

# **EXPENDITURE CLASSIFICATION HANDBOOK**

**OFFICE OF THE COMPTROLLER  
COMMONWEALTH OF MASSACHUSETTS**

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## I. INSTRUCTIONS

The Office of the Comptroller (CTR) is required to establish a schedule of object classes and object codes pursuant to [M.G.L. c. 29, § 27](#) to be used in all accounting for expenditures under the Massachusetts Management Accounting and Reporting System (MMARS). The object classes and object codes contained in this Expenditure Classification Handbook indicate the types of goods and services for which Commonwealth funds are expended.

TYPE OF EXPENDITURE	OBJECT CLASS/CODE
EMPLOYEE COMPENSATION and RELATED EXPENSES	<a href="#">AA</a> , <a href="#">BB</a> , <a href="#">CC</a> , <a href="#">DD</a>
DEPARTMENT ADMINISTRATIVE EXPENSES & OPERATIONAL SERVICES	<a href="#">EE</a> , <a href="#">JJ</a>
CONSULTANT SERVICE CONTRACTS	<a href="#">HH</a> , <a href="#">NN1-N14</a> , <a href="#">U05</a>
PURCHASED CLIENT HUMAN & SOCIAL SERVICES and NON-HUMAN SERVICES PROGRAMS	<a href="#">MM</a>
EQUIPMENT PURCHASE, Telp, LEASE, RENTAL, MAINTENANCE and REPAIR	<a href="#">KK</a> , <a href="#">LL</a> , <a href="#">N62</a> , <a href="#">N63</a> , <a href="#">U08</a> , <a href="#">U09</a>
FACILITY SUPPLIES: ENERGY COSTS AND SPACE RENTAL EXPENSES	<a href="#">FE</a> , <a href="#">GG</a> , <a href="#">N52</a>
HORIZONTAL AND VERTICAL CONSTRUCTION, IMPROVEMENTS, MAINTENANCE, AND REPAIR COSTS	<a href="#">NN</a>
GRANTS and SUBSIDIES	<a href="#">PP</a>
ENTITLEMENT PROGRAMS	<a href="#">RR</a>
DEBT SERVICE	<a href="#">SS</a>
LOANS and SPECIAL PAYMENTS	<a href="#">TT</a>
INFORMATION TECHNOLOGY (IT) EXPENSES	<a href="#">UU</a>

This Handbook includes the object code descriptions and instructions regarding the encumbering and expenditure of all funds. The object code descriptions are brief explanations of the goods and/or services for which funds are encumbered and expended. The object codes in this Handbook are used for all expenditures of the Commonwealth, regardless of whether the payment is to employees, contractors, individuals, recipients, sub-recipient, beneficiaries, political sub-divisions or another department.

CTR has provided accurate primary legal authority, oversight department, sub-recipient, agreement types, encumbrance/payment request documents and tax reporting requirements for each object code. However, departments are responsible for full compliance with all applicable state and federal statutes, rules, regulations and requirements governing the expenditure of funds, regardless of whether or not specifically cited in this Handbook. Departments are advised to seek additional assistance from their legal and fiscal staff.

Appendix A, the Object Code Revisions Tracking Log, illustrates any changes including the date the update occurred - New (N), Modified (M), or Inactivated (I) - made to object codes between 2007 and this update of the Expenditure Classification Handbook.

### COMPTROLLER'S WEBSITE

[MAComptroller.org](http://MAComptroller.org) is intended to provide user support information, MMARS resources, and services for end-users. The CTR Website is your "one-stop" information center for policies, procedures, MMARS support, e-Learning, job aids, forms, and other resources needed to conduct day-to-day departmental business.

### STATE FINANCE LAW REMINDER

State Finance Law requires that funding be in place before goods, services or other obligations can be requested or accepted from contractors, vendors, or employees. Specifically, under departments may not incur a liability for the Commonwealth in excess of their appropriation or allotments and the Comptroller may not permit the disbursement (payment) or incurring of an obligation (encumbrance) by departments without a sufficient appropriation and allotment.

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This means that a department cannot authorize performance to begin on a contract or amendment (including Interdepartmental Service Agreements), or request or accept services (including regular or contract employee services), or goods, or other obligations in excess of approved appropriations and allotments or other legally available funds. Evidence of sufficient funding (appropriation and allotment) for most contracts is an approved encumbrance in MMARS fully supporting the contract maximum obligation (if applicable) or anticipated expenditures. State Finance Law requires that annual appropriations may be expended only for expenses for the same fiscal year, (See [M.G.L. c.29, § 12](#)). This means goods and/or services to be paid from current fiscal year appropriations must be received and accepted within that same fiscal year (July 1-June 30)/(see [M.G.L. c. 4, § 7](#)).

## **INTERIM BUDGETS**

CTR and the Executive Office of Administration and Finance (ANF), will submit an Interim Budget request in the event that the General Appropriations Act (GAA) is not passed by the Legislature and signed by the Governor by July 1<sup>st</sup>. An Interim Budget provides funding for the continuation of essential services across the Commonwealth. While no new programs or projects are supported as part of the Interim Budget, all routine business to carry out department missions is included (i.e., payrolls, client benefits, leases, goods and/or services). See [Interim Budget Guidance \(A&F 9\)](#).

Once departments are notified that the Interim Budget is signed, departments should proceed with routine business, including paying bills. Departments are allowed to incur obligations and expend funds only from accounts that are in both the House and Senate Budgets. If there is a question about whether an account will be funded, the Chief Fiscal Officer (CFO) should confer with ANF.

**In addition to ensuring the availability of sufficient funding to support an expenditure, departments are responsible for determining the appropriate object code classification and requirements for any planned expenditure PRIOR to incurring an obligation. Departments unable to identify a particular expenditure by object class and object code, or having questions not addressed in these instructions, should contact CTR's Payments Team, Statewide Contracts Team, or Legal, for guidance.**

The instruction section for each object code supports the use of the accounting system (MMARS) to monitor compliance with the rules and regulations. The instructions in this Handbook are the general rules for all departments.

## **FRINGE AND INDIRECT COSTS**

[Interim Budget Guidance \(A&F 9\)](#), Recovery of Fringe Benefits and Indirect Costs, requires departments to budget fringe benefit and indirect costs on all Federal grants and non-budgeted special revenue and trust accounts. Fringe benefits and indirect costs are not required to be encumbered and the charges will process regardless of the Expenditure Ceiling. In order to avoid negative balances at year-end or upon termination of funding, departments must ensure that fringe benefits and indirect costs are adequately budgeted for assessable expenditures posted to an open Accounting Period, including the Accounts Payable Period. Department Heads are responsible for budgeting for these costs from the applicable funds.

ISAs Funded with Trust and Federal Funds – Indirect Costs must be negotiated as Part of ISA Budget. Expenditures in a seller account may trigger indirect costs. Both the buyer and seller department are responsible for negotiating the type of expenditures authorized under an ISA and determining if the expenditures will trigger the assessment of indirect costs. These costs must be included as part of the ISA and funded as part of the ISA budget.

Seller budget lines, in all account types, that include compensation to regular employees (Object Class [AA](#)) and Special Employees/Contracted Services in Object Class [CC](#) supported by the ISA, must also include [DD \(D09\)](#) object class. This is necessary to cover the cost of Unemployment Compensation Insurance Premium (UI), Universal Health Insurance (UHI) contribution, and the employer share of Medicare Tax (MTX) for all payroll processed. Also, this is necessary to cover mandated charge backs for employee pension, health insurance and terminal leave expenses from federal grants, expendable trusts, capital accounts and all other non-budgetary accounts to centralized state administrative accounts.

## **II. OBJECT CLASS/OBJECT CODE DESCRIPTIONS**

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This **Handbook** provides brief descriptions of the object codes in each object class. In addition, CTR has identified additional helpful information and requirements that may apply to each object code. This information includes primary legal authority, oversight department(s), sub-recipient, agreement type(s); pre-encumbrance/encumbrance/payment request documents or methods, incidental purchase availability and tax reporting requirements, as follows:

- **PRIMARY LEGAL AUTHORITY** - The laws and regulations cited in this category are general guidance for each object code. Departments are responsible for ensuring legal compliance for all expenditures even though the citations may not be listed. Because departments are so diverse, a department may have a specific law or regulation that does not appear in this Handbook. In such cases, departments should consult with their legal and fiscal staffs. Hyperlinks to most legal authorities are found in Section III, below. **In addition to any legal authority cited here, all state departments in any branch of government are required to comply with state finance law which includes [M.G.L. c. 29](#) and [M.G.L. c. 7A](#), and regulations, policies and procedures issued by CTR related to state finance law compliance.**
- **OVERSIGHT DEPARTMENT** - A department that has the primary responsibility for overseeing the implementation of the rules and regulations for each object code is listed. An attempt has been made to identify the correct department and, when there is more than one department, these appear in order of degree of oversight. If a department has a payroll or pending approval, it will be listed as an oversight department. CTR is listed as the oversight department based upon the Comptroller's authority to prescribe accounting rules and instructions for all state departments and the appropriate use of the state accounting system pursuant to: [M.G.L. c. 7A, § 7](#), [M.G.L. c. 7A, § 8](#), [M.G.L. c. 7A, § 9](#) and [M.G.L. c. 29, § 31](#).
- **SUB-RECIPIENT** - A sub-recipient is a non-Federal entity that expends Federal awards received from another entity to carry out a Federal program but does not include an individual who is a beneficiary of such a program (see OMB Guidance, federal Single Audit Act, the American Reinvestment and Recovery Act of 2009 (ARRA), Section 210 of Circular A-133 provides guidance on distinguishing a sub recipient from a vendor. Specifically, sub-recipients are non-Federal entities that are awarded Recovery funding through a legal instrument from the prime recipient to support the performance of any portion of the substantive project or program for which the prime recipient received the Recovery funding. Additionally, the terms and conditions of the Federal award are carried forward to the sub-recipient. Sub-recipient activities will be monitored as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved. Sub-recipients receiving in the aggregate, \$500,000 or more in Federal awards during the sub-recipient's fiscal year must meet the audit requirements for that fiscal year and are subject to the Single Audit. In addition to all of the OMB A-133 requirements, sub-awards made from the federal stimulus funds (ARRA) are subject to Buy-American and compliance with the Davis-Bacon Act of 1931. Under ARRA, these requirements pass through to sub-recipients who may have previously been exempt from compliance. In addition to general performance reporting under the Contract, OMB requirements for ARRA transparency and reporting are also passed down to sub-recipients.
  - A sub-recipient entity "type" is typically a non-profit, government entity, city, town, hospital, or university in the business of providing services primarily to government or public entities.
  - A sub-recipient typically is able to determine who is eligible to receive what federal financial assistance and how the federal funds will be used to fulfill the federal program purposes because of its relationship to a prime recipient.
  - A sub-recipient has its performance measured against whether the objectives of the federal program are in compliance by the prime recipient.
  - A sub-recipient may have responsibility for programmatic decision making delegated from the prime recipient.
  - A sub-recipient has responsibility for adherence to applicable federal program compliance requirements because of this delegation.
  - A sub-recipient uses the federal funds to carry out a program of the prime recipient as compared to providing goods or services for a program of the pass-through entity.
  - A sub-recipient award, in some instances, may result from a competitive application process.
  - A sub-recipient award usually benefits clients/customers of a Department rather than providing a direct service to the Department itself.

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- **AGREEMENT TYPE** - Many of the object codes require that obligations made by a state department be supported by a written document. When there is more than one department, these appear in order of degree of use. Some object codes require specific types of documents or contracts specified by the oversight department. The most common contract forms are the Commonwealth Terms and Conditions (T&C), the [Commonwealth Terms and Conditions for Human and Social Services](#) (T&C HSS), the [IT Terms and Conditions \(T&C IT\)](#) and the [Standard Contract Form](#) (SCF). These have been jointly issued by ANF, the Operational Services Division (OSD) and CTR and, in the case of the T&C IT, the Executive Office of Technology Services and Security (EOTSS). The T&C / SCF are the default forms to be used whenever law, regulation or policy does not specify another contract form. The T&C, T&C HSS, or T&C IT is incorporated, by reference into each Standard Contract Form.

Executive (Level III) and Non-Executive (Level II) state departments are required to use these standard forms. Exempt (Level I) state departments that take advantage of MMARS document processing delegation are also required to use these standard forms. Exempt state departments are encouraged to use the standard forms, but may use an alternative format provided the contract contains the minimum necessary contract information to enable CTR or other oversight entity to process the contract in (MMARS), and the contract meets state finance law requirements identified by CTR.

CTR and OSD support the Office of the Attorney General's (AGO) recommendation against the execution of any vendor or contract boilerplate, or the acceptance of vendor invoices or purchase orders with contractual terms. Many of these forms contain terms which contradict standard Commonwealth boilerplate terms, provide a benefit to the vendor to the detriment of the Commonwealth, restrict the AGO's ability to successfully defend or litigate on behalf of the Commonwealth or severely limit contract recoveries for breach of contract. Departments that sign vendor contracts or accept terms that are contrary or in conflict with the T&C, T&C HSS, or T&C IT assume any risks, costs or liabilities associated with this decision and the AGO may choose not to represent the department in any resulting litigation. See [State Finance Law and General Contract Requirements](#).

- **PRE-ENCUMBRANCE/ENCUMBRANCE/PAYMENT REQUEST** - Guidance has been provided regarding object codes and the type of MMARS document to be used for obligating funds and making payments and, when there is more than one document, these appear in order of use. CTR will determine alternative procedures if circumstances warrant and alternatives are available. The encumbrance policy for MMARS GAE encumbrance documents differs depending upon whether or not the object code is governed by [M.G.L. c. 7, § 22](#). If an object code is governed by [M.G.L. c. 7, § 22](#), it is regulated by OSD's Incidental Purchasing rules. See section in [Incidental Purchases](#).
- **TAX-FORMS** – CTR is the Tax Clearinghouse for all tax reporting forms using the Commonwealth's Federal Tax Identification Number (TIN). CTR is responsible for issuing W-2s for payroll payments paid through the Commonwealth's Central Payroll Systems (*HR/CMS or e\*mpac - UMASS Payroll System*).

CTR is also responsible for issuing Tax Forms (including 1099 and 1042) for certain expenditures identified by the Internal Revenue Service (IRS) **AND** paid on MMARS using specific object code(s). Every object code requiring tax reporting has been identified. If a state department makes a payment from a delegated payment system or any mechanism, other than utilizing a specific vendor code on MMARS, the department is responsible for issuing the Tax Form directly to the recipient(s). In these cases, the Commonwealth TIN may not be used, and the department should submit Tax Forms directly to the IRS and DOR in accordance with directions from CTR. **NOTE:** In order for a 1099 Form to be issued, two criteria must be satisfied:

1.) The payment must be for a reportable expense.

**AND**

2.) The payment must be made to a reportable payee.

- **ELECTRONIC FUND TRANSFERS (EFT)** –The use of Electronic Funds Transfer (EFT) is the payment method for all vendors. This provides cost savings to both the Commonwealth and the vendors for banking fees. The EFT Authorization Form is available for registration at. All remittance advice information is sent with the EFT. Many banks provide a hard copy of the "electronic remittance advice", if requested by the vendor. State departments may want to recommend that a vendor inquire as to the availability of this information from the bank. As an alternative, payment information is available on VendorWeb <https://massfinance.state.ma.us/VendorWeb/vendor.asp>. VendorWeb is the communications tool for remittance information. The information provided from MMARS references payments by Vendor Invoice Number (formerly Payment Reference Number), Related Data and Text and



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appears in that order on the remittance advice. The Vendor Invoice Number is the primary communication field on the remittance advice (both electronic and paper) and must never include personally identifiable data. In MMARS, this number has been expanded to 30 characters and must be unique for each payment made to a vendor/customer. As part of a department's opening activities, it is encouraged that a department review its procedures for establishing Vendor Invoice numbers. Where possible, vendors should be consulted prior to a change in the basic data or format of the vendor invoice number.

### **III. OTHER KEY INFORMATION RELATED TO DEPARTMENT EXPENDITURES**

#### **DEPARTMENT HEAD SIGNATURE AUTHORIZATION AND MMARS SECURITY**

MMARS security will be based on roles that users will perform in the system. Three levels have been created, *user level*, *administrator level*, and *administrator authorized signatory*. Only those with an administrator level role will be able to submit documents to Final status. Anyone who logs on with MMARS security agrees that they will be responsible for all actions under their UAID and agrees to comply with CTR's policies and procedures and other applicable laws and regulations. Department Heads must certify security requests before security is turned on.

Please note that all Authorized Signatories of a Department Head who will be representing the Department Head, approving contracts or any other obligation or expenditure, approving hiring, or making any other legal obligation on behalf of the Department must be assigned a MMARS UAID with a security Administrator role with a DHSA flag even if they will never access MMARS. Audits of DHSA rely on reports from MMARS identifying who are authorized signatories. If individuals are acting as authorized signatories and are not recorded in MMARS with DHSA authorization, the department may be subject to an audit, quality assurance or internal controls finding for a DHSA irregularity.

CTR has aligned Electronic Security with Department Head Signature Authorization (DHSA) in order to take advantage of electronic signatures for MMARS processing. [See Department Head Signature Authorization and Electronic Signatures for MMARS Transactions](#). Every MMARS action must be confirmed/authorized by the Department Head or an authorized signatory.

Department Head Signature Authorization may NOT be delegated to a "contract" employee, to any "non-employee" (such as a consultant, or employee of an outside entity, an Authority or quasi-public agency) or to an employee of another Department since these individuals may NOT act as agents of the Department Head.

Department Heads should be careful when assigning titles to "contractors" or "non-employees" that might be perceived as placing these individuals in a decision-making role for the Department or in the position of "appearing" to replace or supervise state employees. ([See M.G.L. c. 29, § 29A](#)).

#### **ELECTRONIC SIGNATURE AND DEPARTMENT HEAD AUTHORIZATION OF MMARS TRANSACTIONS**

With the implementation of the MMARS accounting system, CTR aligned Electronic Security with Department Head Signature Authorization (DHSA) to take advantage of electronic signatures for MMARS processing. Every MMARS action must be confirmed/authorized by the Department Head or an authorized signatory. Department Head authorization can be accomplished in one of two ways:

1. **Administrator Security with DHSA**. If the employee (Administrator - system processor) who submits a transaction to final status is a Department Head authorized signatory, the data in the MMARS system will be sufficient documentation of the transaction approval. What appears in MMARS will be the record copy of the transaction.
  - ***Recording Doc Id on all supporting documentation***. Since there is *no paper copy required for the MMARS transaction* the Department will be required to include the MMARS Document Identification number (Doc ID) on all supporting documentation to "match" the supporting documentation with the electronic record of the MMARS transaction which will reside on MMARS. Recording the Doc Id on all supporting documentation can be accomplished by entry of the MMARS Doc Id on the first page of the supporting documentation, or by

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entering the Doc Id on a **MMARS Document Records Management/Signature Authorization Form** that will act as the cover sheet to the supporting documentation for records management purposes.

2. **Administrator Security without DHSA.** If the employee (Administrator - system processor) who will be submitting a transaction to final status is not a Department Head authorized signatory, the Administrator must obtain a signature from an authorized signatory approving the transaction **PRIOR** to submitting the transaction to final status in MMARS.
- ***Review of transaction and supporting documentation.*** Since a Department Head is required to authorize the official record of a MMARS transaction, which is what **actually appears in the MMARS system**, departments must ensure that whoever authorizes the transaction has reviewed the transaction (or key data from the transaction) and related supporting documentation prior to authorization.
  - ***Evidence of DHSA.*** MMARS functionality is designed to support extensive use of electronic signatures for DHSA purposes. Departments are encouraged to use this functionality to electronically document DHSA by encouraging signatories to access and view transactions on-line and apply approvals. However, Department Head signoff can be made in a variety of ways and does not necessitate approval in MMARS or HR/CMS directly or screen prints of MMARS or HR/CMS screens. Departments can use the **MMARS Document Records Management/Signature Authorization Form** to approve one or multiple MMARS transactions. Emails from the Department Head (or authorized signatory) with the key data elements for approval; signature or initials on invoices, spreadsheets or memorandum, or other “evidence” of signoff is also sufficient. Departments may develop any internal process as part of the Department Internal Control Plan that efficiently “documents” Department Head signoff. Once the evidence of DHSA approval is obtained, electronic approval can be made in MMARS, and the approval evidence can be filed for Records Management, Quality Assurance and Audit purposes.
  - ***Filing of authorization with supporting documentation.*** Authorization documentation must be kept on file at the Department along with the record copy of the contract or other supporting documentation related to the MMARS transaction

**WHAT DOES ELECTRONIC SIGNATURE OF A MMARS TRANSACTION MEAN?**

When a Department electronically submits a transaction to final status in MMARS, the Department Head is certifying to the Comptroller that the individual, on behalf of the Department Head, understands that their UAID (universal access identification) is being recorded for any entries made in the MMARS system **and that** individual certifies under the pains and penalties of perjury that:

it is their intent to attach an electronic signature approval and date to the MMARS transaction

**AND THAT**

they are either an authorized signatory of the Department Head who is authorized to approve the MMARS transaction as part of the Department Internal Control Plan

**OR**

that the transaction they are processing, and any supporting documentation have been approved by an authorized signatory of the Department Head, secretariat and any other required prior approval (including secretariat signoff if required) and a copy of these approvals are available at the Department referencing the MMARS transaction number

**AND THAT**

any expenditure or other obligation is supported by sufficient available legislatively authorized funds and is in accordance with the Department’s enabling legislation and funding authority

**AND THAT**

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the MMARS transaction and any underlying supporting documentation are accurate and complete and comply with all applicable general and special laws, regulations and policies including public record intention and disposal requirements.

The MMARS transaction itself will be retained electronically on behalf of departments in MMARS. Therefore, MMARS transactions do not have to be printed and saved with supporting documentation, provided the Doc ID is identified on the back up documentation to match with the MMARS transaction. The same types of documentation used in the past to support payments/expenditures are required in MMARS. Reviewers, auditors, oversight agencies, etc., will access MMARS to review the accuracy, authorizations, and set-up of transactions. Departments must continue to maintain files with documentation to support these transactions. Departments are encouraged to use the e-signature functionality in MMARS to continue to eliminate paper where possible.

MMARS is designed to support extensive use of electronic signatures and review and approvals by users accessing MMARS. Screen printing MMARS screens, while allowable, does not support the functionality available to users. Department employees charged with approving MMARS documents are capable of accessing MMARS and viewing documents on-line. The fact that the MMARS system “allows” a transaction to process to final status does not mean that the transaction is automatically legal, in compliance with legislative or funding authority, or properly authorized by a Department Head. Therefore, merely finding a systemic way to process a transaction to final status is insufficient, and department employees, will be held responsible and accountable for all activity under their UAID. Individuals unsure of proper processing or required approvals have an obligation to obtain guidance and approvals from their Chief Fiscal Officer prior to processing a transaction to final status.

Therefore, a CFO and/or Security Officer should not grant electronic security Administrator access to allow submission of MMARS transactions to “Final” status unless the Department can maintain sufficient internal controls, oversight and quality assurance (post audit) reviews to ensure that individuals who exercise such electronic security authorization in accordance with applicable laws, regulations, policies and procedures.

#### **PUBLIC INFORMATION AND PRIVACY CONCERNS**

It is important to provide payees with remittance information that will facilitate proper payment application to their receivables. When negotiating a contract establish a mutually agreeable data structure to communicate goods delivered or services rendered.

Since these fields are a matter of public record MMARS Doc IDs (encumbrances, payments, etc.), vendor invoice numbers, contract numbers, check descriptions, and any comment fields MUST NOT contain personal information (such as individual’s names, SSN numbers, bank account numbers, date of birth, addresses etc.) or other information that could jeopardize privacy or facilitate identity theft. MMARS Doc IDs and key comment fields may be printed on checks, sent electronically as part of remittance advice, and will appear on VendorWeb and may be viewable as part of public records requests, therefore care must be taken that individual personal information is not used.

#### **Department Liaisons/Key Appointments**

CTR maintains a database of individuals, formally appointed by a Department Head, who are responsible for the department’s compliance with various aspects of state finance law. CTR uses this database to communicate information and relies on these individuals as the knowledge base of the departments in their areas of expertise. These individuals are *appointments* by the Department Head with very specific duties. The duties of these individuals have been clarified. Please check the policy found

at

<https://powerdms.com/docs/1861753>

to review these responsibilities. We recommend that the Security Officer be responsible for managing DHSA approvals prior to giving security access.

The Internal Control Officer is responsible for ensuring that the DHSA, MMARS security, and Key Appointments are up to date, both at the department and at CTR. These responsibilities are vital for maintaining the series of reliances CTR uses to approve the warrant. It is critical that departments notify CTR promptly of any changes so that we can accurately communicate information to your department.



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The following are considered “key fiscal contacts” who are formally appointed by the Department Head and who are designated as responsible for the department’s compliance with various aspects of state finance law:

- [Chief Fiscal Officer \(CFO\)](#)
- [Internal Control Officer \(ICO\)](#)
- [General Counsel](#)
- [Security Officer \(DSO\)](#)

Each of these positions is a senior staff appointment of the Department Head. While the CFO is expected to be an authorized signatory of the Department Head, most key fiscal contacts will also have Department Head Signature Authorization (DHSA).

Appointments to these roles cannot be made to contractors, contract employees, non-employees or employees of another department and cannot be shared across multiple departments.

The Internal Control Officer is responsible for ensuring that the DHSA, MMARS Security Officer and Key Appointments are up to date, both in the department’s documentation and at CTR (through designation in MMARS). These responsibilities are vital for maintaining the series of reliances CTR uses to approve the warrant. It is critical that departments notify CTR promptly of any change to key fiscal contacts so that we can accurately communicate information to your department.

Additional fiscal contacts include:

- [Payroll Director](#)
- [GAAP Liaison](#)
- [MMARS Liaison](#)
- [Single Audit Liaison](#)

Department Head(s) should review the list of personnel who coordinate policy and procedures on their behalf and reappoint individuals to these roles. Please review the current list within your department and forward any changes. For a description of the responsibilities of each individual, go to: <https://powerdms.com/docs/1861753> Each individual listed requires access to the Internet in order to retrieve and process documents and information posted by CTR.

Please note that procurement actions and expenditure actions under state finance law are distinctly separate responsibilities, and sometime are performed by different staff in a Department. At the present time, all state finance laws and procedures for MMARS activity remain status quo and all encumbrances and expenditures will follow the same rules as currently exist. COMMBUYS and MMARS are separate systems with separate security considerations and Departments should ensure that staff are properly trained in each system prior to initiating actions that involve purchasing that starts in COMMBUYS and will be separately encumbered and paid for in MMARS. CTR will be working very closely with OSD to translate activities in COMMBUYS and how Departments will record these activities in MMARS related to encumbering and expenditures.

Departments must ensure that procurement and purchasing actions and decisions comply with state finance law and that no action to incur an obligation through procurement and purchasing is initiated without first being approved internally as being supported by appropriations or other legally available funds, and once an obligation is incurred taking the steps to timely record through an encumbrance or pre-encumbrance in MMARS. Internal controls should be updated to ensure that procurement plans and purchasing and funding actions are coordinated with purchasing and fiscal staff up through the Chief Fiscal Officer (CFO) and expenditure are properly budgeted prior to procurement and purchasing actions in COMMBUYS or MMARS.

### **FISCAL ACTIVITY BASED UPON A SERIES OF RELIANCES**

The Comptroller attempts to strike a balance between Comptrollers statutory responsibilities and minimizing unnecessary oversight of state government fiscal transactions by managing MMARS through a series of reliances:

1. The Governor submits a warrant to the Governor’s Council for approval relying upon the “certification” by the Comptroller. ([M.G.L. c. 29, § 18](#));
2. The Comptroller certifies expenditures on a warrant relying upon the “certification” of the Department Head or designee evidenced by an electronic signature approval of a transaction in MMARS. ([M.G.L. c. 7A, s. 3](#), [M.G.L. c. 29, § 61](#); [M.G.L. c. 29, § 20](#));

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3. The Department Head certifies expenditures and other obligations in MMARS by relying on the Chief Fiscal Officer and other authorized Department Head signatories to manage the day-to day business of the Department and approve expenditures on behalf of the Department Head.
4. The Chief Fiscal Officer and other Department Head authorized signatories who approve purchases and expenditures, rely on Department employees to make purchases and confirm receipt, delivery and acceptance of commodities and services (including payroll) in accordance with prescribed laws, regulations, policies and procedures.

The Comptroller has set up the state accounting system (MMARS) with a series of checks and balances to balance fiscal risks with administrative and business efficiencies. The Comptroller relies on Department Heads to ensure that all payments and other transactions sent to the Comptroller for certification through MMARS have been approved by the Department Head as being legal, appropriate and properly submitted in accordance with applicable law, policies and procedures.

Although MMARS is an effective management tool, departments cannot rely solely on the MMARS system to manage fiscal responsibility and decisions. MMARS will not always prevent mistakes or incorrect entries. Some transactions will pass all the system tests (edits) and be processed to final status even though the expenditure, underlying procedures, procurement process, or contract documentation is legally deficient or inaccurate. Compliance responsibility remains at all times with the Department that processes transactions to final status. Since MMARS will track the UAID of the Department employee that approves transactions, quality assurance reviews will identify not only the transactions that will be reviewed, but also the security identification (UAID) of the individual(s) who entered and approved the transactions.

In order to support the series of reliances, the Comptroller establishes the following requirements for the management of Department Head Signature Authorization, Internal Control Plan Updates and Electronic Signatures for MMARS transactions. These policies and any applicable procedures shall apply to all departments unless specifically exempted. A Department's use of MMARS requires at a minimum, agreement to comply with Comptroller laws, regulations, policies and procedures, even if other general or special laws exempt the department from compliance with Executive Branch requirements.

#### **MMARS ENCUMBRANCE AND PAYMENT DOCUMENTS**

Under MMARS the term "commodity" applies to **both** goods *and* services. Goods include but are not limited to any articles of trade, items, products, supplies, information technology resources, automated data processing and telecommunication hardware, software and systems. Services include but are not limited to furnishing of time, labor, effort, specialized skills by a contractor including operational, professional, maintenance, consultant, maintenance and repair, non-professional and human and social services.

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PRE-ENCUMBRANCE DOCUMENTS	ENCUMBRANCE DOCUMENTS	PAYMENT DOCUMENTS
<b>RQS (Standard Requisition)</b> - a pre-encumbrance for the CT, RPO and PC, which can be used to reserve funds prior to encumbering.	<b>CT (Contract Commodity)</b> – encumbrance for contracts for services, leases that are less than 6 months and construction. <b>PC (Commodity Purchase Order)</b> – encumbrance for contracts for commodities that are “goods”.	<b>PRC (Payment Request Document)</b> – the payment request document for the CT, PC and the RPO (manual payment).
	<b>RPO (Recurring Payment Order)</b> – encumbrance for recurring payments. The RPO is required for all space leases (Object Code <a href="#">G01</a> ), all TELP object codes ( <a href="#">L02-L12</a> , <a href="#">N62</a> and <a href="#">U08</a> ), and all operating and capital leases longer than 6 months; ready payments; maintenance contracts and other contracts with scheduled payments.	<b>PRM (Payment Request Matching Document)</b> – the payment request document for the RPO which is system (automatically) generated.
<b>GAP (General Accounting Pre-Encumbrance)</b> – a pre-encumbrance to reserve funds prior to encumbering a GAE, with the exception of incidental purchase object code(s).	<b>GAE (General Accounting Encumbrance)</b> – encumbrance for obligations including incidental purchases (IP).	<b>GAX (General Accounting Expenditure)</b> – the payment request document for non-incidental purchase payments encumbered with a GAE  <b>INP (Incidental Payment Document)</b> – the payment request document for incidental purchase payments encumbered with a GAE.

Departments should refer to this **Handbook** for details on which encumbrances are available for selected object codes. For additional guidance related to MMARS documents see Policy Chapters “**Contracts**” and Policy Chapters under “**Accounts Payable (Payments)**” for Payments.

### **MMARS TRANSACTIONS MUST MATCH CONTRACT**

MMARS must match the underlying contract or supporting documents, including extensions and amendments. What appears in the MMARS system will be considered the “official record” or “record copy” of fiscal activities and will supersede paper or other formats of the same information. Departments must remember that MMARS is an accounting system, used to accurately record and report on fiscal activities.

Although MMARS is an effective management tool, departments can not rely solely on the MMARS system to manage fiscal responsibility and decisions. MMARS will not always prevent mistakes or incorrect entries. Some documents will pass all the system tests (edits) and be processed to “Final” status even though the expenditure, underlying procedures, procurement process, or contract documentation is legally deficient.

Therefore, just because department employees are capable of processing a document to “Final” status in MMARS will not be interpreted to mean that the document, or underlying documentation are automatically legal, appropriate or in compliance with applicable laws, regulations, policies or procedures. Compliance responsibility remains at all times with the department employees who process documents to “Final” status. Since MMARS will track the UAID of the department employee who approves documents, quality assurance reviews will identify not only the documents that will be reviewed, but also the security identification (UAID) of the employee who approved the documents.

- Departments must be especially careful when modifying MMARS documents (such as encumbrances) to support contract extensions and amendments, specifically effective dates. It is improper for departments to enter a modification to a MMARS document to reflect start and end dates that are not supported by the underlying contract documentation.

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- The document ID number remains the same throughout the life of a contract.

### **MMARS DOCUMENT PROCESSING DELEGATION**

In an effort to balance efficiency and appropriate levels of oversight control, CTR and OSD extend the offer of MMARS document processing delegation to all departments that demonstrate compliance with state finance law and procurement laws. Delegation means that a department will have more authority and responsibility in processing financial documents and filing contracts. See [Delegation of MMARS Document Processing Authority and Quality Assurance](#). Increased authority includes the ability to:

- Process encumbrance documents up to a certain dollar limit within the department.
- Make incidental purchases (INP) up to a certain dollar limit without a procurement process or contract.
- Eliminate individual payments up to a certain dollar limit by using the Commonwealth's credit card.

Increased responsibility includes creating and maintaining a management environment that:

- Provides the appropriate level of review and approval of encumbrance documents processed within the departments.
- Provides for the records management of the contract documents, as the department now maintains the record copy of the contract, which is a public document and must be made available upon request.
- Provides a framework to achieve best value for incidental purchases without a structured procurement or contract.
- Trusts and empowers employees to use Commonwealth credit cards for Commonwealth business, thus eliminating multiple processes for incidental documents.

In order to streamline the Commonwealth's procurement process for goods and/or services, and grants, departments have been classified into one of three levels based on their governing statute and Procurement Laws: Level I-Exempt; Level II-Non-Executive, and Level III-Executive. Regardless of a department's procurement level, **all departments** must comply with state finance law and Comptroller policies and regulations. The following is a listing of the Contract Policies that departments are responsible for:

- [Acquisition Policy](#)
- [Amendments, Suspensions, or Terminations](#)
- [Bill Payment Policy](#)
- [Commodities and Services](#)
- [Contractor Authorized Signatory Listing](#)
- [Contracts – Interdepartmental Chargebacks](#)
- [Delegation of MMARS Document Processing Authority and Quality Assurance](#)
- [Encumbrance Correction Documents](#)
- [Goods and Services](#)
- [Individual Contractors: Contract Employees vs. Independent Contractors](#)
- [Interdepartmental Service Agreements \(ISA\)](#)
- [Line Types](#)
- [Open Order Encumbrance](#)
- [OSD Policies and Guidance Regarding Incidental Purchasing \(IP\)](#)
- [Prompt Payment Discounts](#)
- [Retainage](#)
- [State Grants and Federal Sub Grants](#)

### **INCIDENTAL PURCHASES (INP)**

Incidental purchases are authorized under object codes governed by [M.G.L. c. 7, § 22](#). Incidental purchases are one-time, unanticipated, non-recurring purchases of goods or services that are not available from a Statewide Contract. Executive (Level III) and any other department that follows [801 CMR 21.00](#) for its internal procurement policy must comply with the incidental purchase requirements outlined in the OSD [Learn About COMMBUYS](#) page and the [“Incidental Purchase Policy Guidance”](#).

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Non-Executive (Level II) and Exempt (Level I) departments that do not follow [801 CMR 21.00](#) must have written internal incidental purchase procedures and comply with CTR policies and procedures for incidental purchases. These require that all incidental purchases will follow the same “one-time, non-recurring” use and dollar threshold restrictions set for incidental purchases and will not be required to use Statewide Contracts. Incidental purchases do not require a competitive procurement or contract. The vendor’s invoice is the minimum necessary documentation for payment. Ongoing or recurring purchases of goods or services (performance that recurs annually) are not incidental purchases and must be procured using a competitive procurement.

The GAE/INP transactions are the encumbrance/payment request for incidental purchases, although no encumbrance is necessary except for the month of June of each fiscal year where a supporting GAE must be put in place (encumbered) to support any payments (INP). If a department chooses to encumber funds using a CT or PC document for incidental purchases, then a Standard Contract Form must also be completed and retained in the department’s procurement file. An incidental purchase may only be processed if the purchase is not available under an existing Statewide Contract (see below for specifics).

### **STATEWIDE CONTRACTS**

Statewide Contracts are procured by OSD’s Procurement Management Teams on behalf of the Commonwealth. These procurements are conducted using [801 CMR 21.00](#) – a process that uses the best value philosophy and standard guidelines, including an evaluation process and performance measures. The process and results are documented in a procurement file.

Departments that follow [801 CMR 21.00](#) are required to use Statewide Contracts, irrespective of the dollar amount of the purchase. Exceptions will only be permitted with prior written approval from the State Purchasing Agent explained in [Procurement Overview](#) - OSD Legal Authority, Strategic Oversight and the Required Use of Statewide Contracts (Revised 10/1/2013). Departments are required to review the OSD [Learn About COMMBUYS](#) page.

The **Commonwealth of Massachusetts Purchase Order for Goods and/or Services Form** may be used to confirm the selection of equipment or services from Statewide Contracts. An incidental purchase may only be processed if the purchase is not available under an existing Statewide Contract.

### **REFERENCING THE STATEWIDE MASTER AGREEMENT NUMBER**

All departments encumbering against statewide contracts MUST reference the statewide MA Doc ID number on all MMARS encumbrance (CT, PC and RPO) documents. Adherence to this requirement ensures OSD will be able to accurately track and report on encumbrance and payment activity from statewide contracts. **Departments must review their internal guidance and procedures to make sure that this step is completed.** OSD’s Quality Assurance Team will continue to monitor department encumbrance documents to determine whether statewide contracts have been referenced in MMARS, as required.

### **CONTRACT EMPLOYEE VS. INDEPENDENT CONTRACTORS – POSTING OR PROCUREMENT?**

Departments hiring “Individual Contractors” as either contract employees or independent contractors are required to comply with the policy “[Individual Contractors - Independent Contractors or Contract Employees.](#)”

A department does not always know in advance whether services can be best performed by an individual contractor or by a company or firm. Therefore, whenever services are being performed, the department should take the following actions:

1. **Identify the Business Needs of the Department:** The hiring department should develop performance specifications for the services necessary to meet the department’s business needs, including where the work needs to be performed, the level of control and supervision that will be required for performance, whether the work hours or schedule will be set by the department or the contractor, whether the work is performed as part of or outside the usual course of business of the department.
2. **Apply the Commonwealth Three-Part Test to the Business Needs:** ([Employment Status Form](#)): The department must determine if the type of work to be performed can be performed by a firm or an individual and if the type of oversight relationship will trigger an employer-employee relationship or that of an independent contractor. To make this determination, the department must *review* the *Employment Status Form* to determine if an employer-employee



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relationship will be created if an individual is selected for performance, as follows:

- a) If the work can be performed by a firm *or* an individual, or the department is unsure of how best to perform the requisite service, *and* the review of the *Employment Status Form* 3-part test indicates that there will *not* be an employer-employee relationship, the department is required to conduct a procurement for these services. See *How to Do a Competitive Procurement* in the OSD [Learn About COMMBUYS](#) page.
  - b) If the work can only be performed by an individual, *and* the review of the *Employment Status Form* 3-part test indicates that there *will* be an employer-employee relationship, the department is required to post the contract notice for a contract employee.
3. To confirm the employment status when a contract is signed with an individual contractor selected from either an RFR (independent contractor) or posting (contract employee), ***attach a completed Employment Status Form to the Standard Contract Form.***

### **CONTRACT EMPLOYEE (CONTRACTOR PAYROLL)**

All contract employees are in the Object Class CC and will be paid through HR/CMS and e\*mpac. Contract employees may not be consultants. [M.G.L. c. 29, § 29A](#) applies only to “non-employees” and, therefore, does not apply to contract employees.

Departments do not encumber funds for contract employees. The contract requirement for having a valid Standard Contract Form executed by the department and the contract employee remain unchanged. A Standard Contract Form may be executed for multi-fiscal years, or if ending this fiscal year and amendment to extend the end date must be executed no later than June 30<sup>th</sup> of this fiscal year.

Contract employees pay will be subject to the same funds availability controls that are currently applied to regular employee payroll. Funds availability for regular employees will be addressed prior to contract employee processing. Regular employee payroll will not be held if funds are insufficient to pay contractors. LCM Labor History and Commonwealth Information Warehouse (CIW) reports can be used to track contract employees' payroll expenses.

### **PROMPT PAYMENT DISCOUNTS (PPD)**

The Commonwealth has business relationships with thousands of business entities totaling billions of dollars, offering a significant base for Prompt Pay Discounts (PPD). It is mutually beneficial to negotiate and include Prompt Pay Discount terms in all new and amended contracts with all vendors/contractors. Contractors benefit from Prompt Pay Discounts because they result in improved cash flow and predictable payment stream for commodities or services rendered. The Commonwealth benefits because vendors/contractors reduce the cost of products and services through the applied discount. Departments must check the terms of discounts on department-initiated contracts and statewide Master Agreements (MA) to identify the prompt payment discount options available to ensure maximum savings.

Departments should review and process all payment requests in MMARS in a timely manner. The goal of the Commonwealth is to process payments within 9 calendar days of invoice receipt. This goal will allow MMARS to take the maximum discount available or, if none was negotiated, will support the Commonwealth [Bill Payment Policy](#).

To assist with department analysis of payments made and discounts taken or missed, CTR Memo FY2007-20 provides starter queries that departments can run in the Commonwealth Information Warehouse (CIW).

Understanding the potential savings to the Commonwealth, CTR/OSD continue to work together promoting PPD to assist departments so that new/modified contracts will include standard discount terms. For further guidance on Prompt Payment Discounts please see the [Prompt Payment Discounts Policy](#).

If the contractor has not offered prompt payment discounts or is not enrolled in Electronics Funds Transfer EFT (either because it was not required in the procurement or it was deemed inappropriate at the time) contract renewal provides an excellent opportunity for departments to encourage contractors to offer prompt payments and to take advantage of this cost saving payment method offered by EFT. EFT is the payment method for all contract payments. Please see: [Commonwealth](#)

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[Bill Paying Policy.](#)

**W-9 CERTIFICATION**

In order to receive payments from the Commonwealth, a vendor must be registered in the Vendor/Customer (VCUST) Table of the state accounting system (MMARS). Departments are required to obtain a completed Massachusetts Substitute W-9 Form (Request for Taxpayer Identification Number and Certification) or an appropriate W-8 Form Series (W-8BEN, W-8ECI, W-8EXP and W-8IMY) for foreign vendors.

For Vendor registrations, departments should enter vendor's information through a Vendor Customer Creation (VCC) transaction based on W9 form information from vendor. Vendor should have a legal name, address and a Tax Identification Number. A TIN will either be:

- A Social Security Number (SSN) issued by the Social Security Administration (SSA) for individuals or
- An Employer Identification Number (EIN) issued by the IRS for sole proprietorships, trusts, estates, partnerships, corporations, non-profit organizations, and public entities.

For Customer registrations departments should make every effort to obtain a W-9. When entering a VCC/VCM for a customer, remember to put CUST in the first four positions of the document identification.

Like any other MMARS transaction, when a department submits a VCC or VCM to pending status, the authorized Department Head signatory is certifying that the document is accurate and complete, and that they have verified the information in the VCC or VCM. Merely obtaining a W-9 is not enough. CTR can not verify the information in a W-9 or W-8. Departments are in the best position to verify the accuracy of payee information because they are working directly with the payee and can take whatever steps are necessary to verify information. By accepting W-9s and updates only from authorized signatories, verifying the signatures match the [CASL Form \(Contractor Authorized Signatory Listing\)](#) or some other verification, departments assist with reducing the risk of misdirecting payments to the wrong payee or address, delaying payments or inadvertently allowing fraudulent payments.

- **New VCCs** – ensure that the payee is actually a new vendor that does not already have an existing vendor code on MMARS. Not all vendors know that they are already registered on the VCUST table. A search of the TIN/EIN should identify if the payee has a current vendor code.
  - Departments should ensure that the payee has submitted an SSN/TIN or FEIN with a legal name and address that match what they have already filed with the IRS and DOR. Many entities have a legal name and a “DBA” (“doing business as”) with a different operational name. The legal name should be the name listed in VCUST. If the entity needs the dba name also, this should be listed under “Division”. If the legal name is not used, the Commonwealth may get a B-Notice requiring modifications both for the Commonwealth and the payee and require a payee to modify already filed tax returns.
- **VCMs** Departments should always look up the vendor in MMARS to verify the current information and to obtain the necessary supporting documentation for the requested change. No legal address, remittance address, tax id, legal name or structure changes should be made unless an authorized signatory of the payee has submitted an updated W-9 or other acceptable supporting documentation.
  - Special care must also be taken when a payee requests payment to be sent to a different **remittance address** (other than the legal address where tax reporting is made) or to another bank account to ensure the address or bank account is verified by an authorized signatory of the payee with sufficient back up documentation. This verification is necessary to ensure that payments are not fraudulently diverted to another address or bank account.

See [Contractor Authorized Signatory Listing Policy.](#)

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**CONTRACTOR SIGNATURE AUTHORIZATION LISTING (CASL)**

For a contract (including grants, leases, subsidies, etc.) to be legally valid, it must be executed by an authorized signatory of both the department and the contractor. As requested by the Office of the Attorney General (AGO), a department is required to take reasonable steps to verify that a contract, including the applicable Commonwealth Terms and Conditions found in the Standard Contract, has been executed by an authorized signatory of the contractor and that the signature that appears on the contract was actually made by the authorized signatory and not a representative. An authorized signatory is an individual who is legally authorized to sign on behalf of the contractor and legally bind the contractor. It must be standard business practice for departments to verify the signature that appears on a contract was made by an individual authorized to execute a contract on behalf of the contractor (regardless of the contract amount).

Departments must establish internal procedures for obtaining and filing contractor authorized signatory listings for all contractors (filed as part of Internal Control Plan). A department may use the [Contractor Authorized Signatory Listing](#) form issued by CTR or any comparable form, provided the contractor certification language appears on the comparable form.

At a minimum, a list of authorized signatories for a contractor must be attached to the record copy of each contract or contract amendment filed at the department. This listing may be obtained once per contractor (as part of either the procurement or contract execution process) and photocopied and attached to each contract the department has with that contractor until the listing is updated. The listing does not need to be attached to a photocopy of any contract submitted to CTR or OSD for workflow review and processing. Quality Assurance Reviews and other post-audit activities will verify proof of contractor signature authorization. For further information, see the CTR Website, Policies and Procedures, under Contracts. The section is entitled [Contractor Authorized Signatory Listing](#).

**VENDORWEB**

Vendors can view their scheduled payments and payment history by logging on to the VendorWeb. Available on-line are the tentative scheduled payment date or the actual payment date, payment number, vendor invoice number, contract number, line amount, any associated text information and the department making the payment. VendorWeb is located at <https://massfinance.state.ma.us/VendorWeb/vendor.asp>.

The VendorWeb application was created to help the Commonwealth's vendors get their payment information free and easily. Vendors access VendorWeb with their Commonwealth Vendor Customer code and last 4 digits of their tax identification number (TIN). Vendors can view or download information for payments made and payments scheduled in MMARS to be paid. Payment information can be generated using date ranges and can be sorted by a selected department or by payment from all departments.

**QUALITY ASSURANCE REVIEW**

CTR's Statewide Risk Management Team provides a post-audit review of the business activities for which the Office of the Comptroller has oversight and issues guidance on internal controls and identifies compliance strengths and weaknesses as well as promoting Department compliance with appropriate regulations, policies and procedures for all fiscal business.

**RECORDS MANAGEMENT**

Pursuant to [815 CMR 10:00 Records Management of Bills, Vouchers and Contracts](#), departments have been designated the "keeper" of all record copies of contracts and supporting documentation. This policy governs *all* contracts, grants, Interdepartmental Service Agreements (ISAs) and amendments, which use the BGCN/BGCS, IE, CT, RPO, PC, GAE, or RQS/GAP MMARS pre-encumbrances, encumbrances and the following supporting payment request documents: PRC, PRM, GAX, INP & IET documents, or any other document necessary to process a contract.

Records Management includes maintaining the complete original "record copy" of a document for the required retention period and then archiving the document in accordance with the records retention schedule published by the Records Conservation Board of the Secretary of State's Office (SEC). See [SEC Statewide Records Retention Schedule](#).

- **CTR** will maintain the electronic record copy of **transactions** processed in MMARS and will be responsible for retaining and archiving these records. Departments do not have to separately maintain electronic copies of MMARS Transactions.

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- **CTR** will also maintain record copies of **W-9 Forms, and Electronic Fund Transfer (EFT) Authorization forms** which must continue to be submitted to CTR to register a vendor. Departments should retain copies of these documents for the contract files.
- **Departments** are required to maintain all “back up” or “supporting documentation” related to a MMARS document (marked with the Doc ID) for the requisite period of time specified for that type of document in accordance with the [Statewide Records Retention Schedule](#). For example, contract and payment related documentation must be maintained for 6 years from the last payment made under that contract or until any litigation involving the contract is resolved (which would include procurement, contract, payment and correspondence.) Please see previous section for more examples.

This is to clarify the use of the term’s “transaction” and “document”:

- **Transaction** refers to a specific event that occurs in MMARS that may reference one or more documents.
- **Document** is a discrete article (may be paper or electronic text) that supports the transaction event in MMARS: for example, T&C and signed SOW are documents that support the CT transaction in MMARS.

#### **IV. HYPERLINKS TO LEGAL AUTHORITIES, FORMS, POLICIES AND RELATED RESOURCES** – NOTE: NOT ALL APPLICABLE LAWS HAVE BEEN CITED IN THIS HANDBOOK

The following is a listing of hyperlinks to various legal citations, forms, policies and other resources that are cited in this Handbook or provide helpful information to departments when making expenditures. This listing is not exhaustive. Pressing the "Alt" and "F9" keys while in the Microsoft® Word version of this document will display the full text of hyperlinks which can be copied and pasted or typed into your Internet browser address field if you cannot connect directly to the Internet by clicking on a hyperlink. Hyperlinks to legal requirements such as statutes and regulations are links to unofficial versions of these documents. While reasonable efforts have been made to assure the accuracy of the data provided, departments should consult with their legal counsel and chief fiscal officers to ensure compliance with all legal and fiscal requirements. **PLEASE NOTE THAT NOT ALL APPLICABLE LAWS HAVE BEEN CITED IN THIS HANDBOOK.**

- |   |   |
|---|---|
| • <a href="#">801 CMR 21.00 (Procurement of Commodity and Service Procurements, Including Human and Social Services);</a> | • <a href="#">Commonwealth Terms and Conditions for Human and Social Services</a> (Level III - Executive Only)            |
| • <a href="#">808 CMR 1.00 (Compliance, Reporting and Auditing for Human and Social Services)</a>                         | • <a href="#">Commonwealth Terms and Conditions Form</a>  |
| • <a href="#">Administrative Bulletins</a> (Level III – Executive Only).  | • <a href="#">Commonwealth Terms and Conditions for IT Contracts</a>  |
| • <a href="#">Supplier Diversity Program</a>  | • <a href="#">COMMBUYS</a>  |
| • <a href="#">Attorney General Policy for Prior Review of Attorneys</a>   | • <a href="#">Comptroller regulations (815 CMR 2.00 - 10.00).</a>   |
| • <a href="#">Attorney General Review Form for Attorneys Providing Legal Services</a>                                     | • <a href="#">Contractor Authorized Signatory Listing Form</a>  |
| • <a href="#">Change in Contractor Identify Form</a> (Change in business structure or contract assignment)                | • Department Head Signature Authorization and Electronic Signature for MMARS Documents                                    |
| • <a href="#">Code of Massachusetts Regulations</a> (Secretary of State);   | • <a href="#">Employment Status Form</a> (must be completed for all Individual Contractors)                               |
| • <a href="#">Code of Massachusetts Regulations</a>   | • <a href="#">Form W-9 (Massachusetts Substitute W-9 Form</a> (if not listed as vendor in the MMARS Vendor Customer file) |
| • <a href="#">Commonwealth of Massachusetts Website</a>   | • <a href="#">Interdepartmental Service Agreement Form</a>  |
| • <a href="#">Commonwealth Standard Contract Form</a>   | • <a href="#">IRS Forms and Publications</a>  |
|   | • <a href="#">Legislative Home Page with FY GAA and Bills</a>   |
|   | • <a href="#">M.G.L. c. 29, §. 29B</a> (Human/Social Services)  |

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- (Level III – Executive only)
- [M.G.L. c. 7, § 22](#) (OSD – Commodities); [M.G.L. c. 30, § 51](#); (OSD – Services) [M.G.L. c. 30, §. 52](#); (OSD – Services)
  - [M.G.L. c. 29, §. 29A](#) (Consultants) (Level III – Executive only);
  - [M.G.L. c. 110G](#) (Uniform Electronic Transactions Act); [M.G.L. c. 30, § 65](#) (Legal Services).
  - [M.G.L. c. 15A](#) and [M.G.L. c. 73](#) (state and community colleges);
  - [M.G.L. c. 29, § 29D](#) (Debt Collection); [M.G.L. c. 29, § 29E](#) (Revenue Maximization).
  - [M.G.L. c. 29, § 66](#) (State Finance Law Violations)
  - [M.G.L. c. 29, s. 29A](#); [M.G.L. c. 29, s. 29B](#)
  - [M.G.L. c. 30, § 27](#) (Revenue Receipt); [M.G.L. c. 10, § 17B](#) (Revenue Receipt); Massachusetts Constitution [Article LXIII Section 1](#) (Revenue Receipt);
  - [M.G.L. c. 75](#) (UMASS); General or special laws governing expenditures.
  - [M.G.L. c. 7A](#) (Office of the Comptroller); [M.G.L. c. 29](#) (State Finance Law).
  - [M.G.L. c. 7A](#); [M.G.L. c. 29](#)
  - [M.G.L. c. 7, § 22](#); [M.G.L. c. 30, §. 51](#); [M.G.L. c. 30, §. 52](#)
  - [Executive Orders](#) see also [Massachusetts Executive Orders](#)).
  - [Massachusetts General Laws](#) (Click on “link to particular Chapter and Section” to locate “M.G.L.” cites)
  - [MMARS Document Records](#)
  - [Management/Signature Authorization Form](#)
  - [OMB Guidance](#)
  - [OSD’s Conducting Best Value Procurements Handbook](#)
  - [Quick Reference – Commodities and Services, Grants, Subsidies, ISAs and Chargebacks](#)
  - [Key State Finance Law Compliance Appointments and Responsibilities](#)
  - [Subsidy Agreement](#)