

SECTION 568: NON-GOVERNMENTAL COST PAYMENTS

1. General Description. This section describes requirements applicable to payments that are not regular "governmental cost" payments. The definition for non-governmental costs as noted in Section 903, Volume I of the State of Hawaii Accounting Manual is, "Expenditures of a non-operating nature that convert one asset to another or that decrease a liability, reserve, or clearing account. Examples of non-governmental cost payments are purchase of items for resale, debt retirement, and loans and advances."

2. Types of Transaction Codes and Object Codes for Non-Governmental Cost Payments. Although transaction codes 21, 22, 23, and 24 in the State's Uniform Accounting Code may be used to record payments for claims against the State for both governmental cost and non-governmental cost items of expenditures, non-governmental cost payments for these transaction codes are confined to object codes 7000 to 8199 and 9000 to 9899. Transaction codes 25 and 26 are specifically limited to record non-governmental cost payments for object codes 8300 to 8999 and 8200 to 8299, respectively. Detailed descriptions and definitions of transaction codes and object codes are contained in the State of Hawaii Accounting Manual, Volume I, as follows:
 - (a) Transaction Codes: Section 661
 - (b) Object of Expenditure Codes: Sections 685 and 686

3. Subsidiary Ledger for Non-Governmental Cost Payments. DAGS Accounting Division (UAR Branch) maintains subsidiary ledgers by object of expenditure codes for non-governmental cost payments for the following purposes:
 - (a) To reconcile total non-governmental cost payments as reflected on the subsidiary ledgers to the General Ledger (a/c 1922) and to the total non-governmental cost payments as summarized from the books of original entry (Register of Audited Claims, Register of Receipts, and Journal Vouchers).
 - (b) To determine, for various accounting and reporting purposes, total governmental cost payments by deducting non-governmental cost payments from total expenditures.
 - (c) To analyze detail entries of non-governmental cost payments for reclassification purposes in preparing the State of Hawaii Annual Financial Report.

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4. Summary Warrant Vouchers (SWV) Requirements. In order to satisfy the State's detailed accounting requirements for non-governmental cost payments, the following requirements apply to all SWVs of departments and agencies:
- (a) All SWV submission for non-governmental cost payments must have summarizations of expense distribution by combining the allotment categories and object codes for transaction codes 21 and 22, and also by combining the allotment categories and object codes for transaction codes 23 and 24. (There is a general vouchering requirement that transaction code 23 expenditures be vouchered on a separate SWV, whether the expenditures are governmental cost payments or non-governmental cost payments.) For example, if five appropriation account codes have transaction code 21 charging two non-governmental cost object codes, the five line entries are summarized and identified by the two object codes. No summarization is necessary if only one line item transaction or only one object code is affected.
 - (b) "Loans & Advances" (transaction codes 25 and 26) for non-governmental cost allotments must be summarized by object codes.
 - (c) It is preferred that payments for non-governmental cost transactions be summarized on separate SWVs because of the unique requirement for posting by object code in the State's central accounting system.