,000 or more and the Hawaii tourism authority[7] and the
22 department of education shall preaudit all proposed payments to



1 determine the propriety of expenditures and compliance with
2 applicable laws, executive orders, and rules as may be in
3 effect. The University of Hawaii, the Hawaii tourism authority,
4 and the department of education shall make disbursements for
5 operating expenses from the amounts released by the comptroller
6 and maintain records and documents necessary to support those
7 disbursements at times mutually agreed upon by the university
8 president, the executive director of the Hawaii tourism
9 authority, or the superintendent of education, as applicable,
10 and the comptroller; provided that when requested by the
11 university, the Hawaii tourism authority, or department of
12 education, the comptroller shall make all disbursements for the
13 university, the Hawaii tourism authority, or department of
14 education, as applicable, subject to available allotment. Funds
15 released pursuant to this section shall be deposited by the
16 university, the Hawaii tourism authority, or department of
17 education, as applicable, in accordance with the provisions
18 applicable to the director of finance by chapter 38. Except for
19 moneys deposited by the Hawaii tourism authority in the
20 convention center enterprise special fund pursuant to section
21 201B-8, and in the tourism special fund pursuant to section
22 201B-11, any interest earned on the deposit of funds released



1 pursuant to this section shall be deposited in the state
2 treasury at the end of each fiscal year."

3 SECTION 2. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 3. This Act shall take effect on July 1, 2008.

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INTRODUCED BY: Norman Sakonof
Elizabeth C. Lund
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Report Title:

UH; Preaudit

Description:

Limits the University of Hawaii duty to preaudit all proposed payments to those that amount to \$10,000 or more.

