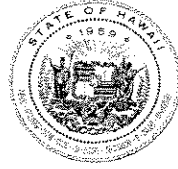


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August 27, 2008

PROCUREMENT CIRCULAR NO. 2008 - 07

TO: Executive Department Heads
(Except DOE, UH, HHSC)

FROM: Aaron S. Fujioka

SUBJECT: Recording of State Property

The purpose of this circular is to clarify and update the policy for the *Timing of Recordation of State property* on Page 6-2 of the *Inventory System User Manual April 2003*. This section has been amended and replaced with the following:

*Newly acquired property shall be recorded in the Fixed Asset Inventory System (FAIS) **in the quarter of the fiscal year** the agency receives the property or when the agency assumes responsibility for maintaining the property. This applies to new purchases, capital lease, donated or transferred property. Supplies shall be recorded in the agency's internal control listing.*

*Constructed assets shall be transferred from Construction in Progress account to the related Building, Building Improvement, Land, Land Improvement, Infrastructure, or Equipment account when they become operational and shall be recorded in the FAIS **in the quarter of the fiscal year** it is operational. Constructed buildings, for example, may be assumed to be operational when an authorization to occupy the building is issued regardless of whether or not final payments are made (adjustments will be required to record actual cost).*

When recording the property in the FAIS, the property's acquisition date is based on the State's Fiscal Year (July 1 through June 30).

A copy of the *Inventory System User Manual* may be viewed on the State Procurement Office homepage at <http://www.spo.hawaii.gov/hawaii-public-procurement-code-chapter-103d-hrs>, under Inventory Management.

Your staff may call Mr. Ron Omura at 831-6756 if they have any questions, or you may call me at 587-4700.