

UNIVERSITY OF HAWAI'I


Chief of Staff
Office of the President

July 20, 2004

Business Affairs Circular 2004-01

TO: Chancellors and Systemwide Administrators

ATTENTION: Administrative Fiscal Officers

FROM: Sam Callejo 
Chief of Staff

SUBJECT: **QUARTERLY INTEREST RATE FOR LATE VENDOR PAYMENTS**

Act 213, Session Laws of Hawai'i 1996, amended Section 103-10 of the Hawai'i Revised Statutes by setting the interest rate for obligations related to goods delivered or services performed remaining unpaid after 30 days equal to the prime rate for each calendar quarter plus 2 percent. The Act limits the interest rate from exceeding 12% and allows it to be adjusted quarterly using the prime rate as posted in the Wall Street Journal on the first business day of the month preceding the calendar quarter.

The State Comptroller has informed the University that the interest rate for the quarter beginning July 1, 2004 and ending September 30, 2004 will be 6.0% per annum. The authorized quarterly rate of interest is prorated into a daily rate by dividing by 365 days, the total number of calendar days in the year. You will be informed of the effective interest rate at the beginning of each calendar quarter.

Should there be any questions regarding the change, please call the Disbursing Office at 956-6621.