

SECTION 635: ESCHEATED WARRANTS

1. General Description. Escheated WARRANTS are WARRANTS that have been issued and have remained outstanding (that is, not presented for payment to the State Treasury) until the statutory void date. After the statutory void date, a WARRANT will not be paid by the State Treasury; such WARRANTS are deemed by statute to have been paid, and the amount of such WARRANTS becomes a revenue to the State.
2. Legal Provisions. Section 40-68, "Non-presentment of warrants", of the Hawaii Revised Statutes states that any warrant drawn upon the State Treasury that is not presented before the close of the fiscal year after the fiscal period in which it has been issued is deemed to have been paid. If the warrant is not cashed within the specified time, the related money is transferred to the General Fund. Claim for the recovery of such money may be initiated by the payee or his legal representative, by filing the claim with the Comptroller within ten (10) fiscal years after the money was transferred to the General Fund.
3. Scope.
  - (a) Escheated WARRANTS are applicable to the following State warrant series:
    - (1) General
    - (2) General, 2nd Series (Welfare Services)
    - (3) Special
    - (4) Payroll Clearance
    - (5) Bond
    - (6) Trust and Agency
  - (b) Not included within the scope of this section are escheated WARRANTS in the following series:
    - (1) General, Employment Security Administration Fund
    - (2) Special, Unemployment Compensation Benefits Payments

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4. Procedures for Escheating WARRANTS.

(a) Department of Budget and Finance (B&F), Electronic Data Processing Division (EDP Division):

(1) At the end of each fiscal year, an ESCHEATED WARRANTS REPORT is prepared for each of the various State warrant series from which WARRANTS are issued. These reports are prepared as of June 30 for WARRANTS that are outstanding for one year after the fiscal year in which issued. This is the "void date" as noted on each WARRANT. The data on the report are: warrant number, issue date, amount, payee, total number of warrants reported, and total amount of warrants.

(2) Eight copies of the report are computer-prepared by EDP Division. One copy is retained by EDP Division, and the other seven copies are routed to Department of Accounting and General Services (DAGS), Accounting Division and distributed, as follows:

(a) Four copies are retained by DAGS Accounting Division.

(b) Two copies to DLIR.

(c) One copy is routed to B&F Finance Division.

(b) DAGS Accounting Division:

(1) JOURNAL VOUCHERS (SAFORM A-27) are prepared for the escheated WARRANTS by the major fund categories (General, Special, Trust and Agency, and Bond). The entries to clear the outstanding payable account for each fund are:

Dr. Warrants Payable, Prior Fiscal Year

Cr. Cash in State Treasury

(2) Another JOURNAL VOUCHER is prepared to record the escheated WARRANTS as a return of cash into the General Fund:

Dr. Cash in State Treasury

Cr. Estimated Revenues Realized

5. Claims for Escheated Warrants. Section 40-68, HRS, provides for the payee or the payee's legal representative to file a claim with the Comptroller for the recovery of WARRANTS previously escheated.