

SECTION 620: WARRANT PRODUCTION AND PROCESSING

1. Purpose. The purpose of this section is to identify the authority and responsibilities relating to the WARRANT production and processing for all departmental and agency payments issued against the State Treasury, based on departmental and agency SUMMARY WARRANT VOUCHERS (SWV) submitted to and approved for payment by the State Comptroller.
2. Legal Provisions. Section 40-60, Hawaii Revised Statutes (HRS), requires that all claims be submitted on an original warrant voucher and properly indorsed before WARRANTS are authorized for issuance for payment by the Comptroller. Section 40-51, HRS, also requires that WARRANTS be substantially in the form of the sample in Section 40-52, HRS, and be signed by the Comptroller or his deputy, or by means of a mechanical check signer under the control of the Comptroller. (Refer to a sample WARRANT in this section and samples of vouchers authorized by the State Comptroller in another section of this volume.)
3. General Description. State WARRANTS are produced through the following distinct production processes:
 - (a) Bill Payment System. This process is one of the two main processes available for issuing WARRANTS to vendors and payees generally, and is available for use by all expending agencies of the State. The other main process is the "SWAS" process, use of which requires the formal approval of the Comptroller and the EDP Division of the Department of Budget and Finance.
 - (b) SWAS (Statewide Accounting System). SWAS WARRANTS (and the related SWV) are prepared by a process of the computer-based Statewide Accounting System first put into partial use in August 1973. A REMITTANCE ADVICE is also prepared with each WARRANT to describe the purpose of the payment being made by the WARRANT.
 - (c) Payroll. The payroll WARRANTS are computer-generated on a semi-monthly basis by the Payroll System for payment to State employees, to various assignees under statutory and voluntary payroll deduction plans, and to other payees receiving payments from the Payroll System. In addition to payroll WARRANTS, the EMPLOYEE'S EARNINGS, DEDUCTIONS, AND LEAVE STATEMENTS, PAYROLL ASSIGNMENT REGISTERS (REPORT PRD 401), PAYROLL REGISTERS (REPORT PRW 241) and SUMMARY WARRANT REGISTER (REPORT PRW 271) are generated in support of payments being made through the payroll WARRANTS. The details of the State Payroll System are explained in Volume III of the State of Hawaii Accounting Manual.

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- (d) Welfare. WARRANTS for welfare money payments (and the related SWV) are generated from information in a computer system under the primary control of the Department of Social Services and Housing (DSSH). These WARRANTS are prepared on a monthly basis, although supplemental welfare WARRANTS may be prepared on a daily basis, as needed. The welfare WARRANTS are written on the General Fund "2nd Series" of WARRANT forms.
- (e) Unemployment Compensation. UNEMPLOYMENT COMPENSATION FUND WARRANTS and related CLAIM CERTIFICATIONS are computer-generated on a daily basis from information in the Unemployment Insurance System for recipients of unemployment compensation. This system is under the primary control of the Department of Labor and Industrial Relations (DLIR).
- (f) Other Special Processes. There are other special processes which are similar to the Bill Payment System referred to in paragraph 3(a), for producing computer-generated WARRANTS.
- (1) Medicare Premium Refund System. This system generates Trust Fund series of WARRANTS on a monthly basis for refund to State and County retirees of medicare premiums (that were assessed retirees) each month by the Social Security Medical Insurance program.
 - (2) Jury Payroll System. This system generates General Fund series of WARRANTS on a semi-monthly basis for payment to individuals who serve as jurors for the State of Hawaii courts.
 - (3) Income Tax Refund System. This system generates Trust Fund series of WARRANTS on an as-required basis for refund to taxpayers for overpayment of Hawaii income taxes.
 - (4) Hawaii Housing Authority (HHA) Rent Supplement System. This system generates General Fund series of WARRANTS on a monthly basis for payments to qualified tenants under Chapter 359, HRS.
4. Scope. The procedures in this section do not cover the payment of expenses by the Legislature (manually prepared warrants issued by the Senate and House of Representatives) and other relatively minor exceptions allowed in Section 40-51, HRS, for which exceptions checks are signed by the Director of Finance and countersigned by the Comptroller.

SECTION 620: WARRANT PRODUCTION AND PROCESSING5. General Responsibilities and Processing Procedures.(a) Electronic Data Processing Division (EDP Division), Department of Budget and Finance (B&F).

- (1) WARRANTS. All State WARRANTS are prepared by the data processing center of EDP Division. The WARRANTS are prepared by the data processing center only through the use of SWVs as source (input) documents. No WARRANT is released by the data processing center for issuance by the Comptroller unless it is accompanied by an authorized SWV. (Note: Amounts for reissued and duplicate WARRANTS, which were originally covered by a SWV, do not require another SWV.)
- (2) WARRANT LISTING. A WARRANT LISTING, identifying each WARRANT, payee, and the amount, is computer-printed to support voucher payments. The WARRANT LISTINGS may differ in title and printing format for the various types of WARRANTS discussed in paragraph 3, above.
- (3) WARRANT ISSUED RECORDS. Various WARRANT issued records are maintained on computer files as part of the file of outstanding WARRANTS.

(b) State Comptroller. The State Comptroller is responsible for the following:

- (1) Verify that WARRANTS are in agreement with related SWVs before WARRANTS are issued.
- (2) Maintain control records of WARRANTS issued under the SWVs.
- (3) Sign WARRANTS (usually with check signing machine), mechanically or manually stuff signed WARRANTS into envelopes, and distribute WARRANTS to payees by various methods. (Examples: Mail through DAGS Messenger Service, delivery to departments by DAGS Messenger Service, pickup by vendors, payees, or authorized departmental personnel and mail through the U.S. Post Office.)