

STATE OF HAWAII
Accounting Manual

Volume III
Part 100: General

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SECTION 120: AUTHORITIES AND RESPONSIBILITIES

In the State of Hawaii Accounting Manual, Volume I, Part 300 (Organization for Financial Administration), the general authorities and responsibilities concerning financial administration are outlined for State offices, departments, and agencies. In addition to the Department of Budget and Finance, the Department of Accounting and General Services, and the Departmental Administrative Services Offices, there are three other functional organizations (Department of Personnel Services, Department of Education, and University of Hawaii) that are uniquely and directly involved in the payroll system, therefore requiring some mention of their authorities and responsibilities concerning the statewide payroll accounting system.

Department of Budget and Finance

The functions and authority exercised by this department are provided in Section 26-8 of the Hawaii Revised Statutes. The Department of Budget and Finance assists each department in achieving the most effective expenditure of all public funds. The duties and responsibilities delegated to the State's Director of Finance are provided in Chapter 36, Hawaii Revised Statutes. Some of the key functions that directly relate to the payroll system are briefly described below.

State Treasury - The Finance Division of this department has custody of State funds and, in that connection, is responsible for the safekeeping of all moneys paid into the treasury. It also makes final payment of all warrants issued by the Comptroller, including payroll warrants.

Electronic Data Processing Division (EDPD) - By order of the Governor, the functions, operations, and administrative control of EDPD were placed in the Department of Budget and Finance in accordance with Administrative Directive No. 1970-72, dated May 1, 1970 (formerly the Statewide Information System, or SWIS). The Electronic Data Processing Division, in addition to other duties, is responsible for data processing services related to the statewide payroll system.

Employees' Retirement System - The Employees' Retirement System as constituted by Chapter 88 of the Hawaii Revised Statutes is placed within the Department of Budget and Finance for administrative purposes. The Employees' Retirement System administers the employees' retirement contributions and social security contributions through payroll deductions, and its functions and operations are subject to the administrative control of the Director of Finance.

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Hawaii Public Employees Health Fund - Chapter 87 of the Hawaii Revised Statutes established the Hawaii Public Employees Health Fund. The fund is under the control of a board of trustees and is placed within the Department of Budget and Finance for administrative purposes. The Director of Finance is the custodian of the fund. The required contributions to the health trust fund, as prescribed by law, are processed through the statewide payroll system.

Department of Personnel Services

The authorities and responsibilities vested in the Director of Personnel Services are provided in Section 26-5 of the Hawaii Revised Statutes. The Director of Personnel Services has the authority to prescribe personnel rules and regulations, and to determine that the personnel laws are applied and administered by all departments and agencies in a manner consistent with the purposes and provisions of the civil service laws. The Department of Personnel Services administers the State's personnel activities such as recruitment, examination, position classification, and pay administration for all departments and agencies.

Under the statewide payroll system, the Department of Personnel Services is the certifying authority and is responsible for the audit of SF-5, NOTIFICATION OF PERSONNEL ACTION and Part I of SF-10, NOTIFICATION OF TEMPORARY ASSIGNMENT, to the extent they pertain to the personnel actions reported to each department and agency.

Department of Accounting and General Services

The functions and authority delegated to this department are provided in Section 26-6 of the Hawaii Revised Statutes. The Comptroller, as the general accountant of the State and head of this department, and in connection with duties as provided in Chapter 40 of the Hawaii Revised Statutes, is generally responsible for the development, maintenance, and enforcement of an effective statewide payroll accounting system. This responsibility includes the appropriate review, approval, and control of all payroll forms and the centralized purchasing of the forms to satisfy the needs and requirements of the system.

In order to carry out such responsibilities and duties, the Comptroller utilizes the following staff: (1) systems accountants who are responsible for the overall accounting systems aspects of payroll, (2) pre-audit personnel in Central Payroll to verify payroll operations, including control of distributing payroll warrants, reports, registers, vouchers, and other payroll-related

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documents to the various State departments and agencies, to assignees and agents, and to the Comptroller's accounting staff, (3) accounting personnel to record payroll transactions in books of original entry and related supporting ledgers and documents, (4) auditors to make investigations and audits when deemed necessary to protect the interest of the State, and (5) purchasing personnel who assist in determining supply requirements and the effective use of central purchasing methods in obtaining payroll forms.

Departmental Administrative Services Offices

In the various departments and agencies of the State of Hawaii, the authorities and responsibilities on matters affecting the payroll accounting system are commonly disseminated by the department heads, through their representatives in administrative services offices, to the various levels of his organization. These staff offices (or any other departmental office so designated by a department head) are responsible for carrying out the procedures outlined in this Accounting Manual.

Generally, these responsibilities include the following:

1. Informs employees of the rules and regulations governing personnel as they relate to their pay and pay-related matters.
2. Ensures that personnel and payroll actions are prepared, approved, and reported on prescribed documents and in accordance with written instructions and related guidelines, on a timely basis.
3. Prepares and maintains a departmental payroll operating procedures manual to ensure that the policies and procedures of this Accounting Manual and other departments' payroll requirements are complied with.
4. Maintains payroll records and prepares payroll reports as required or requested.
5. Pays employees on a timely basis.

Department of Education

The functions and authority exercised by the Department of Education are provided by law in Section 26-12 of the Hawaii Revised Statutes. The Board of Education has the power, in accordance with law, to formulate policy, issue rules and regulations, and to exercise control over the public school system through its executive officer, the Superintendent of Education.

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The Superintendent of Education administers the policies established by the Board of Education. Under the statewide payroll system, the Superintendent of Education is the certifying authority for certain educational positions and is responsible for the audit of SF-5A, NOTIFICATION OF PERSONNEL ACTION and Part I of the SF-10, NOTIFICATION OF TEMPORARY ASSIGNMENT to the extent they pertain to personnel actions reported by each school or other organizational unit within the department.

University of Hawaii

Basic references to the University's general authority and responsibility are established by Article IX, Section 4 of the State Constitution and Section 26-11 of the Hawaii Revised Statutes. The Board of Regents (BOR) of the University of Hawaii has the authority, within bounds of the general laws, to formulate policy and to exercise control over the University's functions through its President.

Under the statewide payroll system, the President of the University of Hawaii is the certifying authority for certain "BOR" positions and is responsible for the audit of related SF-5B, NOTIFICATION OF PERSONNEL ACTION and Part I of SF-10, NOTIFICATION OF TEMPORARY ASSIGNMENT, to the extent they pertain to personnel actions reported by each department of the University.

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