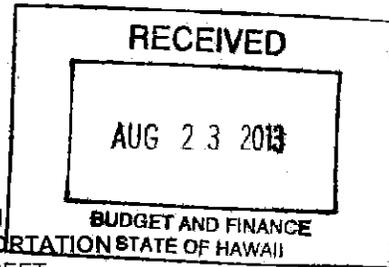
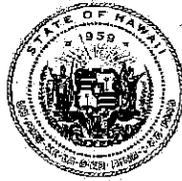


NEIL ABERCROMBIE  
GOVERNOR



STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

GLENN M. OKIMOTO  
DIRECTOR

Deputy Directors  
JADE T. BUTAY  
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RANDY GRUNE  
JADINE URASAKI

IN REPLY REFER TO:

*Bdf: 2164  
S: 08/30/13*

HWY-S  
2.5401

August 27, 2013

TO: THE HONORABLE KALBERT K. YOUNG  
DIRECTOR  
DEPARTMENT OF BUDGET AND FINANCE

FROM: GLENN M. OKIMOTO, Ph.D  
DIRECTOR OF TRANSPORTATION

SUBJECT: REQUEST FOR EXEMPTION TO REQUIREMENTS OF FINANCE  
MEMORANDUM NO. 13-05

This memorandum is to request an exemption to the requirement to establish a unique appropriation symbol for each federal award by federal award ID. The reason for this request is that the implementation of this major change would cause considerable disruption to operations. Furthermore, the data sought is already readily available.

The Highways Division of the Department of Transportation has a detailed accounting system (HWYAC) that is able to track federal awards on a project by project basis. The federal grant award, expenditure, and balance data can be extracted from HWYAC in detail by grant or by project on demand.

Staff from the Staff Services Office of the Highways Division have met with staff from your department and concluded that HWYAC and/or our future accounting system would provide adequate accounting and tracking of awards from Federal Highways.

Your favorable consideration of this request would be appreciated. If you have any questions, please contact Gerald Dang, Administrative Services Officer, at 587-2218.

\_\_\_\_ APPROVED

\_\_\_\_ DISAPPROVED

\_\_\_\_\_  
KALBERT K. YOUNG  
Director  
Department of Budget and Finance

\_\_\_\_\_  
Date

c: HWY-S  
HWY-SM

NEIL ABERCROMBIE  
GOVERNOR



KALBERT K. YOUNG  
DIRECTOR

LUIS P. SALAVERIA  
DEPUTY DIRECTOR

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER  
PUBLIC UTILITIES COMMISSION

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT

October 1, 2013

To: The Honorable Glenn M. Okimoto  
Director of Transportation

From: Kalbert K. Young  
Director of Finance

Subject: Request for Exemption from Requirements of Finance Memorandum (FM)  
No. 13-05 for the Department of Transportation (DOT) - Highways Division

Your request dated August 27, 2013 for exemption from the requirements of FM No. 13-05 has been reviewed. An exemption is hereby approved for federal funds received pursuant to the "Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21)", Public Law 112-141 which funds the programs listed below. The CFDA number for MAP-21 is 20.205.

1. National Highway Performance Program (NHPP)
2. Surface Transportation Program (STP)
3. Congestion Mitigation and Air Quality Improvement Program (CMAQ)
4. Highway Safety Improvement Program (HSIP)
5. Railway-Highway Crossings (set-aside from HSIP)
6. Metropolitan Planning
7. Construction of Ferry Boats and Ferry Terminal Facilities
8. Transportation Alternatives (TA)
9. Tribal High Priority Projects (THPP)
10. Projects of National and Regional Significance (PNRS)
11. On-the-Job Training Supportive Services
12. Disadvantaged Business Enterprise (DBE) Supportive Services
13. Highway Use Tax Evasion (Intergovernmental enforcement projects)
14. Work Zone Safety Grants

Funds received from these programs will be exempt from the requirement to establish a unique state appropriation symbol for each program ID that spends funds from these awards. However, if MAP21 funds are subawarded to another state entity, that entity will be required to establish a unique appropriation symbol to receive the funds.

The Honorable Glenn M. Okimoto  
Request for Exemption from Requirements of FM No. 13-05  
Page 2

As discussed with Mr. Gerald Dang and his staff from DOT - Highways Division in a meeting with Mr. Mark Anderson of the Department of Budget and Finance's (B&F) Office of Federal Awards Management, DOT - Highways will be expected to comply with federal award procedures issued by B&F for all other federal awards received as either a prime or sub-recipient. Further, we will be notifying DOT - Highways Division of the data sets that will be collected in the near future to support regular financial reporting of federal awards and it is expected that DOT - Highways Division will be able to provide complete data records for these funds in an electronic format.

I appreciate the cooperation of DOT - Highways Division and look forward to continuing to work together in our efforts to improve how federal awards are managed. If you have any questions, please contact Mr. Anderson at 586-3035.

Attachment

c: Mr. Wayne Horie, Department of Accounting and General Services  
Mr. Neal Miyahira, B&F  
Mr. Mark Anderson, B&F