

GUIDELINE MEMORANDUM ON ANNUAL ALLOWANCES

The purpose of this memorandum is to serve as a guide and provide a basis for the legislator in requesting advances or reimbursements from the annual allowance for incidental expenses connected with legislative duties.

Under Article III, Section 9 of the State Constitution, each member of the legislature shall receive an allowance reasonably related to expenses as provided by law. Section 24-1 of the Hawaii Revised Statutes provides that each member is entitled to receive an annual allowance of \$16,350.00, which is to pay for incidental expenses connected with legislative duties.

Incidental expenses connected with legislative duties shall include all expenditures incurred in connection with carrying out official duties, the nature of which will assist the legislator in: (i) developing the legislator's accessibility to, and communication with, the community and constituents concerning legislative matters; and (ii) educating the community and constituents on matters relating to the legislature, legislative process, and subjects of legislation.

The annual allowance shall not be used for:

1. Personal expenses that a legislator would reasonably be expected to pay for from their personal funds and not directly related to carrying out official legislative duties, including but not limited to dry cleaning, birthday cakes, monthly parking costs at the Capitol, monthly bus passes, and transportation costs incurred in commuting from their principal residence to the Capitol.
2. Political or campaign related expenses.
3. Donations or fundraising activities, including those involving non-profit organizations; provided that if the legislator is invited to speak at the fundraising event or otherwise represent the Legislature or the legislator's respective house, only the estimated cost for the legislator to attend shall be reimbursable from the annual allowance (e.g., food, beverage, parking, and transportation costs).
4. Gifts; provided that protocol-type gifts of a reasonable amount and customarily exchanged with fellow officials, honorees, special guests, and dignitaries shall be reimbursable.
5. Membership fees and dues for community, business, or social organizations; provided that membership fees and dues for legislative and governance organizations including the National Conference on State Legislatures and Council on State Government shall be reimbursable.
6. Entertainment expenses such as for sporting activities, tickets to entertainment events, or other recreation.

In the context of the general purposes aforesaid for which the expenses connected with legislative duties are intended, examples of allowable expenses are:

1. Expenses for food and beverages incurred by the legislator for the legislator's own person when the expenses are necessitated by circumstances in the conduct of the legislator's official duties. Expenses for usual and customary food and beverage items consumed by a legislator as part of their daily work during the scope of their normal work day shall not be reimbursed.
2. Expenses for food and beverages incurred by the legislator for other persons, including staff, when such persons are required to attend or participate in meetings or functions, the primary purpose of which is to conduct official legislative business, including situations where the legislator, staff, or other persons are required to work late due to deadlines. Expenses for usual

and customary food and beverage items consumed by staff and other persons as part of their daily work during the scope of their normal work day shall not be reimbursed.

3. Travel-related expenses of the legislator and the legislator's staff, if applicable, when such travel is authorized in advance by the presiding officer of the respective house.
4. Postage and printing expenses for the mailing of informational or survey material that the legislator may wish to send to the legislator's constituents to members of the community; provided that the communication does not advocate or support the election or nomination for election of any candidate or advocates or supports any candidate's defeat, or which does not advocate or support the passage or defeat of a question or issue on a ballot for election.
5. Admission expenses for conferences, conventions, and meetings in which the subject matter of the conference, convention, or meeting is directly related to the legislator's official duties.
6. Expenditures for office-related supplies not available from the legislator's respective house's supply room, constituent lists, newspaper and other publication subscriptions, and furniture, equipment, or similar non-perishable items where such items enhance the professionalism of the legislator's office; provided that such items shall be inventoried as property of the respective house.
7. Tickets to events in which the legislator has been invited to speak or otherwise represent the Legislature or the legislator's respective house; provided that only the estimated cost for the legislator to attend shall be reimbursable from the annual allowance (e.g., food, beverage, parking, and transportation costs).

To be reimbursed or receive an advance, the legislator must show that the primary purpose of the expenditure is in support of or a result of an official legislative duty consistent with the allowable expenses listed above. The legislator shall be required to fill out a certification form in which the legislator certifies that the reimbursement or advance being requested is connected to an official legislative duty.

Each member is personally responsible for the payment of any expenses incurred in support of the conduct of official legislative duties which exceed the annual allowance amount.

The use of the allowance shall be in accordance with all applicable laws and administrative rules, including but not limited to procurement requirements for purchases of goods or services in amounts of \$5,000 or more and requirements related to purchases of goods or services in amounts of \$2,500 or more from businesses in good standing with the Department of Commerce and Consumer Affairs.