

STATE OF HAWAII

Accounting Manual

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Volume III

Part 400: Disbursements and Other Procedures

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SECTION 414: REDEMPTION OF PAYROLL WARRANTS

As employees deposit or otherwise cash their payroll WARRANTS, the WARRANTS are generally cleared through commercial banks, and the banks return them to the State's treasury in the Department of Budget and Finance for final payment. All State WARRANTS are technically payable at the Department of Budget and Finance, although they are routinely received and handled by commercial banks as checks.

WARRANTS presented to the Department of Budget and Finance for payment are verified against outstanding warrant records in the data processing center before payment of the WARRANTS is considered final. After the Department of Budget and Finance has cancelled the paid WARRANTS, the WARRANTS are maintained on file in the data processing center.

In connection with the above procedures for redeeming payroll WARRANTS, accounting information is furnished by both the data processing center and the Department of Budget and Finance for entry into the accounting records maintained by the Accounting Division of the Department of Accounting and General Services.