

SECTION 476: UNREQUIRED CONTRACT ENCUMBRANCE ADVICE, SAFORM C-07

1. Purpose.

(a) This form serves several purposes, as follows:

- (1) To authorize the reversal of a contract encumbrance, or a portion of a contract encumbrance, because the related obligation has been fully paid, cancelled, or otherwise disposed of.
- (2) To serve as the accounting document for posting the contract encumbrance reversal transaction to certain accounting records, and for any future reference that may need to be made to the transaction.

(b) This form is designed for either single or multiple contract encumbrance reversals.

2. Prepared By. Expending departments and agencies.

3. Frequency. As required.

4. Distribution.

(a) Copy #1 - DAGS Accounting Division.

(b) Copy #2 - Retained by originating department or agency.

5. Central Accounting. DAGS Accounting Division uses Copy #1 of this form as follows:

- (a) Upon receipt of the form as addressed to the Comptroller, the Pre-Audit Branch verifies, as needed, certain information on the form against related information on the contract ledger, and resolves any differences. When any differences have been resolved, the contract encumbrance reduction transaction is posted to the contract ledger.
- (b) Next, the Uniform Accounting and Reporting Branch posts the contract encumbrance reduction transaction to the appropriation control subsidiary ledgers (normally, a reduction to contract encumbrance and an increase in allotment). Finally, at the end of each month, all such transactions are summarized and are recorded in the General Ledger via a Journal Voucher (SAFORM A-27); the entries to the General Ledger normally are a debit to Unliquidated Encumbrances (a/c 917), and a credit to Unencumbered Allotments (a/c 915).

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ITEM NO.	DATA AND DATA INSTRUCTIONS
①	DEPARTMENT NO. - Enter the number assigned by the department to this form.
②	COMPTROLLER'S NO. - The consecutive number, beginning with "1" each fiscal year, assigned by DAGS Accounting Division.
③	DATE - Enter the date of the document.
④	FROM - Enter the name of the department that is submitting this form.
⑤	CONTRACT NO. - Enter the contract number of the contract from which the unrequired contract encumbrance amount is to be deducted.
⑥	CONTRACTOR - Enter the contractor's name.
⑦	PROJECT NO. - Enter the department's project number. If there is more than one project, note "See below" in the blank space, and enter the appropriate project numbers under Item ⑮ below.
⑧	APPROPRIATION - Enter the appropriation code for the contract. If there is more than one appropriation, note "See below" in the blank space, and enter the appropriate appropriation codes under Item ⑰ below.
⑨	Item #1 \$ _____ - Enter the unrequired encumbrance amount to be deducted from the contract encumbered amount.
⑩	Item #2 \$ _____ - Enter the total amount paid to the contractor.
⑪	Item #3 - Enter "X" in the appropriate box and explain reason where indicated.
⑫	_____ - Optional. This space may be used as an additional signature line.
⑬	(HEAD OF DEPARTMENT) - The signature of the department head or his duly authorized representative.
	(NOTE: The following columnar data ⑭ to ⑳ are to be used when two or more projects and/or appropriations are affected, as noted in Items ⑦ and ⑧, above.)

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ITEM NO.	DATA AND DATA INSTRUCTIONS
(14)	BLANK COLUMN - Optional use.
(15)	PROJECT NUMBER - Optional use. Enter the individual project numbers applicable to the unrequired encumbrances.
(16)	TYPE OF FUND - Indicate type of fund affected by the unrequired encumbrances. (Examples: "S" for Special Funds and "Fed." for Federal funds.)
(17)	APPROPRIATION - Enter the individual appropriation codes applicable to the unrequired encumbrances.
(18)	CONTRACT AMOUNT - Enter the contract amount applicable to the project and/or appropriation.
(19)	TOTAL AMOUNT PAID - Enter the total amount paid to date for the particular project.
(20)	UNREQUIRED ENCUMBRANCES/TOTAL - Enter the total unrequired encumbrances being reported.
(21)	UNREQUIRED ENCUMBRANCES/FEDERAL FUNDS - Optional. If Federal funds are involved, enter the unrequired encumbrances applicable to Federal funds.
(22)	UNREQUIRED ENCUMBRANCES/STATE FUNDS - Enter the unrequired encumbrances applicable to State funds.
(23)	TOTAL AMOUNT - Enter the total amount of each column.
(24)	TOTAL AMOUNT PAID - Enter the total amount paid to the contractor. This amount must be the same as the amount entered in Item (10), above.
(25)	TOTAL AMOUNT/STATE FUNDS - The total amount in this column must agree with the amount entered in Item (10).

