

STATE OF HAWAII

Accounting Manual

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Part 600: Uniform Accounting Code

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SECTION 610: GENERAL COMMENTS

Purpose and Objectives

The general purpose of any accounting code is to organize financial information in a manner that enhances its usefulness.

The particular objectives for which the uniform accounting code of the State of Hawaii has been designed are:

1. to accomplish the statutory and administrative control required of the State's accounting system concurrently with the classification of financial data;
2. to provide a wide range of cost analyses that will be meaningful to various management levels, including the Governor, the Legislature, and heads of departments and agencies; and,
3. to facilitate recording accounting transactions efficiently through the appropriate use of electronic data processing equipment.

Statewide Requirements for Uniformity

In order to meet the objectives set forth above, it is necessary that minimum requirements be met throughout the State with regard to uniform use of the accounting code. The current statewide requirements for uniformity are stated in the following paragraphs.

The first requirement is that the basic code structure -- the arrangement of the fields, and the number and kind of characters in each field -- must be uniformly adhered to. In practical recognition of the fact that code structures existing in certain departments and agencies do not presently conform to this requirement, no changes in such existing code structures need be made until the earlier of either of the following events:

- (a) the implementation of a revised statewide accounting system, or any part thereof, requiring the use of the code structure of the uniform accounting code; or,
- (b) a change by a department or agency in its own accounting system.

With regard to the latter possibility, no change may be made by a department or agency in its own accounting system without the prior written approval of the Comptroller.

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SECTION 610: GENERAL COMMENTS (cont'd.)

The second requirement relating to code uniformity is that the codes used in the following fields must conform to the statewide codes distributed by the Comptroller:

Transaction  
Fund  
Year  
Appropriation account  
Department  
Source of receipt or object of expenditure.

It is anticipated that code uniformity in other fields will be required with the implementation of a statewide accounting system.

The third requirement is that, for the remaining fields of the uniform accounting code, the codes used individually by each department and agency must be submitted to the Comptroller. This requirement makes it necessary for each department and agency also to submit to the Comptroller any changes in the codes for these fields.

Coding Accuracy

Coding is heavily relied upon in processing receipt and expenditure documents and in recording accounting transactions, both on departmental and statewide levels. It is therefore of primary importance that correct codes be entered on all source documents, and the review of documents at any level should reflect this basic concern for coding accuracy.

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