



**STATE OF HAWAII**  
**DEPARTMENT OF ACCOUNTING**  
**AND GENERAL SERVICES**  
P.O. BOX 119  
HONOLULU, HAWAII 96810-0119

April 1, 2005

**COMPTROLLER'S MEMORANDUM NO. 2005-08**

TO: Heads of Departments

ATTN: Fiscal Offices

SUBJECT: Clarification on Mandatory Use of Purchasing Card (pCard)

This memorandum is issued to provide clarification as to the applicable transactions for the pCard. The objective of Comptroller's Memorandum No. 2004-36 (CM 2004-36) is to streamline the payment process by replacing purchase orders with the pCard, whenever the use of a charge card is feasible. For purposes of CM 2004-36, a transaction is defined as a single purchase order for goods or services of less than \$2,500.

This is to clarify that CM 2004-36 does not apply to the following transactions:

1. Petty cash transactions.
2. Utility invoices (from companies regulated by the Public Utilities Commission).
3. Other governmental entities; unless accepted by the government entity (i.e. Correctional Industries).
4. When the goods or services ordered have partial or progress payments.
5. Goods and services from companies which assess a fee for charge card purchase transactions. Please note that charge card fees assessed by vendors are not authorized by charge card providers (MasterCard, VISA, etc.) For additional information on this issue, refer to *Procurement Circular No. 2003-06, Amendment 5, Purchasing Cards – SPO Price List Vendors*.
6. Goods and services which require payment before the goods or services have been rendered; except for commonly accepted advance payments as provided in HRS 40-56.

If you have any questions, please call Bonnie Kahakui of the State Procurement Office at 587-4702.

  
RUSS K. SAITO  
State Comptroller