



# EXPENDITURE CLASSIFICATION HANDBOOK



# EXPENDITURE CLASSIFICATION HANDBOOK

OFFICE OF THE COMPTROLLER

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# **PART ONE: INTRODUCTION**

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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                 |
|--|-----------------------------------|
| <b>EMPLOYEE COMPENSATION AND RELATED EXPENSES</b>  | <b>AA, BB, CC, DD</b>             |
| <b>DEPARTMENT ADMINISTRATIVE EXPENSES AND OPERATIONAL SERVICES</b>                       | <b>EE, JJ</b>                     |
| <b>CONSULTANT SERVICE CONTRACTS</b>  | <b>HH, NN1-N14, U05</b>           |
| <b>PURCHASED CLIENT HUMAN AND SOCIAL SERVICES AND NON-HUMAN SERVICES PROGRAMS</b>        | <b>MM</b>                         |
| <b>EQUIPMENT PURCHASE, TELP, LEASE, RENTAL, MAINTENANCE, AND REPAIR</b>                  | <b>KK, LL, N62, N63, U08, U09</b> |
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| <b>HORIZONTAL AND VERTICAL CONSTRUCTION, IMPROVEMENTS, MAINTENANCE, AND REPAIR COSTS</b> | <b>NN</b>                         |
| <b>GRANTS AND SUBSIDIES</b>  | <b>PP</b>                         |
| <b>ENTITLEMENT PROGRAMS</b>  | <b>RR</b>                         |
| <b>DEBT SERVICE</b>  | <b>SS</b>                         |
| <b>LOANS AND SPECIAL PAYMENTS</b>  | <b>TT</b>                         |
| <b>INFORMATION TECHNOLOGY (IT) EXPENSES</b>  | <b>UU</b>                         |

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 subdivisions 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.

## MAComptroller.org

[MAComptroller.org](#) is intended to provide user support information, MMARS resources, and services for end-users. MAComptroller.org 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 (A&F), 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 A&F.

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

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.



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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.

## 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 A&F, 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 Forms W-2 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 Forms 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

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directly to the IRS and DOR in accordance with directions from CTR. **NOTE:** In order for a Form 1099 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 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

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accomplished by entry of the MMARS Doc Id on the first page of the supporting documentation, or by 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 retention 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 [Key State Finance Law Compliance Roles and Responsibilities document](#) to review these responsibilities. We recommend that the Security Officer be responsible for managing DHS approvals prior to giving security access.

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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.

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 \(CFO\)](#)
- [General Counsel](#)
- [Internal Control Officer \(ICO\)](#)
- [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](#)
- [MMARS Liaison](#)
- [GAAP 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 the [Key State Finance Law Compliance Roles and Responsibilities document](#). 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 on a Series of Reliances

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

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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](#));
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><br>A pre-encumbrance for the CT, RPO and PC, which can be used to reserve funds prior to encumbering.                                     | <b>CT (Contract Commodity)</b><br>Encumbrance for contracts for services, leases that are less than 6 months and construction.<br><br><b>PC (Commodity Purchase Order)</b><br>Encumbrance for contracts for commodities that are “goods”.   | <b>PRC (Payment Request Document)</b><br>The payment request document for the CT, PC and the RPO (manual payment).  |
|   | <b>RPO (Recurring Payment Order)</b><br>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><br>The payment request document for the RPO which is system (automatically) generated.   |
| <b>GAP (General Accounting Pre-Encumbrance)</b><br>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><br>Encumbrance for obligations including incidental purchases (IP).   | <b>GAX (General Accounting Expenditure)</b><br>The payment request document for non-incidental purchase payments encumbered with a GAE<br><br><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.

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- 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.
- 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 \(ISA\)](#)



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- [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](#).

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

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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 [Contract Employees vs. Independent Contractors](#).

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

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 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.

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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. 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 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 Form W-9 (Request for Taxpayer Identification Number and Certification) or an appropriate Form W-8 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 Form W-9 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 Form 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 Form W-9 is not enough. CTR cannot verify the information in a Form W-9 or Form 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 Forms W-9 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.

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- **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](#).

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

## VendorWeb

Vendors can view their scheduled payments and payment history by logging on to VendorWeb. Available online 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>.

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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.
- **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 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.

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## IV. HYPERLINKS TO LEGAL AUTHORITIES, FORMS, POLICIES AND RELATED RESOURCES

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.**

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

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[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](#)



# PART TWO: OBJECT CLASS / OBJECT CODE DEFINITIONS AND DESCRIPTIONS

# EXPENDITURE CLASSIFICATION HANDBOOK

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## OBJECT CLASS AA STATE EMPLOYEE COMPENSATION

### Covered Expenditures

This object class includes compensation for state employees in authorized positions. Compensation includes regular salary, overtime and other financial benefits.

### Requirements

All Commonwealth departments are responsible for making contract obligations and expenditures in compliance with applicable laws and CTR Fiscal Policies (including payroll policies and [Payroll Best Practices](#)). *All expenditures from this object class must be made through one of the Commonwealth's two central payroll systems (HR/CMS or e\*mpac) and are governed by the Fair Labor Standards Act (FLSA).* Most departments are subject to the rules and regulations of the Human Resources Division (HRD) for compensation payments. In order to receive payments through this object class, the employee must be in an authorized position. Departments which are not subject to the Human Resource Division (HRD) regulations for personnel classification, such as the Legislature, Judiciary, State Treasurer, State Auditor, State Secretary, Attorney General, District Attorneys, Sheriffs, Higher Education, Independent Commissions and Boards, will be governed by applicable enabling statutes, collective bargaining agreements, personnel policies and Federal laws.

### Expenditures Not Covered

This object class does not include employee reimbursements or payments for job related activities (see Object Class BB).

|                              |  |
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| <h1>A01</h1>                 | <b>SALARIES: INCLUSIVE</b><br>Salaries for authorized positions. One or more persons may occupy these positions. These positions are scheduled through HRD for Executive departments.  |
| <b>Legal Authority:</b>      | <a href="#">M.G.L. c. 6 17</a> ; <a href="#">M.G.L. c. 7, §§ 4J, 28</a> ; <a href="#">M.G.L. c. 13</a> ; <a href="#">M.G.L. c. 29, §§ 1, 27, 31-31D</a> ; <a href="#">M.G.L. c. 30, §§ 1, 21, 22, 24A-25, 45-50</a> ; <a href="#">M.G.L. c. 31 §§ 1, 31, 48</a> ; <a href="#">M.G.L. c. 73, § 16</a> ; <a href="#">M.G.L. c. 74, § 42O</a> ; <a href="#">M.G.L. c. 75 § 14</a> ; <a href="#">M.G.L. c. 150E</a> ; <a href="#">Collective Bargaining Agreements</a> ; Authorizing Legislation; CTR Payroll Expenditure Manual and Payroll Memos; CTR Payroll Policies |
| <b>Oversight Department:</b> | HRD, CTR   |
| <b>Payment Request:</b>      | PREXP  |
| <b>Incidental Purchase:</b>  | N/A  |
| <b>Tax Form:</b>             | W-2  |

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| <h1>AA1</h1>                 | <b>SALARIES: SUPPLEMENTAL</b><br>Additional payments to employees' salary, as provided in a collective bargaining agreement, to increase the rate of pay due to a particular characteristic that differentiates one employee from another. Examples of these include longevity payments, education incentives, bilingual differentials, and facility (area) differentials. |
| <b>Legal Authority:</b>      | <a href="#">M.G.L. c. 149</a> ; <a href="#">M.G.L. c. 30, § 45-50</a> ; <a href="#">M.G.L. c.30, § 24A, § 24C</a> ; <a href="#">M.G.L. c. 150E</a> ; <a href="#">M.G.L. c. 7, §§ 4J, 28</a> ; <a href="#">Collective Bargaining Agreements</a> ; CTR Payroll Policies  |
| <b>Oversight Department:</b> | HRD, CTR   |
| <b>Payment Request:</b>      | PREXP  |
| <b>Incidental Purchase:</b>  | N/A  |
| <b>Tax Form:</b>             | W-2  |

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|                              |   |
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| <b>A06</b>                   | <p><b>STAND-BY PAY</b><br/>                     Payments to employees for fulfilling “stand-by” or “on-call” obligations or duties.</p>   |
| <b>Legal Authority:</b>      | <a href="#">M.G.L. c. 149</a> ; <a href="#">M.G.L. c. 30, § 45-50</a> ; <a href="#">M.G.L. c.30, § 24A, § 24C</a> ; <a href="#">M.G.L. c. 150E</a> ; <a href="#">M.G.L. c. 7, §§ 4J, 28</a> ; <a href="#">Collective Bargaining Agreements</a> ; CTR Payroll Policies |
| <b>Oversight Department:</b> | HRD, CTR  |
| <b>Payment Request:</b>      | PREXP   |
| <b>Incidental Purchase:</b>  | N/A   |
| <b>Tax Forms:</b>            | W-2   |

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| <b>A07</b>                   | <p><b>SHIFT DIFFERENTIAL PAY</b><br/>                     Payments of salary differential to persons performing duties outside of their regular work schedule.<br/> <b>Comments:</b> Usually in operations that function 24 hours per day.</p> |
| <b>Legal Authority:</b>      | <a href="#">M.G.L. c. 149</a> ; <a href="#">M.G.L. c. 150E</a> ; <a href="#">M.G.L. c. 7, § 4J, § 28</a> ; <a href="#">Collective Bargaining Agreements</a> ; CTR Payroll Policies   |
| <b>Oversight Department:</b> | HRD, CTR   |
| <b>Payment Request:</b>      | PREXP  |
| <b>Incidental Purchase:</b>  | N/A  |
| <b>Tax Forms:</b>            | W-2  |

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| <b>A08</b>                   | <p><b>OVERTIME PAY</b><br/>                     Payments to employees for work beyond their regular hours.</p>   |
| <b>Legal Authority:</b>      | <a href="#">M.G.L. c. 30, § 46G</a> ; <a href="#">M.G.L. c. 149, §§ 30-33C</a> ; <a href="#">M.G.L. c. 7, § 4J, § 28</a> ; <a href="#">Collective Bargaining Agreements</a> ; CTR Payroll Policies |
| <b>Oversight Department:</b> | HRD, CTR   |
| <b>Payment Request:</b>      | PREXP  |
| <b>Incidental Purchase:</b>  | N/A  |
| <b>Tax Forms:</b>            | W-2  |

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| <b>A09</b>                   | <p><b>ROLL CALL PAY</b><br/>                     Payments to employees for standing roll call before a shift according to collective bargaining agreements.</p> |
| <b>Legal Authority:</b>      | <a href="#">M.G.L. c. 7, §§ 4J, 28</a> ; <a href="#">Collective Bargaining Agreements</a> ; CTR Payroll Policies  |
| <b>Oversight Department:</b> | HRD, CTR  |
| <b>Payment Request:</b>      | PREXP   |
| <b>Incidental Purchase:</b>  | N/A   |
| <b>Tax Forms:</b>            | W-2   |

|                              |   |
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| <b>A10</b>                   | <p><b>HOLIDAY PAY</b><br/>                     Extra compensation for services performed on legal holidays specified by statute or regulation.</p>  |
| <b>Legal Authority:</b>      | <a href="#">M.G.L. c. 30, §§ 45-50, § 21, § 22, § 24A-25</a> ; <a href="#">M.G.L. c. 31</a> ; <a href="#">M.G.L. c. 150E</a> ; <a href="#">M.G.L. c. 6</a> ; <a href="#">M.G.L. c. 29, §§ 31-31D</a> ; <a href="#">M.G.L. c. 7, §§ 4J, 28</a> ; <a href="#">Collective Bargaining Agreements</a> ; CTR Payroll Policies |
| <b>Oversight Department:</b> | HRD, CTR  |
| <b>Payment Request:</b>      | PREXP   |
| <b>Incidental Purchase:</b>  | N/A   |
| <b>Tax Forms:</b>            | W-2   |

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|                                      |   |
|--------------------------------------|---|
| <h2 style="color: #0070C0;">A11</h2> | <p><b>EMPLOYMENT RELATED SETTLEMENTS AND JUDGMENTS</b></p> <p>No payments may be made using this object code without prior approval by CTR Legal Unit of use of this object code. Departments must follow 815 CMR 5.00 and CTR policies and procedures for processing Settlements and Judgments when using this object code. Employment-related claims include any claim for damages arising out of an individual’s employment by the Commonwealth, including but not limited to awards of back pay for improper termination, lump sum awards, discrimination claims, emotional distress, attorney’s fees and costs. This object code does not include retroactive salary adjustments, unpaid regular time, periodic collective bargaining agreement increases, or any other payment adjustments that are not the result of a claim or lawsuit filed against the department that results in a court judgment, administrative order or settlement agreement. Includes payments to both current and former employees. Most payments will be considered earned income (wages) and are subject to tax withholdings prior to payment with the exception of attorneys’ fees. Costs and interest are included in gross income but are not subject to tax withholdings prior to payment. With limited exceptions, all employment-related settlements and judgments must be processed through HR/CMS using appropriate earnings codes designated by CTR. See <a href="#">E53</a>, <a href="#">E54</a> and <a href="#">E55</a> for non-employment related claims that are not tax reportable to claimant. See <a href="#">E52</a> for attorney’s fees awarded to attorney of a current employee. See <a href="#">E29</a> for interest payments that must be paid separately from damages under MMARS. W-9 for attorney is required if not already registered on vendor/customer file.</p> |
|                                      | <p><b>Legal Authority:</b> <a href="#">815 CMR 5.00</a>; <a href="#">M.G.L. c. 7, §§4J, 28</a>; <a href="#">Settlements and Judgments</a>; <a href="#">Collective Bargaining Agreement</a>; CTR Payroll Policies</p> <p><b>Oversight Department:</b> AGO, HRD, CTR</p> <p><b>Agreement Type:</b> Original or Certified copy of Settlement or Judgment; Settlement and Judgment Authorization Form; Relevant Supporting Documentation</p> <p><b>Payment Request:</b> PREXP</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> W-2; CTR issues manual 1099-MISC to attorney or 3<sup>rd</sup> party if applicable</p>  |
| <h2 style="color: #0070C0;">A12</h2> | <p><b>SICK LEAVE BUY BACK</b></p> <p>Payments to eligible employees upon retirement. These are based on a percentage of accrued sick time.</p>  |
|                                      | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 29, § 31A</a>; <a href="#">M.G.L. c. 32</a>; <a href="#">M.G.L. c. 7, § 4J, 28</a>; <a href="#">Collective Bargaining Agreements</a>; CTR Payroll Policies</p> <p><b>Oversight Department:</b> HRD, CTR</p> <p><b>Payment Request:</b> PREXP</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> W-2</p>   |
| <h2 style="color: #0070C0;">A13</h2> | <p><b>VACATION-IN-LIEU</b></p> <p>Payments to eligible employees upon retirement or termination based on accrued vacation time.</p>   |
|                                      | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 29, § 31A</a>; <a href="#">M.G.L. c. 7, § 4J, 28</a>; <a href="#">Collective Bargaining Agreements</a>; CTR Payroll Policies</p> <p><b>Oversight Department:</b> HRD, CTR</p> <p><b>Payment Request:</b> PREXP</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> W-2</p>   |
| <h2 style="color: #0070C0;">A14</h2> | <p><b>STIPENDS, BONUS PAY, AND AWARDS</b></p> <p>Additional payments to employees, e.g., legislative office expenses, merit pay, retroactive pay associated with sick and vacation Buy Backs, and monetary awards.</p>  |
|                                      | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 30, § 45-50, § 21, § 22, § 24A-25</a>; <a href="#">M.G.L. c.31</a>; <a href="#">M.G.L. c. 150E</a>; <a href="#">M.G.L. c. 6</a>; <a href="#">M.G.L. c. 29, § 1, § 31-31D</a>; <a href="#">M.G.L. c. 7, § 4J, 28</a>; <a href="#">Collective Bargaining Agreements</a>; CTR Payroll Policies</p> <p><b>Oversight Department:</b> HRD, CTR</p> <p><b>Payment Request:</b> PREXP</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> W-2</p>  |

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| <b>A15</b>                   | <p><b>RESEARCH ACTIVITY/SUMMER SALARY COMPENSATION</b></p> <p>Additional compensation to faculty members at institutions of Higher Education for work performed outside of their normal tour of duty. <b>Comments:</b> Restricted to Higher Education departments only.</p> |
| <b>Legal Authority:</b>      | <a href="#">M.G.L. c. 15A</a> ; <a href="#">M.G.L. c. 75</a> ; <a href="#">M.G.L. c.73</a> ; <a href="#">Collective Bargaining Agreements</a> ; CTR Payroll Policies  |
| <b>Oversight Department:</b> | RGT, CTR  |
| <b>Payment Request:</b>      | PREXP   |
| <b>Incidental Purchase:</b>  | N/A   |
| <b>Tax Forms:</b>            | W-2   |

|                              |   |
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| <b>A16</b>                   | <p><b>PROFESSIONAL DEVELOPMENT FOR HIGHER EDUCATION PERSONNEL</b></p> <p>Payments and reimbursements to faculty and management for professional development items under collective bargaining agreements. <b>Comments:</b> Restricted to Higher Education departments only.</p> |
| <b>Legal Authority:</b>      | <a href="#">M.G.L. c. 15A</a> ; <a href="#">M.G.L. c. 75</a> ; <a href="#">M.G.L. c.73</a> ; <a href="#">Collective Bargaining Agreements</a> ; CTR Payroll Policies  |
| <b>Oversight Department:</b> | RGT, CTR  |
| <b>Payment Request:</b>      | PREXP   |
| <b>Incidental Purchase:</b>  | N/A   |
| <b>Tax Forms:</b>            | W-2   |

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|------------------------------|--|
| <b>A20</b>                   | <p><b>POLICE DETAIL</b></p> <p>Payments to State Police or any law enforcement detail (uniformed employees) for performing a paid detail during off-duty hours. This includes duties for both the Commonwealth and the private sector.</p> |
| <b>Legal Authority:</b>      | <a href="#">M.G.L. c. 7, § 4J, § 28</a> ; <a href="#">Collective Bargaining Agreements</a> ; <a href="#">Fair Labor Standards Act Sec. 7(P)(1)</a> ; CTR Payroll Policies  |
| <b>Oversight Department:</b> | HRD, CTR   |
| <b>Payment Request:</b>      | PREXP  |
| <b>Incidental Purchase:</b>  | N/A  |
| <b>Tax Forms:</b>            | W-2  |

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|------------------------------|--|
| <b>A21</b>                   | <p><b>PAYMENTS FOR DECEASED EMPLOYEES</b></p> <p>Payments to be paid to an employee’s designated beneficiary on file at the State Board of Retirement for an employee after his/her death. If there are no designated beneficiaries on file, payments are to be made to the employee’s estate.</p> |
| <b>Legal Authority:</b>      | I.R.S. Rev. Rul. 71-525-CB 1971-2, 356; <a href="#">M.G.L. c. 7A, Section 3, 7, 8</a> ; <a href="#">M.G.L. c. 29, Section 31A, 31D</a> , <a href="#">Collective Bargaining Agreements</a> ; <a href="#">Fair Labor Standards Act Sec. 7(P)(1)</a> ; CTR Payroll Policies                           |
| <b>Oversight Department:</b> | TRE, HRD, CTR  |
| <b>Payment Request:</b>      | PREXP  |
| <b>Incidental Purchase:</b>  | N/A  |
| <b>Tax Forms:</b>            | W-2 and/or 1099-MISC   |

|                                |   |
|--------------------------------|---|
| <b>A75</b>                     | <p><b>ADVANCES PAYROLL – STATE EMPLOYEE COMPENSATION</b></p> <p>Used to encumber and close advances in the AA Object Class.</p> |
| <b>Legal Authority:</b>        | <a href="#">M.G.L c. 29, §§ 23-25</a>   |
| <b>Oversight Department:</b>   | TRE, HRD, CTR   |
| <b>Encumb/Payment Request:</b> | EAV/RA/AR   |
| <b>Incidental Purchase:</b>    | N/A   |
| <b>Tax Forms:</b>              | None  |

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| <b>A90</b>                   | <b>OPERATING TRANSFER</b><br>State Employee Compensation.                    |
| <b>Legal Authority:</b>      | Authorizing Legislation; <a href="#">815 CMR 6.00</a> ; CTR Payroll Policies |
| <b>Oversight Department:</b> | CTR  |
| <b>Payment Request:</b>      | OT (Use restricted to CTR)   |
| <b>Incidental Purchase:</b>  | N/A  |
| <b>Tax Forms:</b>            | None   |

# EXPENDITURE CLASSIFICATION HANDBOOK

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## OBJECT CLASS BB STATE EMPLOYEE RELATED EXPENSES

### Covered Expenditures

This object class includes reimbursements and payments **to state employees** for job related expenses only.

### Requirements

All Commonwealth departments are responsible for making contract obligations and expenditures in compliance with applicable laws and CTR Fiscal Policies (including payroll policies and Payroll Best Practices). Payments must relate directly to job related activities for employees. *All expenditures from this object class including reimbursements must be made through one of the Commonwealth's two central payroll systems (HR/CMS or e\*mpac).*

### Expenditures Not Covered

This object class does not include pension and insurance related payments (see Object Class DD).

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|------------------------------|--|
| <b>B01</b>                   | <b>OUT-OF-STATE TRAVEL – INCLUSIVE: AIRFARE, HOTEL/LODGING, OTHER</b><br>Payments to employees for approved travel expenses. For use when destination is outside the Commonwealth of Massachusetts. For payments to vendors, see <a href="#">E41</a> . |
| <b>Legal Authority:</b>      | <a href="#">M.G.L. c. 7, § 4J, § 27A, § 28</a> ; <a href="#">M.G.L. c. 30, § 25, § 25B</a> ; <a href="#">930 CMR 508 (2)</a> ; <a href="#">A&amp;F-8</a> ; <a href="#">Collective Bargaining Agreements</a>  |
| <b>Oversight Department:</b> | OSD, A&F, HRD, CTR   |
| <b>Agreement Type:</b>       | Relevant Supporting Documentation  |
| <b>Payment Request:</b>      | PREXP  |
| <b>Incidental Purchase:</b>  | N/A  |
| <b>Tax Forms:</b>            | None   |

  

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|------------------------------|---|
| <b>B02</b>                   | <b>IN-STATE TRAVEL</b><br>Payments to employees for approved travel expenses. For use when travel is restricted to within the Commonwealth of Massachusetts. For payments to vendors, see <a href="#">E42</a> . |
| <b>Legal Authority:</b>      | <a href="#">M.G.L. c. 7, § 4J, § 27A, § 28</a> ; <a href="#">M.G.L. c. 30, § 25, § 25B</a> ; <a href="#">930 CMR 508 (2)</a> ; <a href="#">A&amp;F-8</a> ; <a href="#">Collective Bargaining Agreements</a>     |
| <b>Oversight Department:</b> | OSD, A&F, HRD, CTR  |
| <b>Agreement Type:</b>       | Relevant Supporting Documentation   |
| <b>Payment Request:</b>      | PREXP   |
| <b>Incidental Purchase:</b>  | N/A   |
| <b>Tax Forms:</b>            | None  |

  

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| <b>B03</b>                   | <b>OVERTIME MEALS</b><br>Reimbursement or payment to employees for meal charges arising from overtime work only. For payments to vendors, see <a href="#">E42</a> . |
| <b>Legal Authority:</b>      | <a href="#">M.G.L. c. 7, § 4J, § 28</a> ; <a href="#">Collective Bargaining Agreements</a>  |
| <b>Oversight Department:</b> | HRD   |
| <b>Agreement Type:</b>       | Relevant Supporting Documentation   |
| <b>Payment Request:</b>      | PREXP   |
| <b>Incidental Purchase:</b>  | N/A   |
| <b>Tax Forms:</b>            | None  |



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| <b>B04</b> | <p><b>JOB-RELATED TUITION: INCLUSIVE: UNDERGRADUATE AN GRADUATE</b></p> <p>Payment or reimbursement to employees for tuition and/or tuition related expenses when authorized by a department, a collective bargaining agreement, an Executive Order, an A&amp;F Memorandum, a Human Resources Division Policy or a Non-Executive Educational Policy. All payments and reimbursements must be job related. For payments to vendors, see <a href="#">E43</a>.</p> |
|            | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 30, § 46H</a>; <a href="#">M.G.L. c. 7, § 4J, § 28</a>; <a href="#">Collective Bargaining Agreements</a></p> <p><b>Oversight Department:</b> HRD, CTR</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Payment Request:</b> PREXP</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p>  |

|            |  |
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| <b>B05</b> | <p><b>CONFERENCE, TRAINING, REGISTRATION AN MEMBERSHIP DUES AND LICENSING FEES</b></p> <p>Payment or reimbursement to employees for registration or reservation fees for conferences or training and membership in professional associations or license fees. For payments to vendors, see <a href="#">E12</a> or <a href="#">E22</a> . For out-of-state travel expenses on behalf of state employees, see <a href="#">E41</a>. For in-state travel and related expenses on behalf of state employees, see <a href="#">E42</a>. For job related tuition on behalf of state employees, see <a href="#">E43</a>.</p> |
|            | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 4J, § 28</a>; <a href="#">M.G.L. 30, § 45</a>; Authorizing Legislation; <a href="#">Collective Bargaining Agreements</a>; <a href="#">930 CMR 5.08 (2)</a>; <a href="#">815 CMR 6.00</a></p> <p><b>Oversight Department:</b> A&amp;F, HRD, OSD, REG, CTR</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Payment Request:</b> PREXP</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p>   |

|            |   |
|------------|---|
| <b>B07</b> | <p><b>HOUSING AND TANGIBLE ASSET ALLOWANCES</b></p> <p>Allowances paid to employees to cover expenditures for housing, in lieu of housing, and in addition to housing, granted to employees as authorized. Payments or reimbursements for equipment and other assets when use and ownership is transferred to the employee.</p> |
|            | <p><b>Legal Authority:</b> <a href="#">Collective Bargaining Agreements</a>; Trustee Agreements</p> <p><b>Oversight Department:</b> RGT/CTR</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Payment Request:</b> PREXP</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> W-2</p>        |

|            |   |
|------------|---|
| <b>B08</b> | <p><b>CLOTHING ALLOWANCES</b></p> <p>Payments or reimbursement to employees for the purchase or cleaning of work-related clothing. For payments to vendors for the purchase of work-related clothing for employees, please use <a href="#">F09</a>. For the payment to vendors for the cleaning of employees' work-related clothing, see <a href="#">J27</a>.</p> |
|            | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 4J, § 28</a>; <a href="#">Collective Bargaining Agreements</a></p> <p><b>Oversight Department:</b> HRD</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Payment Request:</b> PREXP</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p>                        |

# EXPENDITURE CLASSIFICATION HANDBOOK

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|                              |  |
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| <b>B10</b>                   | <p><b>EXIGENT JOB-RELATED EXPENSES</b></p> <p>Reimbursements to employees for normal business expenses, which require an immediate payment so that a department may perform its mission, or for job related expenses that cannot be paid for in a conventional manner.</p> |
| <b>Legal Authority:</b>      | <a href="#">M.G.L. c. 7, § 4J, § 28</a> ; Appropriation Act; Authorizing Legislation   |
| <b>Oversight Department:</b> | CTR  |
| <b>Agreement Type:</b>       | Relevant Supporting Documentation  |
| <b>Payment Request:</b>      | PREXP/EAV/RA/AR  |
| <b>Incidental Purchase:</b>  | N/A  |
| <b>Tax Forms:</b>            | None   |

|                              |  |
|------------------------------|--|
| <b>B11</b>                   | <p><b>EMPLOYER REFUND OF NON-TAX BENEFITS</b></p> <p>Reimbursements to eligible employees for out-of-pocket costs of co-pays and deductibles of insurance carriers contracted by Group Insurance Commission or Qualified Transportation fees. Eligibility determined by Human Resource Division.</p> |
| <b>Legal Authority:</b>      | <a href="#">M.G.L. c. 150 E</a> and <a href="#">M.G.L. c. 30</a> ;   |
| <b>Oversight Department:</b> | <b>HRD, GIC</b> , CTR  |
| <b>Agreement Type:</b>       | Relevant Supporting Documentation  |
| <b>Payment Request:</b>      | PREXP/EAV/RA/AR  |
| <b>Incidental Purchase:</b>  | N/A  |
| <b>Tax Forms:</b>            | None   |

|                                |  |
|--------------------------------|--|
| <b>B75</b>                     | <p><b>ADVANCES EMPLOYEE-RELATED EXPENSES</b></p> <p>Used to encumber advances in the BB Object Class. It must also be used to return advance funds with an AR.</p> |
| <b>Legal Authority:</b>        | <a href="#">M.G.L. c. 29, §§ 23, 24, 25</a>  |
| <b>Oversight Department:</b>   | TRE, HRD, CTR  |
| <b>Agreement Type:</b>         | Relevant Supporting Documentation  |
| <b>Encumb/Payment Request:</b> | EAV/RA/AR  |
| <b>Incidental Purchase:</b>    | N/A  |
| <b>Tax Forms:</b>              | None   |

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| <b>B90</b>                   | <p><b>OPERATING TRANSFER</b></p> <p>Employee Related Expenses</p>  |
| <b>Legal Authority:</b>      | Authorizing Legislation; <a href="#">815 CMR 6.00</a>              |
| <b>Oversight Department:</b> | CTR  |
| <b>Agreement Type:</b>       | Copy of Authorizing Legislation; Relevant Supporting Documentation |
| <b>Payment Request:</b>      | OT (Use restricted to CTR)   |
| <b>Incidental Purchase:</b>  | N/A  |
| <b>Tax Forms:</b>            | None   |

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| <b>B91</b>                   | <p><b>EMPLOYEE REIMBURSEMENT ACCOUNTS PAYABLE NON-TAX</b></p>                        |
| <b>Legal Authority:</b>      | <a href="#">M.G.L. c. 7, § 4J, § 28</a> ; Appropriation Act; Authorizing Legislation |
| <b>Oversight Department:</b> | CTR  |
| <b>Agreement Type:</b>       | Relevant Supporting Documentation  |
| <b>Payment Request:</b>      | PH/PREXP   |
| <b>Incidental Purchase:</b>  | N/A  |
| <b>Tax Forms:</b>            | None   |

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| <b>B92</b>                   | <b>EMPLOYEE REIMBURSEMENT ACCOUNTS PAYABLE TAX</b>                                   |
| <b>Legal Authority:</b>      | <a href="#">M.G.L. c. 7, § 4J, § 28</a> ; Appropriation Act; Authorizing Legislation |
| <b>Oversight Department:</b> | CTR  |
| <b>Agreement Type:</b>       | Relevant Supporting Documentation  |
| <b>Payment Request:</b>      | PH/PREXP   |
| <b>Incidental Purchase:</b>  | N/A  |
| <b>Tax Forms:</b>            | W-2  |

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## OBJECT CLASS CC

### SPECIAL EMPLOYEES/CONTRACTED SERVICES

#### Covered Expenditures

Contract employees are individuals who are employed through contracts, as opposed to being appointed to authorized state positions as state employees. Contract Employees have an employee-employer relationship with the Commonwealth as determined by conducting the Commonwealth Three-Part Test by completing the [Employment Status Form](#) in compliance with the [CTR/OSC/HRD policy on contract employees](#).

Contract Employees are determined to work under the direct supervision and control of the department. This object class does not include consultant contracts, which are specialized services, performed by “non-employees” by either firms or individuals (independent contractors) that are governed by [M.G.L. c. 29, § 29A](#).

#### Requirements

All Commonwealth departments are responsible for making contract obligations and expenditures in compliance with applicable laws and CTR Fiscal Policies (including payroll policies and Payroll Best Practices). All departments that take advantage of incidental purchases must comply with incidental purchase requirements identified by CTR and OSD. In addition:

- Executive departments “Level III” must comply with [M.G.L. c. 7, § 22](#), [801 CMR 21.00](#) and the “[Conducting Best Value Procurements](#)” for [801 CMR 21.00](#) covered goods and services.
- Non-Executive departments “Level II” must comply with [M.G.L. c. 7, § 22](#), internal procurement policies and procedures and use specified Commonwealth contract forms.
- Exempt departments “Level I” must comply with internal procurement policies and procedures and if the department takes advantage of MMARS document processing delegation, the department must use specified Commonwealth contract forms.

Contract employees:

- are not included in the Full Time Equivalent (FTE) count of Commonwealth employees.
- are not entitled to membership in the state retirement plan.
- are not entitled to membership in any employee insurance programs.
- are not eligible for fringe benefits, sick, vacation or personal leave.
- are required to contribute to the Alternative Retirement Plan, the Omnibus Budget Reconciliation Act of 1990 (OBRA);
- are considered temporary employee under contract for the life of a particular project and may not directly or indirectly supervise temporary or permanent employees of the Commonwealth and may not be used as permanent substitutes for state positions
- are covered by Fair Labor Standards Act (FLSA) and may claim overtime for work required over 40 hours per week.
- must complete a Form W-4; are hired following the department’s standard Hiring Procedures.
- must execute a Standard Contract Form.
- must have a completed [Employment Status Form](#) attached to the Standard Contract Form;
- must receive a W-2 tax form.

*All contract employees are compensated in this object class must be made through one of the Commonwealth’s two central payroll systems (HR/CMS or e\*mpac). Departments do not encumber funds for Contract employees. Instead, contract employees are 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. Labor Cost Management (LCM) Labor History and Commonwealth Information Warehouse (CIW) reports can be used to track contract employees’ payroll expenses.*

#### Expenditures Not Covered

State employees may not be reimbursed through this object class. This object class does not include compensation for state employees in authorized positions (see Object Class [AA](#)) or for independent consultants (see Object Classes [HH](#) and [NN](#)).

# EXPENDITURE CLASSIFICATION HANDBOOK

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| <b>C01</b>                   | <p><b>CONTRACTED FACULTY</b></p> <p>Individuals who fulfill teaching responsibilities in institutions of Higher Education.</p>  |
| <b>Legal Authority:</b>      | <a href="#">M.G.L. c. 15A</a> ; <a href="#">M.G.L. c. 73</a> ; <a href="#">M.G.L. c. 75</a> ; <a href="#">Collective Bargaining Agreements</a> ;<br>Authorizing Legislation |
| <b>Oversight Department:</b> | RGT, CTR  |
| <b>Agreement Type:</b>       | Standard Contract Form  |
| <b>Payment Request:</b>      | PREXP (Fund 900) (Use restricted to Higher Education departments only)  |
| <b>Incidental Purchase:</b>  | N/A   |
| <b>Tax Forms:</b>            | W-2   |

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| <b>C04</b>                   | <p><b>CONTRACTED SEASONAL EMPLOYEES</b></p> <p>Individuals who provide services on a temporary basis during periods of the year in which departmental activity increases. <b>These services must be legislatively authorized.</b></p> |
| <b>Legal Authority:</b>      | Authorizing Legislation; Appropriation Act; <a href="#">M.G.L. c. 31, §§ 1, 31, 32, 48</a> ;<br><a href="#">M.G.L. c. 7, § 4J, § 28</a>   |
| <b>Oversight Department:</b> | HRD, CTR  |
| <b>Agreement Type:</b>       | Copy of Authorizing Legislation with Relevant Supporting Documentation; Standard Contract Form  |
| <b>Payment Request:</b>      | PREXP   |
| <b>Incidental Purchase:</b>  | N/A   |
| <b>Tax Forms:</b>            | W-2   |

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| <b>C05</b>                   | <p><b>CONTRACTED STUDENT INTERNS</b></p> <p>High school, college and graduate level students, including law clerks and legal interns employed somewhere other than the school where they are enrolled or <u>currently enrolled student who work during school breaks or vacation between semesters</u>, who assist in the administration of departmental tasks. (Salary posted to this object code is subject to payroll taxes, e.g., UI/UHI and MTX). <b>Comments:</b> HRD or the relevant institution of higher education establishes hourly rates. The number of hours worked is limited during the school year for high school students. See CC5 for Work Study Student services performed while attending classes. See C28 for research assistants, medical and nursing or other graduate students or other internships for individuals (not enrolled as students) who perform research or teaching assistance. See C26 for Paralegal Contract Employees; <a href="#">JJ1</a> for Non-Employee Paralegals; C23 for Administrative Service Contract Employees, <a href="#">J46</a> for Temporary Help Services.</p> |
| <b>Legal Authority:</b>      | <a href="#">801 CMR 21.00</a> ; <a href="#">M.G.L. c. 149</a> ; <a href="#">M.G.L. c. 7, § 4J, § 28</a> ; <a href="#">M.G.L. c. 15A</a> ; <a href="#">M.G.L. c. 73</a> ;<br><a href="#">M.G.L. c. 75</a> ; HRD (Student Intern Pay Rate Schedule)   |
| <b>Oversight Department:</b> | A&F, HRD, OSD, CTR, RGT   |
| <b>Agreement Type:</b>       | Standard Contract Form; Alternative Contract Format   |
| <b>Payment Request:</b>      | PREXP/ (Fund 900)   |
| <b>Incidental Purchase:</b>  | N/A   |
| <b>Tax Forms:</b>            | W-2   |

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| CC5  | <p><b>CONTRACTED STUDENT INTERNS (CAMPUS EMPLOYMENT)</b></p> <p>College and graduate level students, including law clerks and legal interns actively taking classes on campus who assist in the administration of departmental tasks. Students engaged in work study programs while attending classes will be exempt from UI/UHI contribution and Medicare Tax (MTX). Students who work during school breaks, or vacation between semesters would need to be hired and paid under C05. (This compensation will be subject to payroll taxes, e.g., MTX). <b>Comments:</b> HRD or the relevant institution of higher education establishes hourly rates. See C28 for research assistants, medical and nursing or other graduate students or other internships for individuals (not enrolled as students) who perform research or teaching assistance. See C26 for Paralegal Contract Employees; <a href="#">JJ1</a> for Non-Employee Paralegals; C23 for Administrative Service Contract Employees, <a href="#">J46</a> for Temporary Help Services.</p> |
| <p><b>Legal Authority:</b> <a href="#">801 CMR 21.00</a>; <a href="#">M.G.L. c. 149</a>; <a href="#">M.G.L. c. 7, § 4J, § 28</a>; <a href="#">M.G.L. c. 15A</a>; <a href="#">M.G.L. c. 73</a>; <a href="#">M.G.L. c. 75</a>; HRD (Student Intern Pay Rate Schedule)</p> <p><b>Oversight Department:</b> A&amp;F, HRD, OSD, CTR, RGT</p> <p><b>Agreement Type:</b> Standard Contract Form; Alternative Contract Format</p> <p><b>Payment Request:</b> PREXP/ (Fund 900)</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> W-2</p> |  |
| C09  | <p><b>SALARIES PAID TO HIGHER EDUCATION CONTRACT EMPLOYEES PAID FROM FUND 900 (CASH WITH CAMPUS) THAT ARE NOT CATEGORIZED IN ANY OTHER CC OBJECT CLASS</b></p> <p>Salaries paid in this object will be processed through LCM for fund sufficiency and do not require an encumbrance in MMARS. Higher Education departments are required to sign a contract with each contract employee paid from this object and retain the original copy of the contract in-house for audit purposes.</p>   |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 15A</a>; <a href="#">M.G.L. c. 73</a>; <a href="#">M.G.L. c. 75</a></p> <p><b>Oversight Department:</b> RGT, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Payment Request:</b> PREXP (Fund 900)</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> W-2</p>   |  |

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| <h2>C11</h2> | <p><b>SPECIAL EMPLOYEES/CONTRACTED SERVICES EMPLOYMENT RELATED SETTLEMENTS AND JUDGMENTS</b></p> <p>No payments may be made using this object code without prior approval by CTR Legal Unit of use of this object code. Departments must follow <a href="#">815 CMR 5.00</a> and CTR policies and procedures for processing Settlements and Judgments when using this object code. Employment-related claims include any claim for damages arising out of an individual’s employment by the Commonwealth, including but not limited to lump sum awards, discrimination claims, emotional distress, attorneys’ fees and costs. This object code does not include retroactive salary adjustments, unpaid regular time, or any other payment adjustments that are not the result of a claim or lawsuit filed against the department that result in a court judgment, administrative order or settlement agreement. Includes payments to both current and former employees. Most payments will be considered earned income (wages) and are subject to tax withholdings prior to payment with the exception of attorney’s fees, costs and interest are included in gross income, but are not subject to tax withholdings prior to payment. With limited exceptions all employment-related settlements and judgments must be processed through HR/CMS using appropriate earnings codes designated by CTR, unless the contractor terminated prior to implementation of HR/CMS. Interest payments are paid separately from damages under MMARS. If attorney a payee on check, a W-9 required if attorney not already registered on the vendor/customer file.</p> |
|              | <p><b>Legal Authority:</b> <a href="#">815 CMR 5.00</a>; <a href="#">M.G.L. c. 7, §§ 4J, 28</a>; <a href="#">Settlements and Judgments</a>; Collective Bargaining Agreement; CTR Payroll Policies</p> <p><b>Oversight Department:</b> AGO, HRD, CTR</p> <p><b>Agreement Type:</b> Original or Certified copy of Settlement or Judgment; Settlement and Judgment Authorization Form; Relevant Supporting Documentation</p> <p><b>Payment Request:</b> PREXP</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> W-2; CTR issues manual 1099-MISC to attorney or 3<sup>rd</sup> party if applicable</p>  |
| <h2>C21</h2> | <p><b>FINANCIAL SERVICES</b></p> <p>Contract employees who provide financial services, including but not limited to keeping books or accounts, design and control systems of accounting, compiling statistical data and preparing statistical reports, contract compliance, managerial expertise in fiscal or budgetary matters, market analysis and projections in business development and economic forecasting; land appraisers or persons who set the value of a piece of land or other real property interests. <i>Departments contracting for audit work must obtain prior written approval from CTR before contract is executed to ensure that contract does not raise conflict issue with State audit contract and GAAP requirements.</i></p>  |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51, 52</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, HRD, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Payment Request:</b> PREXP</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> W-2</p>  |
| <h2>C22</h2> | <p>Contract employees who provide engineering, research and scientific services including but not limited to design and planning for construction projects, architects, landscape designers, space planners, persons who advise regarding plans, specifications and materials on construction projects including engineers, resident engineers and project managers; researchers and persons who provide research and development or analysis of data or other information and materials based upon specifications provided by a department; services by sociologists, social scientists, genealogists and archaeologists; scientific research and development through observation, study, experiments and other scientific projects; including knowledge of nature or physical phenomena; chemists, biochemists, biotechnicians, biologists, bio geologists, etc.; researchers and developers. See <a href="#">HH</a> for non-employee consultants; <a href="#">J13</a> for non-employee court related investigators and researchers, <a href="#">HH4</a> for non-employee coroners and pathologists; see <a href="#">C25</a> for contract employee coroner or pathology investigators.</p>   |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51, 52</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, HRD, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Payment Request:</b> PREXP</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> W-2</p>  |



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| <b>C23</b>   | <p><b>MANAGEMENT, BUSINESS PROFESSIONS, AND ADMINISTRATIVE SERVICES</b></p> <p>Contract employees providing management, business professional and administrative services, including but not limited to information technology services to develop computer systems programs, or persons who instruct, advise, or train persons in the application of computer programs; systems analysts, programmers and experts who assist departments at hearings before a telecommunications regulatory agency or persons with expertise in networking, planning, design and PBX design; management services, strategic planning, development of management tools, designs, evaluation, coordination, or implementation of programs, conferences, exhibitions or persons who establish criteria for the purchase of an outside program, also includes administrative services such as temporary general office work, secretaries, typists, receptionists, data entry and other word processor services. See <a href="#">HH</a> Object Class for non-employee consultants, <a href="#">JJ</a> Object Class for non-employee administrative services.</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51, 52</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, OSD, HRD, EOTSS, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Payment Request:</b> PREXP</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> W-2</p> |  |

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| <b>C24</b>  | <p><b>DESIGN, EDITORIAL, AND COMMUNICATION SERVICES</b></p> <p>Contract employees providing design, print, editorial and other communication materials including but not limited to persons who develop and produce communication strategies, promotional materials, advertising layouts and programs for publication in print, videotape, radio, television, or other media; persons who draft written materials including documents, reports, press releases, scripts, legislation, newspaper copy, or develop literature, based upon specifications; artists/graphic designers who create or design visual representations or layouts in graphic, electronic or audio form based upon specifications; photographic and micrographic services by persons who provide photography, videography, computer generated graphics, photo developing, enlargements, copies, videotape dubbing, micrographic design, systems and related services. See <a href="#">HH</a> Object Class non-employee consultants.</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51, 52</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, HRD, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Payment Request:</b> PREXP</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> W-2</p> |   |

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| <b>C25</b>   | <p><b>HEALTHCARE SERVICES</b></p> <p>Contract employees providing health care and safety services, including but not limited to experts who investigate causes and effects of physical illnesses including structural, mechanical or environmental defects or hazards, which have caused or may cause health or safety risks; persons who provide medical, health care or rehabilitation related services, advice and recommendations concerning medical issues and policies, such as services by optometrists, pharmacists, dentists, doctors, nurses, dietitians, psychiatrists, psychologists, coroners, pathologists and other health care professionals; includes consultations, evaluations and coordination of services rendered by medical, health care professionals or providers.</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51, 52</a>; <a href="#">801 CMR 21.00</a>; <a href="#">M.G.L. c. 32A, § 19</a></p> <p><b>Oversight Department:</b> A&amp;F, HRD, OSD, ENV, GIC, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Payment Request:</b> PREXP</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> W-2</p> |   |

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| <h2>C26</h2> | <p><b>LEGAL AND SAFETY SERVICES</b></p> <p>Contract employees who provide legal, safety and related services including but not limited to attorneys who represent the state in legal matters; impartial mediators (“neutrals”) and arbitrators to resolve disputes or provide other alternative forms of dispute resolution services in lieu of litigation, including negotiation skills training; court reporters/stenographic and transcription services; certified paralegals who provide legal assistance, research, document preparation, record management and other skills for department staff attorneys; law clerks or legal interns. All Commonwealth departments are required to obtain prior written review by the Office of the Attorney General (AGO) for any legal services performed for the department under a contract. The AGO review of legal services contracts is limited to determining that any attorney/firm hired by a department is a member of the Massachusetts Bar (or out of state bar) in good standing, has no apparent conflicts of interests, and if providing litigation services, will appear in court on behalf of the Commonwealth only after his/her appointment as a Special Assistant Attorney General (SAAG) by the AGO. The <a href="#">Attorney General Review Form for Attorneys Providing Legal Services</a> form must be completed and mailed (with required attachments) to the AGO for any new legal services contract, and for any significant amendment to the scope of services under an existing contract, PRIOR to the start of performance or change in performance. See: <a href="#">Attorney General Policy for Prior Review of Attorneys</a>. Attorneys hired by Executive departments are also required to obtain prior approval of the Governor’s Chief Legal Counsel prior to posting or hire.</p> |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51, 52</a>; <a href="#">§ 65</a>; <a href="#">801 CMR 21.00</a>; <a href="#">M.G.L. c. 12, § 3</a></p> <p><b>Oversight Department:</b> CTR, OSD, A&amp;F, AGO, GOV</p> <p><b>Agreement Type:</b> Standard Contract Form, Relevant Supporting Documentation</p> <p><b>Payment Request:</b> PREXP</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> W-2</p>   |

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| <h2>C27</h2> | <p><b>VOLUNTEER SERVICES</b></p> <p>Includes tax reportable reimbursements submitted by volunteers based on stipends.</p>   |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 127, § 71</a>; <a href="#">M.G.L. c. 123, § 29</a>; <a href="#">M.G.L. c. 6, § 74</a><br/>Authorizing Legislation; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> EPS, A&amp;F, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Payment Request:</b> PREXP</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> W-2</p> |

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| <h2>C28</h2> | <p><b>EDUCATION, TRAINING, AND BOARD MEMBERSHIP SERVICES</b></p> <p>Contract employees providing include wages and/or stipends paid to individuals serving on commissions, Task Force and/or boards. Also includes necessary costs to enable Board/Commission and Task Force members to serve. Includes archivists/librarians and persons who manage archives, and who provide services to libraries. Includes contracted seasonal employees and individuals who provide services on a temporary basis during periods of the year in which departmental activity increases. These services must be legislatively authorized. Includes student teaching assistants research assistants, medical and nursing graduate students who <b>are not enrolled as students</b> who participate regularly in practicum training or assist in classroom instruction and internships for individuals undergoing supervised post-graduate, practical or specialized training, e.g., judicial clerkships and medical residencies. For reimbursement only refer to <a href="#">C98</a> or <a href="#">E98</a>. If there is an authorized position these individuals must be paid from <a href="#">A05</a>. See <a href="#">C26</a> for contract employee law clerks, legal interns or paralegals; see <a href="#">C05</a> for student interns; see <a href="#">CC5</a> for Work Study Student services performed while attending classes; see <a href="#">JJ1</a> for non-employee paralegals, see <a href="#">J46</a> for non-employee temporary help services, and see <a href="#">J62</a> for contracted advisory board/commission members.</p> |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51, 52</a>; <a href="#">801 CMR 21.00</a>; <a href="#">M.G.L. c. 15A</a>; <a href="#">M.G.L. c. 73</a>; <a href="#">M.G.L. c. 75</a>; Authorizing Legislation</p> <p><b>Oversight Department:</b> A&amp;F, HRD, OSD, CTR, RGT</p> <p><b>Agreement Type:</b> Standard Contract Form; Alternative Contract Format for use with Contracted Professional Internships only</p> <p><b>Payment Request:</b> PREXP</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> W-2</p>  |

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| <b>C29</b>  | <p><b>AUXILIARY SERVICES</b></p> <p>Contract employees providing auxiliary or support services including but not limited to athletic services, officials, coaches, lifeguards, referees, trainers; etc.; persons who perform religious services; veterinary services and medical attention to animals, including breeding, lab testing and carrier services; persons who prepare and/or serve food; foreign language translators/interpreters who translate oral or written words; guides and persons who direct tours or provide guide services; transportation, storage and mail services including but not limited to messengers, mail services and persons who deliver communications, packages, or currency; cleaning services including but not limited to cleaners, janitors and other persons providing services to clean or maintain offices or properties. See <a href="#">HH</a> Object Class for non-employee consultants; see <a href="#">JJ</a> Object Class for non-employee operational services.</p>   |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51, 52</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, HRD, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Payment Request:</b> PREXP</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> W-2</p>   |   |
| <b>C30</b>  | <p><b>BUILDING, CONSTRUCTION, AND MAINTENANCE SERVICES</b></p> <p>Contract employees providing building, construction management and maintenance services including but not limited to snow removal, grounds keeping services or other related duties; licensed or professional trades people, plumbers, electricians, carpenters, locksmiths, etc.; persons responsible for management, maintenance and improvements of commonwealth property; including construction project management; persons keeping a building, its infrastructure, and operational systems from deteriorating; includes all required to prevent a decline from the existing state or condition. See <a href="#">NN</a> Object Class for non-employee contractor construction related property management construction management; see <a href="#">J61</a> for non-construction property management. See <a href="#">N80</a> for the state highway snow removal programs. See <a href="#">F23</a> for departments authorized to provide grounds keeping services. See <a href="#">HH2</a> for landscape designers.</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51, 52</a>; <a href="#">801 CMR 21.00</a>; DCP CM-1 Construction Management Contract Use restricted to Construction Management Services only</p> <p><b>Oversight Department:</b> A&amp;F, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form; Construction Management Contract Use restricted to Construction Management Services Only</p> <p><b>Payment Request:</b> PREXP</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> W-2</p> |   |
| <b>C31</b>  | <p><b>NATIONAL DEFENSE AND PUBLIC ORDER AND SECURITY AND NON-MEDICAL SAFETY SERVICES</b></p> <p>Contract employees providing security and safety services including but not limited to inspectors, reviewers, hearing officers. Includes security guard services and other security services, persons who protect clients, workers and property, including overseeing the destruction of confidential records, National Guard duty payments to members. See <a href="#">J28</a> for the costs associated with hiring local or state law enforcement officers. See <a href="#">E21</a> for non-employee confidential investigations expenses.</p>  |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51, 52</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> EPS, OSD, CTR, A&amp;F, AGO</p> <p><b>Agreement Type:</b> Standard Contract Form, Relevant Supporting Documentation</p> <p><b>Payment Request:</b> PREXP</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> W-2</p>   |   |

# EXPENDITURE CLASSIFICATION HANDBOOK

OFFICE OF THE COMPTROLLER

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| <b>C32</b> | <b>INDUSTRIAL PRODUCTION AND MANUFACTURING SERVICES</b><br>Contract employees providing non-medical research and testing laboratory and pharmaceutical services including experimental study in a science or for testing and analysis; services relating to the sale and manufacture of pharmaceuticals.                             |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51, 52</a> ; <a href="#">801 CMR 21.00</a><br><b>Oversight Department:</b> A&F, HCF, OSD, CTR<br><b>Agreement Type:</b> Standard Contract Form<br><b>Payment Request:</b> PREXP<br><b>Incidental Purchase:</b> N/A<br><b>Tax Forms:</b> W-2 |

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| <b>C33</b> | <b>CLIENT/PATIENT/RESIDENT WAGES – CONSCRIPT SERVICES</b><br>Wages for services provided by clients, patients and residents of state operated institutions and programs under a rehabilitation, treatment or other support or therapeutic program.   |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 127, § 71</a> ; <a href="#">M.G.L. c. 123, § 29</a> ; <a href="#">M.G.L. c. 6, § 74</a><br>Authorizing Legislation<br><b>Oversight Department:</b> EPS, A&F, OSD, CTR<br><b>Agreement Type:</b> Rehabilitation, Treatment or other Authorized Work Plan documenting work and wages.<br><b>Payment Request:</b> PREXP<br><b>Incidental Purchase:</b> N/A<br><b>Tax Forms:</b> W-2 |

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| <b>C75</b> | <b>ADVANCES SPECIAL EMPLOYEES/CONTRACTED SERVICES</b><br>Used to encumber and close advances in the CC Object Class.   |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 29, §§ 23, 24, 25</a><br><b>Agreement Type:</b> Relevant Supporting Documentation<br><b>Oversight Department:</b> TRE, HRD, CTR<br><b>Encumb/Payment Request:</b> EAV/RA/AR<br><b>Incidental Purchase:</b> N/A<br><b>Tax Forms:</b> None |

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| <b>C90</b> | <b>OPERATING TRANSFER: SPECIAL EMPLOYEES/CONTRACTED SERVICES</b><br>Used to encumber and close advances in the CC Object Class.   |
|            | <b>Legal Authority:</b> Authorizing Legislation; <a href="#">815 CMR 6.00</a><br><b>Oversight Department:</b> CTR<br><b>Agreement Type:</b> Copy of Authorizing Legislation; Relevant Supporting Documentation<br><b>Payment Request:</b> OT (Use restricted to CTR)<br><b>Incidental Purchase:</b> N/A<br><b>Tax Forms:</b> None |

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| <b>C98</b> | <b>OPERATING TRANSFER: SPECIAL EMPLOYEES/CONTRACTED SERVICES</b><br>Authorizations for reimbursements are included in the service contract. Reimbursements are not tax reportable because the recipient is required to account for expenditures.  |
|            | <b>Legal Authority:</b> <a href="#">801 CMR 21.00</a> ; <a href="#">M.G.L. c. 7, §§ 4J, 22, 28</a><br><b>Oversight Department:</b> A&F, HRD, OSD, CTR<br><b>Agreement Type:</b> Relevant Supporting Documentation; Standard Contract Form<br><b>Payment Request:</b> PREXP<br><b>Incidental Purchase:</b> N/A<br><b>Tax Forms:</b> None |

# EXPENDITURE CLASSIFICATION HANDBOOK

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## OBJECT CLASS DD

### PENSION AND INSURANCE-RELATED EXPENDITURES

#### Covered Expenditures

This object class includes pension and insurance related expenditures for former and current employees and beneficiaries.

#### Requirements

Most departments will use only the “chargeback” object codes: D15 and D21. All Commonwealth departments are responsible for making contract obligations and expenditures in compliance with applicable laws and CTR Fiscal Policies. All departments that take advantage of incidental purchases must comply with [incidental purchase](#) requirements identified by CTR and OSD. In addition:

- Executive departments “Level III” must comply with [M.G.L. c. 7, § 22](#), [801 CMR 21.00](#) and the “[Conducting Best Value Procurements Handbook](#)” for [801 CMR 21.00](#) covered goods and services, and must purchase from available Statewide Contracts, and use specified Commonwealth contract forms. Exceptions from using Statewide Contracts 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 [Conducting Best Value Procurements Handbook](#);
- Non-Executive departments “Level II” must comply with [M.G.L. c. 7, § 22](#), internal procurement policies and procedures and use specified Commonwealth contract forms.
- Exempt departments “Level I” must comply with internal procurement policies and procedures and if the department takes advantage of MMARS document processing delegation, the department must use specified Commonwealth contract forms.

#### Expenditures Not Covered

This object class does not include expenditures for insurance policies for liability insurance or property damage insurance (liability already covered under [M.G.L. c. 258](#)). Departments are prohibited from insuring Commonwealth property under [M.G.L. c. 29, § 30](#).

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| <b>D01</b> | <b>RETIREMENT ALLOWANCES</b><br>Payments to veterans, public safety officers, and others covered under <a href="#">M.G.L. c. 32</a> . Restricted to the Office of the State Treasurer (TRE); Department of Veterans Services (VET) and other departments designated by CTR.                              |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 32</a> ; Authorizing Legislation<br><b>Oversight Department:</b> TRE<br><b>Agreement Type:</b> Relevant Supporting Documentation<br><b>Payment Request:</b> GAE/GX9 (Use restricted to TRE)<br><b>Incidental Purchase:</b> N/A<br><b>Tax Forms:</b> 1099-R |

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| <b>D02</b> | <b>RETIREMENT SETTLEMENT (TEACHERS)</b><br>Lump sum payments from the Teachers Retirement Board’s (TRB) Annuity Account upon death, transfer or termination of a teacher.  |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 32</a> ; <a href="#">M.G.L. c 15, § 16</a> ; Authorizing Legislation<br><b>Oversight Department:</b> TRB<br><b>Agreement Type:</b> Relevant Supporting Documentation<br><b>Payment Request:</b> GAE/GX9/GAX (Use restricted to TRB/TRE)<br><b>Incidental Purchase:</b> N/A<br><b>Tax Forms:</b> 1099-R |

# EXPENDITURE CLASSIFICATION HANDBOOK

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| <b>D03</b>   | <p><b>RETIREMENT SETTLEMENT (STATE EMPLOYEES)</b><br/>Lump sum payments from the State Employees Retirement Board Annuity Account upon death, transfer or termination of a state employee.</p>                          |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 32</a>; Authorizing Legislation<br/> <b>Oversight Department:</b> TRE<br/> <b>Agreement Type:</b> Relevant Supporting Documentation<br/> <b>Payment Request:</b> GAE/GX9 (Use restricted to TRE)<br/> <b>Incidental Purchase:</b> N/A<br/> <b>Tax Forms:</b> 1099-R</p>   |   |
| <b>D04</b>   | <p><b>RETIREMENT ALLOWANCE (TEACHERS)</b><br/>Monthly payments from the Teacher’s Retirement Board (TRB) Pension Account and from the Teacher’s Retirement Board Annuity Account to retired teachers.</p>               |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 32</a>; Authorizing Legislation<br/> <b>Oversight Department:</b> TRB<br/> <b>Agreement Type:</b> Relevant Supporting Documentation<br/> <b>Payment Request:</b> GAE/GX9/GAX (Use restricted to TRB/TRE)<br/> <b>Incidental Purchase:</b> N/A<br/> <b>Tax Forms:</b> 1099-R</p>   |   |
| <b>D05</b>   | <p><b>RETIREMENT ALLOWANCE (STATE EMPLOYEES)</b><br/>Monthly payments from the State Employees’ Pension Account and payment from the State Treasurer’s Retirement Board Annuity Account to retired state employees.</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 32</a>; Authorizing Legislation<br/> <b>Oversight Department:</b> TRE<br/> <b>Agreement Type:</b> Relevant Supporting Documentation<br/> <b>Payment Request:</b> GAE/GX9 (Use restricted to TRE)<br/> <b>Incidental Purchase:</b> N/A<br/> <b>Tax Forms:</b> 1099-R</p>   |   |
| <b>D06</b>   | <p><b>EMPLOYEE HEALTH AND LIFE INSURANCE</b><br/>Payments by the Commonwealth’s Group Insurance Commission (GIC) to carriers providing life and health insurance.</p>   |
| <p><b>Legal Authority:</b> <a href="#">801 CMR 21.00</a>; <a href="#">M.G.L. c. 32A</a>; <a href="#">M.G.L. c. 32B</a>; <a href="#">M.G.L. c. 176G, § 11</a>; Authorizing Legislation<br/> <b>Oversight Department:</b> A&amp;F, GIC, OSD, CTR<br/> <b>Agreement Type:</b> Standard Contract Form<br/> <b>Pre/Encumb/Payment Request:</b> GAE/GAX, RQS (optional pre-encumbrance)/CT/PRC, (Use restricted to GIC)<br/> <b>Incidental Purchase:</b> N/A<br/> <b>Tax Forms:</b> None</p> |   |
| <b>D08</b>   | <p><b>HEALTH AND WELFARE TRUST FUND</b><br/>Payments in accordance with collective bargaining agreements that primarily fund dental and optical coverage for employees.</p>   |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 151D</a>; <a href="#">Collective Bargaining Agreements</a>; Authorizing Legislation<br/> <b>Oversight Department:</b> HRD<br/> <b>Agreement Type:</b> Relevant Supporting Documentation<br/> <b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance)/GAE/GAX, (Use restricted to HRD)<br/> <b>Incidental Purchase:</b> N/A<br/> <b>Tax Forms:</b> None</p>  |   |

# EXPENDITURE CLASSIFICATION HANDBOOK

OFFICE OF THE COMPTROLLER

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| <h2 style="color: #0056b3; font-size: 24px; margin: 0;">D09</h2> | <h3 style="color: #0056b3; margin: 0;">FRINGE BENEFIT COSTS RECOUPMENT</h3> <p>Mandated transfer of charges for pension, health insurance and terminal leave expenditures from federal grants, expendable trusts, capital accounts and all other non-budgetary accounts to centralized state administrative accounts. Also includes employer share of Unemployment Compensation Insurance Premium (UI), Universal Health Insurance (UHI), and Medicare Tax (MTX). These latter charges apply to all account's types.</p>  |
|  | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 29, §§ 6B, 5D; A&amp;F-5; M.G.L. c. 151A, §§ 48-57, 14C; M.G.L. c. 118E; M.G.L. c. 32A; M.G.L. c. 7A, §§ 3, 7 &amp; 8; 815 CMR 6.00</a>; Appropriation Act, Authorizing Legislation</p> <p><b>Oversight Department:</b> A&amp;F, EOL, CTR</p> <p><b>Agreement Type:</b> Fringe Benefit Rate Agreement, FY Updates, Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> CA (Use restricted to CTR; system-generated CA at the close of an accounting period)</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p> |
| <h2 style="color: #0056b3; font-size: 24px; margin: 0;">D10</h2> | <h3 style="color: #0056b3; margin: 0;">SURETY OF EMPLOYEES</h3> <p>Payments to insurance carriers providing insurance for employees and related expenses; includes bond payments to insurance carriers covering employees assigned to fiscal operations. This object code may not be used for expenditures for insurance policies for liability insurance or property damage insurance (liability already covered under <a href="#">M.G.L. c. 258</a>). Departments are prohibited from insuring Commonwealth property under <a href="#">M.G.L. c. 29, § 30</a>.</p>  |
|  | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 30, §§ 14-19</a>; Authorizing Legislation</p> <p><b>Oversight Department:</b> CTR</p> <p><b>Agreement Type:</b> Fidelity Bond; Policy</p> <p><b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance)/GAE/GAX</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p>  |
| <h2 style="color: #0056b3; font-size: 24px; margin: 0;">D12</h2> | <h3 style="color: #0056b3; margin: 0;">UNEMPLOYMENT COMPENSATION INSURANCE PREMIUM PAYMENT</h3> <p>Payments to the department of Workforce Development (EOL) for the Commonwealth's share of unemployment insurance.</p>  |
|  | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 151A, §§ 48-57; United States Public Law 94-444, § 6</a>; Authorizing Legislation</p> <p><b>Oversight Department:</b> A&amp;F, CTR</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance)/GAE/GAX</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p>   |
| <h2 style="color: #0056b3; font-size: 24px; margin: 0;">D14</h2> | <h3 style="color: #0056b3; margin: 0;">MEDICARE TAX</h3> <p>Payments to the Federal Government for the Commonwealth's matching portion of Medicare Tax.</p>   |
|  | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 118E; 815 CMR 6.00; COBRA 1985; United States Public Law 99-272; Consolidated Omnibus Budget Reconciliation Act of 1985</a>; Authorizing Legislation</p> <p><b>Oversight Department:</b> TRE, CTR</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance)/GAE/GAX</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p>  |



# EXPENDITURE CLASSIFICATION HANDBOOK

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| <b>D15</b>                         | <b>WORKERS' COMPENSATION CHARGEBACK</b>   |
|                                    | Payments to a department legislatively authorized to collect the department's share of Workers' Compensation charges. |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 152</a> ; <a href="#">815 CMR 6.00</a> ; Appropriation Act                                      |
| <b>Oversight Department:</b>       | HRD, CTR  |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation   |
| <b>Pre/Encumb/Payment Request:</b> | IE/ITI, ITA   |
| <b>Incidental Purchase:</b>        | N/A   |
| <b>Tax Forms:</b>                  | None  |

|                                    |   |
|------------------------------------|---|
| <b>D16</b>                         | <b>WORKERS' COMPENSATION</b>  |
|                                    | Initial benefits paid directly to former or current state employees; includes lump sum settlements. For additional payments see <a href="#">D24</a> . |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 152</a> ; Authorizing Legislation   |
| <b>Oversight Department:</b>       | HRD   |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation   |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX, (Use restricted to HRD)   |
| <b>Incidental Purchase:</b>        | N/A   |
| <b>Tax Forms:</b>                  | None  |

|                                    |  |
|------------------------------------|--|
| <b>D17</b>                         | <b>MEDICAL EXPENSES</b>  |
|                                    | Payments for medical expenses to providers on behalf of former and current state employees. Includes review panels related to worker's compensation injuries or illnesses and employer-mandated physicals. For contracted services for health/medical consultants, see <a href="#">HH4</a> . |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c.152</a> ; Authorizing Legislation   |
| <b>Oversight Department:</b>       | HRD, PER, EOL  |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation  |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX/CT/PRC  |
| <b>Incidental Purchase:</b>        | N/A  |
| <b>Tax Forms:</b>                  | 1099-MISC, Medical and Health Care Payments  |

|                                    |  |
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| <b>D19</b>                         | <b>UNIVERSAL HEALTH INSURANCE PAYMENTS</b>   |
|                                    | Payments to the department of Workforce Development (EOL) for the Commonwealth's share of universal health care insurance. |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c.152</a> ; <a href="#">M.G.L. 32A</a> ; Authorizing Legislation  |
| <b>Oversight Department:</b>       | A&F, EOL, CTR  |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation  |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX   |
| <b>Incidental Purchase:</b>        | N/A  |
| <b>Tax Forms:</b>                  | None   |

|                                    |   |
|------------------------------------|---|
| <b>D20</b>                         | <b>PENSION AND INSURANCE RELATED EXPENDITURES</b>   |
|                                    | Payments to reimburse the Medicare transfer penalty that is assessed to Massachusetts Pensioners (Over Age 65) by the Federal Government. |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 32A</a> ; Authorizing Legislation   |
| <b>Oversight Department:</b>       | A&F, GIC, CTR   |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation   |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX  |
| <b>Incidental Purchase:</b>        | N/A   |
| <b>Tax Forms:</b>                  | None  |

# EXPENDITURE CLASSIFICATION HANDBOOK

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| <b>D21</b> | <p><b>HEALTH INSURANCE COSTS OF EMPLOYEES ON LEAVE OF ABSENCE IN EXCESS OF ONE YEAR CHARGEBACK</b></p> <p>Payments by a department for its share of the health insurance costs incurred on behalf of any employees of that department who are on leave of absence for a period of more than one year. These payments are made to a department authorized to collect such funds.</p> |
|            | <p><b>Legal Authority:</b> Appropriation Act; <a href="#">815 CMR 6.00</a></p> <p><b>Oversight Department:</b> A&amp;F, GIC, CTR</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> IE/ITI, ITA</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p>   |

|            |  |
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| <b>D23</b> | <p><b>GIC HEALTH CARE BUY-OUT</b></p> <p>Payment of Group Insurance Commission (GIC) health care buy-out for qualified state employees, retirees and employees of certain governmental entities. <b>Comments:</b> Lump sum payments for employees expecting to receive compensation, in lieu of health insurance coverage, pursuant to a legislative initiative.</p> |
|            | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 32A, § 19</a>; Authorizing Legislation</p> <p><b>Oversight Department:</b> GIC, A&amp;F, CTR</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> EAV/RA, EA/AR</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> W-2</p>                        |

|            |   |
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| <b>D24</b> | <p><b>WORKERS' COMPENSATION PAYMENTS OR INJURED BY A PATIENT OR PRISONER (IPP) PAYMENTS</b></p> <p>Benefits paid directly to former or current state employees, including lump sum settlements. IPP Payments, also known as "Violence or Assault" pay should be processed and paid through the payroll systems. For initial payments see <a href="#">D16</a>.</p> |
|            | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 152</a>; Authorizing Legislation</p> <p><b>Oversight Department:</b> HRD</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> GAE/ /GX9 (Use restricted to HRD)/PREXP</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p>              |

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| <b>D75</b> | <p><b>ADVANCES PENSION AND INSURANCE-RELATED EXPENDITURES</b></p> <p>Used to encumber and close advances in the DD Object Class, specifically <a href="#">D32</a>. It must also be used to return advance funds with an AR.</p>   |
|            | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 29, §§ 23, 24, 25</a></p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Oversight Department:</b> TRE, HRD, CTR</p> <p><b>Encumb/Payment Request:</b> EAV/RA/AR</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p> |

|            |   |
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| <b>D90</b> | <p><b>OPERATING TRANSFER</b></p> <p>Pension and Insurance Related Expenses.</p>   |
|            | <p><b>Legal Authority:</b> Authorizing Legislation; <a href="#">815 CMR 6.00</a></p> <p><b>Oversight Department:</b> CTR</p> <p><b>Agreement Type:</b> Copy of Authorizing Legislation; Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> OT (Use restricted to CTR)</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p> |

# EXPENDITURE CLASSIFICATION HANDBOOK

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| <b>D99</b>                         | <b>LATE PENALTY INTEREST</b><br>Penalty interest for late payments.  |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c.29, §§ 20C, 29C</a> ; <a href="#">M.G.L. c. 7A, § 5A</a> ; <a href="#">815 CMR 4.00</a> ; Authorizing Legislation |
| <b>Oversight Department:</b>       | CTR  |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation/Valid Claim Under Contract   |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX   |
| <b>Incidental Purchase:</b>        | N/A  |
| <b>Tax Forms:</b>                  | 1099-INT   |

# EXPENDITURE CLASSIFICATION HANDBOOK

OFFICE OF THE COMPTROLLER

## OBJECT CLASS EE ADMINISTRATIVE EXPENSES

### Covered Expenditures

This object class includes administrative expenditures associated with departmental operations and programs.

### Requirements

All Commonwealth departments are responsible for making contract obligations and expenditures in compliance with applicable laws and CTR Fiscal Policies. All departments that take advantage of incidental purchases must comply with incidental purchase requirements identified by CTR and OSD. In addition:

Executive departments “Level III” must comply with [M.G.L. c. 7, § 22](#), [801 CMR 21.00](#) and the “[Conducting Best Value Procurements Handbook](#)” for [801 CMR 21.00](#) covered goods and services, and must purchase from available Statewide Contracts, and use specified Commonwealth contract forms. Exceptions from using Statewide Contracts 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 [Conducting Best Value Procurements Handbook](#);

- Non-Executive departments “Level II” must comply with [M.G.L. c. 7, § 22](#), internal procurement policies and procedures and use specified Commonwealth contract forms.
- Exempt departments “Level I” must comply with internal procurement policies and procedures and if the department takes advantage of MMARS document processing delegation, the department must use specified Commonwealth contract forms.

### Expenditures Not Covered

State or contract employees may not be reimbursed through this object class. For Information Technology (IT) expenses see, Object Class [UU](#). For facility infrastructure maintenance and operational supplies and services For Facility related purchases, including facility maintenance and repairs, see [NN](#) Object Class.

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| <b>E01</b> | <b>OFFICE AND ADMINISTRATIVE SUPPLIES</b><br>Consumable office and micrographic supplies, for example: writing materials, desk-top commodities, file folders, paper products, including photocopy paper, film, microfiche and microfilm, continuous-feed paper, ribbons and disks and tape. For expenditures for furnishings or equipment, see Object Class <a href="#">FE</a> , <a href="#">KK</a> or <a href="#">UU</a> for equipment purchase, TELP Lease-Purchase, lease and rental see Object Classes: <a href="#">KK</a> , <a href="#">LL</a> , <a href="#">NN</a> and <a href="#">UU</a> . For Micrographic Services, see Object Class <a href="#">JJ</a> . |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51, 52</a> ; <a href="#">801 CMR 21.00</a> ; <a href="#">815 CMR 6.00</a><br><b>Oversight Department:</b> A&F, OSD, EOTSS, CTR<br><b>Agreement Type:</b> Standard Contract Form<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/PC/PRC, IE/ITI, ITA<br><b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases<br><b>Tax Forms:</b> None  |
| <b>E02</b> | <b>PRINTING EXPENSES AND SUPPLIES</b><br>For example: printing, binding, photocopying, blueprinting, photography, copyrighting of printed materials (non-legal fees), official department stationery, toner, developer, and ink. For payments to an authorized department, see E04.  |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51, 52</a> ; <a href="#">801 CMR 21.00</a> ; <a href="#">M.G.L. c.29, § 28</a><br><b>Oversight Department:</b> A&F, OSD, CTR<br><b>Agreement Type:</b> Standard Contract Form<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/PC/PRC<br><b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases<br><b>Tax Forms:</b> None   |

# EXPENDITURE CLASSIFICATION HANDBOOK

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| <h2>EE2</h2>   | <p><b>CONFERENCE, TRAINING, AND REGISTRATION FEES</b></p> <p>Payments to vendors on behalf of employees or departments for registration or reservation fees for conferences, training, or other professional development or educational opportunities. All employee reimbursements must be paid under the <a href="#">BB</a> Object Class through payroll. See <a href="#">E22</a> for conference space rentals and expenses. See <a href="#">B05</a> for reimbursements to employees for reservation and registration fees. See <a href="#">E41</a> and <a href="#">E42</a> for in and out of state travel expenses to vendors on behalf of state employees. See <a href="#">E43</a> for job related tuition on behalf of state employees.</p> |
| <p><b>Legal Authority:</b></p> <p><b>Oversight Department:</b></p> <p><b>Agreement Type:</b></p> <p><b>Pre/Encumb/Payment Request:</b></p> <p><b>Incidental Purchase:</b></p> <p><b>Tax Forms:</b></p> | <p><a href="#">Collective Bargaining Agreements, 930 CMR 5.08 (2); 815 CMR 6.00</a></p> <p>A&amp;F, HRD, CTR</p> <p>Relevant Supporting Documentation</p> <p>GAP (optional pre-encumbrance)/GAE/GAX; IE/ITI, ITA</p> <p>N/A</p> <p>1099-MISC</p>  |
| <h2>E04</h2>   | <p><b>CENTRAL REPROGRAPHIC CHARGEBACK</b></p> <p>Payments to a department legislatively authorized to provide copying, printing, binding services, etc.</p>   |
| <p><b>Legal Authority:</b></p> <p><b>Oversight Department:</b></p> <p><b>Agreement Type:</b></p> <p><b>Pre/Encumb/Payment Request:</b></p> <p><b>Incidental Purchase:</b></p> <p><b>Tax Forms:</b></p> | <p>Authorizing Legislation; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51, 52</a>; <a href="#">815 CMR 6.00</a></p> <p>OSD, CTR</p> <p>Price Quotes</p> <p>IE/ITI, ITA</p> <p>N/A</p> <p>None</p>  |
| <h2>E05</h2>   | <p><b>POSTAGE CHARGEBACK</b></p> <p>Payments to a department legislatively authorized to provide copying, printing, binding services, etc.</p>  |
| <p><b>Legal Authority:</b></p> <p><b>Oversight Department:</b></p> <p><b>Agreement Type:</b></p> <p><b>Pre/Encumb/Payment Request:</b></p> <p><b>Incidental Purchase:</b></p> <p><b>Tax Forms:</b></p> | <p>Authorizing Legislation; <a href="#">M.G.L. c. 30, §§ 51, 52</a>; <a href="#">815 CMR 6.00</a></p> <p>EOTSS, CTR</p> <p>Unit Pricing</p> <p>IE/ITI, ITA</p> <p>N/A</p> <p>None</p>   |
| <h2>E06</h2>   | <p><b>POSTAGE</b></p> <p>Payments for stamps, parcel post charges, rental of post office boxes, postage for meter machines, overnight mail, express mail, etc. For postage chargebacks, see E05. For Messenger/Mail Service, see <a href="#">JJ2</a>.</p>   |
| <p><b>Legal Authority:</b></p> <p><b>Oversight Department:</b></p> <p><b>Agreement Type:</b></p> <p><b>Pre/Encumb/Payment Request:</b></p> <p><b>Incidental Purchase:</b></p> <p><b>Tax Forms:</b></p> | <p>Appropriation Act</p> <p>CTR</p> <p>Relevant Supporting Documentation</p> <p>GAP (optional pre-encumbrance)/GAE/GAX</p> <p>N/A</p> <p>None</p>   |
| <h2>E07</h2>   | <p><b>TELEPHONE CHARGEBACK</b></p> <p>Payments to a department legislatively authorized to collect Centrex charges, WATS or other telephone charges, including Wide Area Network (WAN) Charges.</p>   |
| <p><b>Legal Authority:</b></p> <p><b>Oversight Department:</b></p> <p><b>Agreement Type:</b></p> <p><b>Pre/Encumb/Payment Request:</b></p> <p><b>Incidental Purchase:</b></p> <p><b>Tax Forms:</b></p> | <p>Authorizing Legislation; <a href="#">815 CMR 6.00</a></p> <p>EOTSS, CTR</p> <p>Unit Pricing</p> <p>IE/ITI, ITA</p> <p>N/A</p> <p>None</p>  |

# EXPENDITURE CLASSIFICATION HANDBOOK

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| <b>EE9</b> | <b>EMPLOYEE RECOGNITION CHARGEBACK</b><br>Chargebacks borne by departments to cover employee performance recognition and appreciation related expenses. For direct payments to employees, see <a href="#">A14</a> . <b>Comments:</b> Includes interdepartmental chargeback expenses related to the annual Pride and Performance ceremony. |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 7, §4J, §28</a> ; Authorizing Legislation; <a href="#">Collective Bargaining Agreements</a> ; <a href="#">815 CMR 6.00</a>  |
|            | <b>Oversight Dept.:</b> A&F, HRD, CTR   |
|            | <b>Agreement Type:</b> Relevant Supporting Documentation  |
|            | <b>Pre/Encumb/Payment:</b> IE/ITI, ITA  |
|            | <b>Tax Forms:</b> None  |

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| <b>E12</b>                  | <b>SUBSCRIPTIONS, MEMBERSHIPS, AND LICENSING FEES</b><br>Payments for periodicals, newspapers, law books, journals, CD-ROM subscriptions, memberships and other network or on-line or dial up services including licensing fees. Also includes monthly cable and /or DIRECTV fees. State sales and use tax exemptions contained in <a href="#">M.G.L. c. 64H, § 6</a> , and <a href="#">M.G.L. c. 64I, §7</a> , are not applicable to direct broadcast satellite service which are taxable by providers under G.L. c. 64M. For Information Technology (IT) Expenses, including but not limited to IT license subscriptions or other IT subscriptions see Object Class <a href="#">UU</a> . For Cloud based subscriptions, memberships and fees see <a href="#">U12</a> . A department must incur payments for memberships <u>only</u> . Includes payments to an authorized chargeback department that is legislatively authorized to provide these goods and/or services. Also includes payments to authorized chargeback department for Records Management Services. For membership in professional organizations for employee reimbursement, see <a href="#">B05</a> . |
|                             | <b>Legal Authority:</b> Authorizing Legislation; Appropriation Act; <a href="#">815 CMR 6.00</a>   |
|                             | <b>Oversight Department:</b> CTR   |
|                             | <b>Agreement Type:</b> Relevant Supporting Documentation   |
|                             | <b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance)/GAE/GAX/EA/IE/ITI, ITA   |
|                             | <b>Incidental Purchase:</b> N/A  |
| <b>Tax Forms:</b> 1099-MISC |  |

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| <b>E13</b>                  | <b>ADVERTISING EXPENSES</b><br>Costs of advertising in newspapers or on radio and television. For the services of advertising agencies, see <a href="#">HH3</a> . |
|                             | <b>Legal Authority:</b> Appropriation Act   |
|                             | <b>Oversight Department:</b> CTR  |
|                             | <b>Agreement Type:</b> Relevant Supporting Documentation  |
|                             | <b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance)/GAE/GAX   |
|                             | <b>Incidental Purchase:</b> N/A   |
| <b>Tax Forms:</b> 1099-MISC |   |

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| <b>E14</b>             | <b>EXHIBITS/DISPLAYS</b><br>Payments for the purchase of exhibits/displays for promotional and safety demonstrations, souvenirs, flags, banners, badges, tags, license plates, etc. For costs of preparing design, see <a href="#">HH3</a> . |
|                        | <b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51, 52</a> ; <a href="#">801 CMR 21.00</a> ; <a href="#">815 CMR 6.00</a>   |
|                        | <b>Oversight Department:</b> A&F, OSD, CTR   |
|                        | <b>Agreement Type:</b> Standard Contract Form  |
|                        | <b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/PC/PRC   |
|                        | <b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases   |
| <b>Tax Forms:</b> None |  |

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| <b>E15</b>  | <p><b>BOTTLED WATER</b></p> <p>Includes the purchase of bottled water and the incidental rental costs of the equipment. For water use charges, see <a href="#">G08</a>.</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51, 52</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/PC/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases</p> <p><b>Tax Forms:</b> None</p> |   |

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| <b>E16</b>   | <p><b>INDIRECT COST RECOUPMENT</b></p> <p>Mandated transfer of charges for indirect costs related to expenditures from federal grants, expendable trusts, and all other non-budgetary accounts to centralized state administrative accounts.</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 29, § 6B, 5D</a>; <a href="#">A&amp;F-5</a>; <a href="#">815 CMR 6.00</a></p> <p><b>Oversight Department:</b> A&amp;F, CTR</p> <p><b>Agreement Type:</b> Approved Rate</p> <p><b>Pre/Encumb/Payment Request:</b> CA, (Use restricted to CTR; system-generated CA at the close of an accounting period) GAE/GAX (for sure by college campuses only)</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p> |  |

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| <b>E18</b>  | <p><b>STATE SINGLE AUDIT CHARGEBACK</b></p> <p>Payments to a department legislatively authorized to provide single audit services.</p> |
| <p><b>Legal Authority:</b> Authorizing Legislation; <a href="#">M.G.L. c. 7A, § 12</a>; <a href="#">815 CMR 6.00</a></p> <p><b>Oversight Department:</b> CTR</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> IE/ITI, ITA</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p> |  |

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| <b>E19</b>   | <p><b>FEES, FINES, LICENSES, PERMITS, AND CHARGEBACKS</b></p> <p>Payments for charges incurred by a department <u>only</u>, NOT by individuals or state employees. Includes payments for department toll usage and for employee identification badges and filing fees. Also includes chargeback payments to a department legislatively authorized to collect fees, fines, and provide licenses and permits. For employee reimbursements see, <a href="#">B10</a>.</p> |
| <p><b>Legal Authority:</b> Authorizing Legislation; <a href="#">815 CMR 6.00</a></p> <p><b>Oversight Department:</b> Authorized departments, CTR</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> IE/ITI, ITA/IET/GAP (optional pre-encumbrance)/GAE/GAX/RQS (optional pre-encumbrance)/PC/PRC</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p> |   |

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| <b>E20</b>  | <p><b>MOTOR VEHICLE CHARGEBACK</b></p> <p>Payments to a department legislatively authorized to provide or rent motorized vehicles to departments.</p> |
| <p><b>Legal Authority:</b> Authorizing Legislation; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">815 CMR 6.00</a></p> <p><b>Oversight Department:</b> OSD, CTR</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> IE/ITI, ITA</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p> |   |



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| <b>E21</b>   | <p><b>CONFIDENTIAL INVESTIGATIONS EXPENSES</b></p> <p>Payments or reimbursements for expenses incurred while performing confidential investigations. See <a href="#">JJ3</a> for Investigator Services.</p> |
| <p><b>Legal Authority:</b> Authorizing Legislation; <a href="#">M.G.L. c. 12</a>; <a href="#">M.G.L. c. 22C</a></p> <p><b>Oversight Department:</b> AGO, District Attorneys, POL, CTR</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> EA/GAP (optional pre-encumbrance)/GAE/GAX/IE/ITI, ITA (Use restricted to AGO, District Attorneys and POL)</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p> |   |

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| <b>E22</b>   | <p><b>TEMPORARY USE OF SPACE, CONFERENCES, AND CONFERENCE INCIDENTALS</b></p> <p>Payments for temporary use of space, department conferences, meals, light refreshments, and incidental conference expenses for departmental meetings. Temporary use of space is the occupancy of space on a one-time basis or at the same location on repeated days for conferences, training sessions, examinations, trade booth fees and other department-related activities for a period, which cannot exceed thirty (30) separate days or events. For payments to vendors, see <a href="#">E12</a>. For out-of-state travel expenses on behalf of state employees, see <a href="#">E41</a>. For in-state travel and related expenses on behalf of state employees, see <a href="#">E42</a>. For job related tuition on behalf of state employees, see <a href="#">E43</a>. For other expenses relating to a conference, see the appropriate object class. See <a href="#">B05</a> for reservation and registration fees for conference(s) reimbursements and payments to employees for job related expenses.</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a>; <a href="#">815 CMR 6.00</a></p> <p><b>Oversight Department:</b> A&amp;F, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC/EA/IE/ITI, ITA EA/IE/ITI, ITA</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases</p> <p><b>Tax Forms:</b> 1099-NEC</p> |   |

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| <b>E23</b>  | <p><b>SALES TAX</b></p> <p>Payments for a tax levied on the sale of goods and/or services that are usually a percentage of the purchase price and collected by the seller. This object code is limited to Higher Education departments only. For municipal taxes, see <a href="#">F22</a>. <b>Comments:</b> Departments must have statutory authority for the use of this object code.</p> |
| <p><b>Legal Authority:</b> Authorizing Legislation</p> <p><b>Oversight Department:</b> RGT, DOR</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance)/GAE/GAX (Use restricted to Higher Education departments only)</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p> |  |

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| <b>E24</b>  | <p><b>DONATIONS/MEMORIALS</b></p> <p>Payments for donations or memorials. This object code is restricted to Higher Education departments using non-appropriated trust funds only.</p> |
| <p><b>Legal Authority:</b> Authorizing Trusts</p> <p><b>Oversight Department:</b> RGT</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> GAP (optional Pre-encumbrance)/GAE/GAX (Use restricted to Higher Education departments only)</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p> |   |

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| <b>E25</b>                         | <b>FREIGHT/SHIPPING CHARGES FOR SURPLUS PROPERTY</b>                                       |
|                                    | Payments for the Commonwealth federal surplus property program and other federal programs. |
| <b>Legal Authority:</b>            | Appropriation Act  |
| <b>Oversight Department:</b>       | OSD  |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation  |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX   |
| <b>Incidental Purchase:</b>        | N/A  |
| <b>Tax Forms:</b>                  | None   |

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| <b>E27</b>                         | <b>PRIOR YEAR DEFICIENCY CHARGEBACK</b>   |
|                                    | Payment to a department legislatively authorized to provide central payment of prior year deficiency in certain appropriations. |
| <b>Legal Authority:</b>            | Authorizing Legislation; <a href="#">815 CMR 6.00</a>   |
| <b>Oversight Department:</b>       | CTR   |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation   |
| <b>Pre/Encumb/Payment Request:</b> | IE/ITI, ITA/IET   |
| <b>Incidental Purchase:</b>        | N/A   |
| <b>Tax Forms:</b>                  | None  |

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| <b>E29</b>                         | <b>LATE PAYMENT INTEREST ON SETTLEMENTS OR JUDGMENTS</b>  |
|                                    | <p>Statutorily mandated or other interest payments on settlements or judgments. Department must follow <a href="#">815 CMR 5.00</a> and CTR policies on processing Settlement and Judgments when using this object code. Interest on damages is tax reportable and payable to claimant. Interests on attorney’s fees are tax reportable and payable to attorney. This object code may not be used to pay for damages and other claim payments. See <a href="#">N93-N99</a> for claims related to Horizontal/Lateral and vertical construction projects or eminent domain takings.</p> |
| <b>Legal Authority:</b>            | Judgment/Court Order; Approved Settlement Agreement, <a href="#">M.G.L. c. 231, s. 6I</a>   |
| <b>Oversight Department:</b>       | CTR   |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation   |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX  |
| <b>Incidental Purchase:</b>        | N/A   |
| <b>Tax Forms:</b>                  | 1099-INT  |

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| <b>E30</b>                         | <b>CREDIT CARD PURCHASES</b>  |
|                                    | For payments to the approved Commonwealth credit card contractor for “petty cash” and “incidental purchase” items authorized to be purchased using a Commonwealth credit card issued to eligible departments in accordance with the credit card policy issued by CTR and OSD. Items purchased may be those authorized by the Department Head for Commonwealth business only. For non-credit card purchases, see appropriate object class(es). |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>  |
| <b>Oversight Department:</b>       | OSD, CTR  |
| <b>Agreement Type:</b>             | Credit Card application and approval as eligible department   |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX  |
| <b>Incidental Purchase:</b>        | N/A   |
| <b>Tax Forms:</b>                  | None  |

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| <b>E31</b>                         | <b>CREDIT CARD PURCHASES FINANCE CHARGES</b>   |
|                                    | For finance charges associated with the use of approved Commonwealth credit card contractor payments only. |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a> |
| <b>Oversight Department:</b>       | OSD, CTR   |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation  |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX   |
| <b>Incidental Purchase:</b>        | N/A  |
| <b>Tax Forms:</b>                  | None   |

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| <h2>E41</h2> | <p><b>OUT-OF-STATE TRAVEL EXPENSES ON BEHALF OF STATE EMPLOYEES</b></p> <p>Payments to vendors for approved travel expenses incurred outside the Commonwealth on behalf of state employees. For conference, training and registration see <a href="#">B05</a>. For conference, training and registration fees see EE2. For in-state travel and related expenses on behalf of state employees, see E42. For job related tuition on behalf of state employees, see E43.</p>  |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 4J, § 27A, § 28</a>; <a href="#">M.G.L. c. 30, § 25, § 25B</a>; <a href="#">930 CMR 5.08 (2)</a>; <a href="#">A&amp;F-8</a>; <a href="#">Collective Bargaining Agreements</a></p> <p><b>Oversight Department:</b> OSD, A&amp;F, HRD, CTR</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance)/GAE/GAX</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p> |

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| <h2>E42</h2> | <p><b>IN-STATE TRAVEL AND RELATED EXPENSES ON BEHALF OF STATE EMPLOYEES</b></p> <p>Payments to vendors for approved expenses incurred by state employees while traveling within the Commonwealth to include payment for meal charges arising from overtime work only. For conference, training and registration for employee reimbursement see <a href="#">B05</a>. For conference, training and registration fees see EE2. For out of state travel and related expenses on behalf of state employees, see E41. For job related tuition on behalf of state employees, see <a href="#">E43</a>.</p> |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 4J, § 27A, § 28</a>; <a href="#">M.G.L. c. 30, § 25, § 25B</a>; <a href="#">930 CMR 5.08 (2)</a>; <a href="#">A&amp;F-8</a>; <a href="#">Collective Bargaining Agreements</a></p> <p><b>Oversight Department:</b> OSD, A&amp;F, HRD, CTR</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance)/GAE/GAX</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p>   |

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| <h2>E43</h2> | <p><b>JOB-RELATED TUITION ON BEHALF OF STATE EMPLOYEES</b></p> <p>Payments to vendors for approved tuition and/or tuition expenses on behalf of state employees when authorized by department, collective bargaining agreement, an Executive Order, an A&amp;F Memorandum, a Human Resource Division Policy or a Non-Executive Educational Policy. For conference, training and registration for employee reimbursement see <a href="#">B05</a>. For conference, training and registration fees, see <a href="#">EE2</a>. For out-of-state travel expenses on behalf of state employees, see <a href="#">E41</a>. For in-state travel and related expenses on behalf of state employees, see <a href="#">E42</a>.</p> |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c.30, § 46H</a>; <a href="#">M.G.L. c. 7, § 4J, § 28</a>; <a href="#">Collective Bargaining Agreements</a></p> <p><b>Oversight Department:</b> HRD, CTR</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance)/GAE/GAX</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p>   |

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| <h2>E50</h2> | <p><b>SETTLEMENTS AND JUDGMENTS – TAX REPORTABLE TO NON-EMPLOYEE CLAIMANT – CLAIMANT SOLE PAYEE</b></p> <p>No payments may be made using this object code without prior approval of CTR Legal Unit of use of object code. Departments must follow <a href="#">815 CMR 5.00</a> and CTR policies on processing Settlement and Judgments when using this object code. Payments under this object code include non-employee settlements, court or administrative awards or judgments resulting in damage payments, which are tax reportable to the Claimant and payable solely to Claimant. All payments must be made under Claimant’s TIN. The check may be mailed to the Claimant’s attorney address using an additional remittance address without the attorney being listed as a payee. Employment related claims: payments to Claimant’s attorney, third party or for interest may not be made using this object code. Includes non-employment related tort and non-tort damage claims, contract judgments, punitive damages, compensatory damages, discrimination, civil rights, pain and suffering, mental harm or distress, emotional distress, loss of consortium or any damages arising from emotional distress, lump sum payments, liquidated damages; invasion of property interests; defamation, libel, property damage claims (when claimant does not provide receipts for actual costs incurred for reimbursement) and other claims authorized to be paid under this object code by CTR’s Legal Unit. Contract settlements made during period of a current contract for which sufficient funds exist to make payment should not use this object code but should be</p> |
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|                                    | made using the same object code as the current contract using a separate line on the existing encumbrance for the payment and maintaining contract settlement documentation with the contract. <a href="#">M.G.L. c. 258</a> Tort Claims must be paid by CTR using Liability Management Reduction Fund (LMRF) since departments may not pay Tort claims using department funds. Non-tort settlements and judgments are payable either with department funds or if department does not have sufficient legally available funds by the CTR Settlement and Judgment Account. See <a href="#">A11</a> for Settlement and Judgment payments to current and former state employees. See <a href="#">E29</a> for all interest payments that must be paid separately from damages. See <a href="#">N95-98</a> for claims related to Horizontal/Lateral and vertical construction projects or eminent domain takings. |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 258</a> ; <a href="#">815 CMR 5.00</a> , Authorizing Legislation, <a href="#">Settlement or Judgment</a>   |
| <b>Oversight Department:</b>       | AGO, A&F, CTR  |
| <b>Agreement Type:</b>             | Certified copy of Settlement or Judgment; LMRF or Settlement and Judgment Authorization Form; Relevant Supporting Documentation  |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX   |
| <b>Incidental Purchase:</b>        | N/A  |
| <b>Tax Forms:</b>                  | 1099-MISC  |

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| E51                                | <p style="margin: 0;"><b>NON-EMPLOYEE SETTLEMENTS AND JUDGMENTS – TAX REPORTABLE TO CLAIMANT – CLAIMANT AND ATTORNEY CO-PAYEES</b></p> <p style="margin: 0;">No payments may be made using this object code without prior approval of CTR Legal Unit of use of object code. Departments must follow <a href="#">815 CMR 5.00</a> and CTR policies on processing Settlement and Judgments when using this object code. Payments under this object code include non-employee settlements, court or administrative awards or judgments resulting in damage payments, which are tax reportable to the Claimant and are payable to Claimant and their attorney or solely to the attorney. All payments must be made under Claimant’s TIN with an additional remittance address with payee as “Claimant name and attorney name” or “attorney name” and the attorney address. Dual tax reporting to the attorney is required when listed as a payee, which will be done through a manual 1099-MISC to the attorney by CTR. Employment related claims and interest may not be made using this object code. Includes non-employment related tort and non-tort damage claims, contract judgments, punitive damages, compensatory damages, discrimination, civil rights, attorneys fees, costs, pain and suffering, mental harm or distress, emotional distress, loss of consortium or any damages arising from emotional distress, lump sum payments, liquidated damages; invasion of property interests; defamation, libel, property damage claims (when claimant does not provide receipts for actual costs incurred for reimbursement), and other claims authorized to be paid under this object code by CTR’s Legal Unit. Contract Settlements made during period of a current contract for which sufficient funds exist to make payment should not use this object code but should be made using the same object code as the current contract using a separate line on the existing encumbrance for the payment and maintaining contract settlement documentation with the contract. <a href="#">M.G.L. c. 258</a> Tort Claims must be paid by CTR using Liability Management Reduction Fund (LMRF) since departments may not pay Tort claims using department funds. Non-tort settlements and judgments are payable either with department funds or if department does not have sufficient legally available funds by the CTR Settlement and Judgment Account. See <a href="#">A11</a> for Settlement and Judgment payments to current and former state employees. See <a href="#">E29</a> for all interest payments that must be paid separately from damages. See <a href="#">N93-98</a> for claims related to Horizontal/Lateral and vertical construction projects or eminent domain takings.</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 258</a> ; <a href="#">815 CMR 5.00</a> , Authorizing Legislation, <a href="#">Settlement or Judgment</a>  |
| <b>Oversight Department:</b>       | AGO, A&F, CTR   |
| <b>Agreement Type:</b>             | Certified copy of Settlement or Judgment; LMRF or Settlement and Judgment Authorization Form; Relevant Supporting Documentation   |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX  |
| <b>Incidental Purchase:</b>        | N/A   |
| <b>Tax Forms:</b>                  | 1099-MISC to Claimant; CTR issues manual 1099-MISC to Attorney  |

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| E52   | <p><b>TAX REPORTABLE DAMAGES TO CLAIMANT – CLAIMANT AND ATTORNEY CO-PAYEES, OR ATTORNEY SOLE PAYEE</b></p> <p>No payments may be made using this object code without prior approval of CTR’s Legal Unit of use of object code. Department must follow <a href="#">815 CMR 5.00</a> and CTR’s policies on processing Settlement and Judgments when using this object code. Payments under this object code are limited to claims for attorney fees, costs awarded to a claimant that must be processed through MMARS and paid to directly to the claimant’s attorney. All payments must be made using the attorney’s TIN. CTR will issue manual 1099-MISC for amount to Claimant. See <a href="#">E29</a> for all interest payments that must be paid separately from damages. See <a href="#">A11</a> for Tax Reportable Settlement and Judgment payments to current and former state employees.</p>   |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 258</a>; <a href="#">815 CMR 5.00</a>, Authorizing Legislation, <a href="#">Settlement or Judgment</a></p> <p><b>Oversight Department:</b> AGO, A&amp;F, CTR</p> <p><b>Agreement Type:</b> Certified copy of Settlement or Judgment; LMRF or Settlement and Judgment Authorization Form; Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance)/GAE/GAX</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> 1099-MISC to Attorney; CTR issues manual 1099-MISC to Claimant</p> |  |
| E53   | <p><b>NON-EMPLOYEE SETTLEMENTS AND JUDGMENTS – NOT TAX REPORTABLE TO CLAIMANT – CLAIMANT SOLE PAYEE</b></p> <p>No payments may be made using this object code without prior approval by CTR Legal Unit of use of object code. Departments must follow <a href="#">815 CMR 5.00</a> and CTR policies on processing Settlement and Judgments when using this object code. Payments under this object code include settlements and court or administrative awards or judgments resulting in damage payments which are not tax reportable to the claimant which are payable <b>solely to the claimant</b>. No payments may be made under this object code to a third party, such as an attorney or insurer (See E51, E52) or for interest (See E29). Types of damages payable under this object code are limited to actual medical cost reimbursement for emotional distress (employee or non-employee), employee indemnification reimbursements to employee (not third party payments – See E51), non-employee tort claims for personal injury or sickness damages or damages directly arising from the personal injury or sickness, wrongful death, non-employee reimbursement for property damages (substantiated by receipts for actual costs incurred), and other claims authorized to be paid under this object code by CTR’s Legal Unit. <a href="#">M.G.L. c. 258</a> Tort Claims must be paid by CTR using Liability Management Reduction Fund (LMRF) since departments may not pay tort claims using department funds. Non-Tort Settlements and Judgments are payable either with department funds or if department does not have sufficient legally available funds by CTR Settlement and Judgment Account. Includes Liability Management Reduction Fund (LMRF) chargeback to departments made by CTR. See <a href="#">A11</a> for Settlement and Judgment payments to current and former state employees. See <a href="#">E29</a> for all interest payments, which must be paid separately from damages. See <a href="#">N93-98</a> for claims related to Horizontal/Lateral and vertical construction projects or eminent domain takings.</p> |
| <p><b>Legal Authority:</b> <a href="#">815 CMR 5.00</a>, <a href="#">M.G.L. c. 258</a>, Authorizing Legislation, <a href="#">Settlement or Judgment</a></p> <p><b>Oversight Department:</b> AGO, A&amp;F, CTR</p> <p><b>Agreement Type:</b> Certified copy of Settlement or Judgment; LMRF or Settlement and Judgment Authorization Form; Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance)/GAE/GAX, IE/ITI/ITA (CTR Only)</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p>                                    |  |

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| E54   | <p style="margin: 0;"><b>NON-EMPLOYEE SETTLEMENTS AND JUDGMENTS – NOT TAX REPORTABLE TO CLAIMANT – CLAIMANT AND ATTORNEY CO-PAYEES, OR ATTORNEY SOLE PAYEE</b></p> <p style="margin: 0;">No payments may be made using this object code without prior approval of CTR Legal Unit of use of object code. Departments must follow <a href="#">815 CMR 5.00</a> and CTR policies on processing Settlement and Judgments when using this object code. Payments under this object code include settlements, court or administrative judgments resulting in damage payments which are not tax reportable to the claimant, and which are payable either jointly to the Claimant and Claimant’s attorney or solely to Claimant’s attorney. No payments may be made to a third party that is not the Claimant’s attorney. All payments must be made using attorney’s TIN with payee name “Claimant name and Attorney name” or just “Attorney Name”. Includes actual medical cost reimbursement for emotional distress (employee or non-employee), employee indemnification reimbursements paid to claimant’s attorney, non-employee personal injury or sickness damages or damages directly arising from the personal injury or sickness, wrongful death, non-employee reimbursement for property damages (substantiated by receipts for actual costs incurred), and other claims authorized to be paid under this object code by CTR’s Legal Unit. <a href="#">M.G.L. c. 258</a> Tort Claims must be paid by CTR using Liability Management Reduction Fund (LMRF) since departments may not pay tort claims using department funds. Upon approval of use of object code by CTR’s Legal Unit, Settlements and Judgments are payable either by department using department Funds or if department does not have sufficient legally available funds, by CTR using the Settlement and Judgment Account. Attorneys’ fees paid pursuant to <a href="#">Massachusetts Rules of Criminal Procedure 15(d) and 30(c)(8)</a> must be paid under this object code. If there are department funds appropriated specifically for these costs, then departments may pay directly without CTR review identifying <a href="#">MRCP 15(d) or 30(c)(8)</a> as appropriate in the “comments” field under the MMARS encumbrance and payment. If there is not specifically appropriated funding, then these payments must be submitted to CTR using the Settlement and Judgment Authorization Form. See <a href="#">A11</a> for Tax Reportable Settlement and Judgment payments to current and former state employees. See <a href="#">E29</a> for all interest payments, which must be paid separately from damages. See <a href="#">N93-98</a> for claims related to Horizontal/Lateral and vertical construction projects or eminent domain takings.</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 258</a>; <a href="#">815 CMR 5.00</a>, Authorizing Legislation, <a href="#">Settlement or Judgment</a></p> <p><b>Oversight Department:</b> AGO, A&amp;F, CTR</p> <p><b>Agreement Type:</b> Certified copy of Settlement or Judgment; LMRF or Settlement and Judgment Authorization Form; Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance)/GAE/GAX</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> 1099-MISC to attorney, None for Claimant</p> |   |



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| <h2>E55</h2> | <p><b>NON-EMPLOYEE SETTLEMENTS AND JUDGMENTS – NOT TAX REPORTABLE TO CLAIMANT – CLAIMANT AND 3<sup>RD</sup> PARTY CO-PAYEES, OR 3<sup>RD</sup> PARTY SOLE PAYEE</b></p> <p>No payments may be made using this object code without prior approval of CTR’s Legal Unit of use of object code. Departments must follow <a href="#">815 CMR 5.00</a> and CTR’s policies on processing Settlement and Judgments when using this object code. Payments under this object code include settlements, court or administrative judgments resulting in damage payments which are not tax reportable to the claimant, and which are payable either jointly to the Claimant and 3<sup>rd</sup> party (such as an insurer) or solely to the 3<sup>rd</sup> party. No payments may be made to an attorney under this object code. All payments must be made using the 3<sup>rd</sup> party’s TIN with payee name “Claimant name and 3<sup>rd</sup> party” or just “3<sup>rd</sup> party”. Includes actual medical cost reimbursement for emotional distress (employee or non-employee), employee indemnification reimbursements paid to claimant’s attorney, non-employee personal injury or sickness damages or damages directly arising from the personal injury or sickness, wrongful death, non-employee reimbursement for property damages (substantiated by receipts for actual costs incurred), and other claims authorized to be paid under this object code by CTR’s Legal Unit. <a href="#">M.G.L. c. 258</a> Tort Claims must be paid by CTR using Liability Management Reduction Fund (LMRF) since departments may not pay tort claims using department funds. Upon approval of use of object code by CTR’s Legal Unit, Settlements and Judgments are payable either by department using department Funds or if department does not have sufficient legally available funds, by CTR using the Settlement and Judgment Account. See <a href="#">A11</a> for Tax Reportable Settlement and Judgment payments to current and former state employees. See <a href="#">E29</a> for all interest payments, which must be paid separately from damages. See <a href="#">N93-98</a> for claims related to Horizontal/Lateral and vertical construction projects or eminent domain takings.</p> |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 258</a>; <a href="#">815 CMR 5.00</a>, Authorizing Legislation, <a href="#">Settlement or Judgment</a></p> <p><b>Oversight Department:</b> AGO, A&amp;F, CTR</p> <p><b>Agreement Type:</b> Certified copy of Settlement or Judgment; LMRF or Settlement and Judgment Authorization Form; Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance)/GAE/GAX</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> 1099-MISC to 3<sup>rd</sup> party, None for Claimant</p>   |
| <h2>E56</h2> | <p><b>SECRETARIAT CENTRAL SERVICES CHARGEBACK</b></p> <p>Payments to a department legislatively authorized to provide central services, such as finance, payroll, human resources, client transportation and other.</p>   |
|              | <p><b>Legal Authority:</b> Authorizing Legislation; <a href="#">M.G.L. c. 7A, § 12</a>; <a href="#">815 CMR 6.00</a></p> <p><b>Oversight Department:</b> CTR</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> IE/ITI, ITA</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p>   |
| <h2>E75</h2> | <p><b>ADVANCES ADMINISTRATIVE EXPENSES</b></p> <p>Used to encumber advances in the EE Object Class.</p>   |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 29, §§ 23, 24, 25</a></p> <p><b>Oversight Department:</b> TRE, HRD, CTR</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Payment Request:</b> EAV/RA/AR</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p>  |



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| <b>E87</b> | <b>CASH WITH CAMPUS</b><br>Pursuant to Massachusetts General Law requiring Commonwealth Colleges and Universities to report the activity of campus-based funds by subsidiary to the Comptroller of the Commonwealth on the Commonwealth's Statewide Accounting System, MMARS (Fund 0901).   |
|            | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 15A, § 15C</a>; Authorizing Legislation</p> <p><b>Oversight Department:</b> CTR</p> <p><b>Agreement Type:</b> Relevant Supporting Detail on college and university accounting systems.</p> <p><b>Payment/Receipt Request:</b> TV/RT (Use restricted to colleges and universities)</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> Forms 1099 and 1042 – Colleges and Universities Responsible for Compliance using local Tax Identification Number</p> |

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| <b>E90</b> | <b>OPERATING TRANSFER</b><br>Administrative Expenses.   |
|            | <p><b>Legal Authority:</b> Authorizing Legislation; <a href="#">815 CMR 6.00</a></p> <p><b>Oversight Department:</b> CTR</p> <p><b>Agreement Type:</b> Copy of Authorizing Legislation; Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> OT/IET (Use restricted to CTR)</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p> |

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| <b>E98</b> | <b>REIMBURSEMENT FOR TRAVEL AND OTHER EXPENSES FOR BOARD MEMBER SERVICES</b><br>Authorizations for reimbursements as authorized in statute. Reimbursements are not tax reportable because the recipients or any applicable backup documentation is required to account for expenditures. If there is an authorized position these individuals must be paid from <a href="#">A01</a> . See <a href="#">C28</a> for contracted board memberships and <a href="#">J62</a> for contracted advisory board/commission members. See <a href="#">U98</a> for Information technology (IT) expenses. |
|            | <p><b>Legal Authority:</b> Relevant Statutory Authorization for Board Reimbursements</p> <p><b>Oversight Department:</b> A&amp;F, HRD, OSD, CTR</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> GAE/GAX</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p>   |

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| <b>E99</b> | <b>LATE PENALTY INTEREST</b><br>Penalty interest for late payments.   |
|            | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 29, §§ 20C, 29C</a>; <a href="#">M.G.L. c. 7A, § 5A</a>; <a href="#">815 CMR 4.00</a></p> <p><b>Oversight Department:</b> CTR</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation/Valid Claim under Contract</p> <p><b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance)/GAE/GAX</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> 1099-INT</p> |

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## OBJECT CLASS FF

### PROGRAMMATIC FACILITY OPERATIONAL SUPPLIES AND RELATED EXPENSES

#### Covered Expenditures

This object class includes the cost of supplies required for operating the programs provided at state facilities including historical sites, state parks, recreational facilities, state-maintained buildings and facilities which provide educational, medical, social, rehabilitative, or protective services to persons who are in the care and/or custody of the Commonwealth.

#### Requirements

Most departments will use only the “chargeback” object codes: [D15](#) and [D21](#). All Commonwealth departments are responsible for making contract obligations and expenditures in compliance with applicable laws and CTR Fiscal Policies. All departments that take advantage of incidental purchases must comply with [incidental purchase](#) requirements identified by CTR and OSD. In addition:

- Executive departments “Level III” must comply with [M.G.L. c. 7, § 22](#), [801 CMR 21.00](#) and the “[Conducting Best Value Procurements Handbook](#)” for [801 CMR 21.00](#) covered goods and services, and must purchase from available Statewide Contracts, and use specified Commonwealth contract forms. Exceptions from using Statewide Contracts 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 [Conducting Best Value Procurements Handbook](#);
- Non-Executive departments “Level II” must comply with [M.G.L. c. 7, § 22](#), internal procurement policies and procedures and use specified Commonwealth contract forms.
- Exempt departments “Level I” must comply with internal procurement policies and procedures and if the department takes advantage of MMARS document processing delegation, the department must use specified Commonwealth contract forms.

#### Expenditures Not Covered

For day-to-day administrative expenses, see Object Class [EE](#). For rent and energy costs, see Object Class [GG](#). For Equipment purchases, see Object Class [KK](#). For Equipment Lease and TELPs, see Object Class [LL](#) and/or Object Codes: [N62](#), [N63](#), [U08](#), and [U09](#). For state facility infrastructure maintenance and operational supplies and services, see Object Class [NN](#). For information Technology (IT) expenses, see Object Class [UU](#).

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| <b>F01</b>                         | <b>FOOD, BEVERAGES, AND PRESERVATION</b><br>Food, beverages, supplements, and the products associated with storage of such items. For food services, see <a href="#">J56</a> . |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>   |
| <b>Oversight Department:</b>       | A&F, OSD, CTR  |
| <b>Agreement Type:</b>             | Standard Contract Form   |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/PC/PRC IE/ITI, ITA  |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases   |
| <b>Tax Forms:</b>                  | None   |

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| <b>F03</b>                         | <b>KITCHEN AND DINING SUPPLIES</b><br>For example: glassware, flatware, utensils and trays.                |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a> |
| <b>Oversight Department:</b>       | A&F, OSD, CTR  |
| <b>Agreement Type:</b>             | Standard Contract Form   |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/PC/PRC  |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases   |
| <b>Tax Forms:</b>                  | None   |

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| <b>F04</b>                         | <b>DRUGS</b><br>Medicines or pharmaceuticals.  |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a> |
| <b>Oversight Department:</b>       | A&F, OSD, CTR  |
| <b>Agreement Type:</b>             | Standard Contract Form   |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/PC/PRC/IE/ITI, ITA  |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases   |
| <b>Tax Forms:</b>                  | None   |

|                                    |   |
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| <b>F05</b>                         | <b>LABORATORY SUPPLIES</b><br>For example: chemicals, testing materials and protective gear. For outside laboratory services, see <a href="#">J25</a> . |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>  |
| <b>Oversight Department:</b>       | A&F, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/PC/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases  |
| <b>Tax Forms:</b>                  | None  |

|                                    |   |
|------------------------------------|---|
| <b>F06</b>                         | <b>MEDICAL AND SURGICAL SUPPLIES</b><br>For example: surgical instruments, first aid supplies, and medical gases. |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>        |
| <b>Oversight Department:</b>       | A&F, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/PC/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases  |
| <b>Tax Forms:</b>                  | None  |

|                                    |   |
|------------------------------------|---|
| <b>F07</b>                         | <b>PERSONAL MEDICAL ITEMS AND PROSTHETICS</b><br>Medically related items, for example: artificial limbs, eyeglasses, hearing aids and dentures. |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>                                      |
| <b>Oversight Department:</b>       | A&F, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/PC/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases  |
| <b>Tax Forms:</b>                  | None  |

|                                    |  |
|------------------------------------|--|
| <b>F08</b>                         | <b>TOILETRIES AND PERSONAL SUPPLIES</b><br>Personal hygiene supplies, for example: razors, toothbrushes and deodorant. |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>             |
| <b>Oversight Department:</b>       | A&F, OSD, CTR  |
| <b>Agreement Type:</b>             | Standard Contract Form   |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/PC/PRC  |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases   |
| <b>Tax Forms:</b>                  | None   |

|                                    |  |
|------------------------------------|--|
| <b>F09</b>                         | <b>CLOTHING AND FOOTWEAR</b><br>For example: articles of wearing apparel, shoes and boots.                 |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a> |
| <b>Oversight Department:</b>       | A&F, OSD, CTR  |
| <b>Agreement Type:</b>             | Standard Contract Form   |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/PC/PRC  |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases   |
| <b>Tax Forms:</b>                  | None   |

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| <b>F10</b>                         | <p><b>FACILITY FURNISHINGS</b></p> <p>For example: bedding, linens, blankets, window coverings, and area rugs. For carpeting, see <a href="#">N50</a>. For equipment used for state facility infrastructure maintenance, see <a href="#">N50</a> and/or <a href="#">N52</a>.</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>   |
| <b>Oversight Department:</b>       | A&F, OSD, CTR  |
| <b>Agreement Type:</b>             | Standard Contract Form, Construction Contract  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/PC/PRC/IE/ITI, ITA  |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases   |
| <b>Tax Forms:</b>                  | None   |

|                                    |   |
|------------------------------------|---|
| <b>F11</b>                         | <p><b>LAUNDRY AND CLEANING SUPPLIES</b></p> <p>Items necessary for operating a laundry or associated with the cleaning of state property, for example: brooms, brushes, mops, pails, polishes, soaps, dishwashing supplies, paper supplies, and garbage supplies. For expenditures for outside laundry services, see <a href="#">J27</a>. For cleaning services, see <a href="#">N70</a>.</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>  |
| <b>Oversight Department:</b>       | A&F, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/PC/PRC/IE/ITI, ITA   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases  |
| <b>Tax Forms:</b>                  | None  |

|                                    |   |
|------------------------------------|---|
| <b>F13</b>                         | <p><b>LIVE ANIMALS AND RELATED SUPPLIES</b></p> <p>Live animals such as farm, domestic or wild animals, for example: cows, horses, sheep, dogs, pheasants, quails, fish/fish eggs, etc. Includes stable and barn supplies and livestock feed. For equipment, repairs and repair parts, see Object Class <a href="#">KK</a> or <a href="#">LL</a>. For garden expenses, see <a href="#">N64</a>.</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>  |
| <b>Oversight Department:</b>       | A&F, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/PC/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases  |
| <b>Tax Forms:</b>                  | None  |

|                                    |   |
|------------------------------------|---|
| <b>F16</b>                         | <p><b>LIBRARY AND TEACHING SUPPLIES AND MATERIALS</b></p> <p>Items used in a library or teaching setting, for example: books, educational supplies and chalkboards.</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>  |
| <b>Oversight Department:</b>       | A&F, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/PC/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases  |
| <b>Tax Forms:</b>                  | None  |

|                                    |   |
|------------------------------------|---|
| <b>F18</b>                         | <p><b>RECREATION, RELIGIOUS, AND SOCIAL SUPPLIES AND MATERIALS</b></p> <p>Items for the operation of recreational facilities and for religious and social functions for residents and students.</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>  |
| <b>Oversight Department:</b>       | A&F, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/PC/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases  |
| <b>Tax Forms:</b>                  | None  |

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| <b>F19</b>  | <b>MANUFACTURING SUPPLIES AND MATERIALS AND RAW MATERIALS</b><br>For example: gloves and safety glasses wood, metals, plastic and cloth.   |
| <b>Legal Authority:</b><br><b>Oversight Department:</b><br><b>Agreement Type:</b><br><b>Pre/Encumb/Payment Request:</b><br><b>Incidental Purchase:</b><br><b>Tax Forms:</b> | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a><br>A&F, OSD, CTR<br>Standard Contract Form<br>RQS (optional pre-encumbrance)/PC/PRC<br>GAE/INP use restricted to Incidental Purchases<br>None |
| <b>F21</b>  | <b>NAVIGATIONAL AND NAUTICAL SUPPLIES</b><br>Marine supplies, for example: life preservers, lines, anchors and depth finders.  |
| <b>Legal Authority:</b><br><b>Oversight Department:</b><br><b>Agreement Type:</b><br><b>Pre/Encumb/Payment Request:</b><br><b>Incidental Purchase:</b><br><b>Tax Forms:</b> | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a><br>A&F, OSD, CTR<br>Standard Contract Form<br>RQS (optional pre-encumbrance)/PC/PRC<br>GAE/INP use restricted to Incidental Purchases<br>None |
| <b>F22</b>  | <b>MUNICIPAL TAXES</b><br>Payment of municipal taxes. For sales tax, see <a href="#">E23</a> .   |
| <b>Legal Authority:</b><br><b>Oversight Department:</b><br><b>Agreement Type:</b><br><b>Pre/Encumb/Payment Request:</b><br><b>Incidental Purchase:</b><br><b>Tax Forms:</b> | <a href="#">M.G.L. c. 58-65C</a> ; Authorizing Legislation<br>DOR<br>Relevant Supporting Documentation<br>GAP (optional pre-encumbrance)/GAE/GAX<br>N/A<br>None  |
| <b>F23</b>  | <b>MAINTENANCE OF A STATE OFFICE BUILDING CHARGEBACK</b><br>Payments to a department legislatively authorized to provide moving, renovation, electrical work and other state office maintenance charges.   |
| <b>Legal Authority:</b><br><b>Oversight Department:</b><br><b>Agreement Type:</b><br><b>Pre/Encumb/Payment Request:</b><br><b>Incidental Purchase:</b><br><b>Tax Forms:</b> | Authorizing Legislation; <a href="#">815 CMR 6.00</a><br>OSD, CTR<br>Relevant Supporting Documentation<br>IE/ITI, ITA<br>N/A<br>None   |
| <b>F24</b>  | <b>MOTOR VEHICLE MAINTENANCE AND REPAIR PARTS</b><br>For example: motor vehicle parts. For motor vehicle fuel, see <a href="#">G05</a> .   |
| <b>Legal Authority:</b><br><b>Oversight Department:</b><br><b>Agreement Type:</b><br><b>Pre/Encumb/Payment Request:</b><br><b>Incidental Purchase:</b><br><b>Tax Forms:</b> | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a><br>A&F, OSD, CTR<br>Standard Contract Form<br>RQS (optional pre-encumbrance)/PC/PRC<br>GAE/INP use restricted to Incidental Purchases<br>None |
| <b>F27</b>  | <b>LAW ENFORCEMENT AND SECURITY SUPPLIES</b><br>For example: ammunition, badges, handcuffs, etc. For law enforcement equipment, see Object Class <a href="#">KK</a> or <a href="#">LL</a> .  |
| <b>Legal Authority:</b><br><b>Oversight Department:</b><br><b>Agreement Type:</b><br><b>Pre/Encumb/Payment Request:</b><br><b>Incidental Purchase:</b><br><b>Tax Forms:</b> | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a><br>A&F, OSD, CTR<br>Standard Contract Form<br>RQS (optional pre-encumbrance)/PC/PRC<br>GAE/INP use restricted to Incidental Purchases<br>None |

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| <b>F28</b>                         | <p><b>WHOLESALE SUPPLIES</b></p> <p>Items purchased for the purpose of resale at departmental retail establishments. Includes surplus property.</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a> ; <a href="#">815 CMR 6.00</a>           |
| <b>Oversight Department:</b>       | A&F, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/PC/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases  |
| <b>Tax Forms:</b>                  | None  |

|                              |  |
|------------------------------|--|
| <b>F75</b>                   | <p><b>ADVANCES FACILITY OPERATIONAL SUPPLIES AND RELATED EXPENSES</b></p> <p>Used to encumber advances in Object Class FF.</p> |
| <b>Legal Authority:</b>      | <a href="#">M.G.L. c. 29, §§ 23, 24, 25</a>  |
| <b>Oversight Department:</b> | TRE, HRD, CTR  |
| <b>Agreement Type:</b>       | Relevant Supporting Documentation  |
| <b>Payment Request:</b>      | EAV/RA/AR  |
| <b>Incidental Purchase:</b>  | N/A  |
| <b>Tax Forms:</b>            | None   |

|                                 |  |
|---------------------------------|--|
| <b>F87</b>                      | <p><b>CASH WITH CAMPUS</b></p> <p>Pursuant to Massachusetts General Law requiring Commonwealth Colleges and Universities to report the activity of campus-based funds by subsidiary to the Comptroller of the Commonwealth on the Commonwealth’s Statewide Accounting System, MMARS (Fund 0901).</p> |
| <b>Legal Authority:</b>         | <a href="#">M.G.L. c. 15A, § 15C</a> Authorizing Legislation   |
| <b>Oversight Department:</b>    | CTR  |
| <b>Agreement Type:</b>          | Relevant Supporting Detail on college and university accounting systems.   |
| <b>Payment/Receipt Request:</b> | TV/RT (Use restricted to colleges and universities)  |
| <b>Incidental Purchase:</b>     | N/A  |
| <b>Tax Forms:</b>               | Forms 1099 and 1042 – Colleges and Universities Responsible for Compliance using local Tax Identification Number   |

|                                    |  |
|------------------------------------|--|
| <b>F90</b>                         | <p><b>OPERATING TRANSFER – PROGRAMMATIC FACILITY OPERATIONAL SUPPLIES AND RELATED EXPENSES</b></p> <p>Pursuant to Massachusetts General Law requiring Commonwealth Colleges and Universities to report the activity of campus-based funds by subsidiary to the Comptroller of the Commonwealth on the Commonwealth’s Statewide Accounting System, MMARS (Fund 0901).</p> |
| <b>Legal Authority:</b>            | Authorizing Legislation; <a href="#">815 CMR 6.00</a>  |
| <b>Oversight Department:</b>       | CTR  |
| <b>Agreement Type:</b>             | Copy of Authorizing Legislation; Relevant Supporting Documentation   |
| <b>Pre/Encumb/Payment Request:</b> | OT (Use restricted to CTR)   |
| <b>Incidental Purchase:</b>        | N/A  |
| <b>Tax Forms:</b>                  | None   |

|                                    |   |
|------------------------------------|---|
| <b>F99</b>                         | <p><b>LATE PENALTY INTEREST</b></p> <p>Penalty interest for late payments.</p>                                |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 29, §§ 20C, 29C</a> ; <a href="#">M.G.L. c. 7A, § 5A</a> ; <a href="#">815 CMR 4.00</a> |
| <b>Oversight Department:</b>       | CTR   |
| <b>Agreement Type:</b>             | Valid Claim Under Contract  |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX  |
| <b>Incidental Purchase:</b>        | N/A   |
| <b>Tax Forms:</b>                  | 1099-INT  |

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## OBJECT CLASS GG

### ENERGY COSTS, UTILITIES AND SPACE RENTAL EXPENSES

#### Covered Expenditures

This object class includes expenditures for space rentals, utilities and vehicle fuel.

#### Requirements

Most departments will use only the “chargeback” object codes: [D15](#) and [D21](#). All Commonwealth departments are responsible for making contract obligations and expenditures in compliance with applicable laws and CTR Fiscal Policies. All departments that take advantage of incidental purchases must comply with [incidental purchase](#) requirements identified by CTR and OSD. In addition:

- Executive departments “Level III” must comply with [M.G.L. c. 7, § 22](#), [801 CMR 21.00](#) and the “[Conducting Best Value Procurements Handbook](#)” for [801 CMR 21.00](#) covered goods and services, and must purchase from available Statewide Contracts, and use specified Commonwealth contract forms. Exceptions from using Statewide Contracts 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 [Conducting Best Value Procurements Handbook](#);
- Non-Executive departments “Level II” must comply with [M.G.L. c. 7, § 22](#), internal procurement policies and procedures and use specified Commonwealth contract forms.
- Exempt departments “Level I” must comply with internal procurement policies and procedures and if the department takes advantage of MMARS document processing delegation, the department must use specified Commonwealth contract forms.

#### Expenditures Not Covered

For programmatic operational supplies, see Object Class [FF](#). For day-to-day administrative expenses, see Object Class [EE](#). For equipment purchases, see Object Class [KK](#) or [NN](#). For Equipment Lease and TELPs, see Object Class [LL](#), [NN](#), or [UU](#). For facility infrastructure maintenance and operational supplies and services see Object Class [NN](#). For Information Technology (IT) expenses see, Object Class [UU](#).

|            |   |
|------------|---|
| <b>G01</b> | <b>SPACE RENTAL</b><br>For the costs of rental of buildings, office space, modular units, land and garages. <b>Comments:</b> All space rentals must receive prior written approval from the Division of Capital Asset Management and Maintenance DCAM/ (DCP). Recurring payments are required for all space rentals. For temporary space rentals, see <a href="#">E22</a> . See DCP’s “ <a href="#">The Manual for Leasing and State Office Planning</a> ” for further guidance at: <a href="https://www.mass.gov/files/documents/2018/04/25/manual-for-leasing-and-state-office-planning-18-04-09.pdf">https://www.mass.gov/files/documents/2018/04/25/manual-for-leasing-and-state-office-planning-18-04-09.pdf</a> and <a href="https://www.mass.gov/orgs/division-of-capital-asset-management-and-maintenance">https://www.mass.gov/orgs/division-of-capital-asset-management-and-maintenance</a> |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 29A, § 4; 815 CMR 6.00</a><br><b>Oversight Department:</b> DCP, CTR<br><b>Agreement Type:</b> Lease<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/RPO/PRM/IE/ITI, ITA<br><b>Incidental Purchase:</b> N/A<br><b>Tax Forms:</b> 1099-MISC  |

|            |  |
|------------|--|
| <b>GG1</b> | <b>NATURAL GAS SUPPLY</b><br>Natural gas supply purchased from a Department of Telecommunication and Energy (DPU) licensed, competitive gas supplier/retail agent. For natural gas supply and associated natural gas distribution costs purchased from an investor-owned or municipal utility, see <a href="#">G11</a> . For bottled gas, see <a href="#">G06</a> ; for electricity, see <a href="#">G03</a> and <a href="#">GG3</a> . |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22; M.G.L. c. 30, §§ 51-52; 801 CMR 21.00</a><br><b>Oversight Department:</b> A&F, OSD, CTR<br><b>Agreement Type:</b> Standard Contract Form<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/PC/PRC<br><b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases<br><b>Tax Forms:</b> None  |



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| <b>G03</b>                         | <p><b>ELECTRICITY</b></p> <p>Electric power supply and costs associated with electricity purchased from an investor-owned or municipal utility. For electric power supply purchased from a Department of Telecommunication and Energy (DPU) licensed, competitive electric supplier/broker, see <a href="#">GG3</a>. For natural gas, see <a href="#">G11</a> and <a href="#">GG1</a>.</p> |
| <b>Legal Authority:</b>            | Appropriation Act  |
| <b>Oversight Department:</b>       | OSD, CTR   |
| <b>Agreement Type:</b>             | Unit Pricing   |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX   |
| <b>Incidental Purchase:</b>        | N/A  |
| <b>Tax Forms:</b>                  | None   |

|                                    |   |
|------------------------------------|---|
| <b>GG3</b>                         | <p><b>ELECTRICITY SUPPLY</b></p> <p>Electric power supply and costs associated with electricity purchased from an investor-owned or municipal utility. For electric power supply purchased from a Department of Telecommunication and Energy (DPU) licensed, competitive electric supplier/broker, see <a href="#">GG3</a>. For natural gas, see <a href="#">G11</a> and <a href="#">GG1</a>.</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>  |
| <b>Oversight Department:</b>       | A&F, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/PC/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases  |
| <b>Tax Forms:</b>                  | None  |

|                                    |  |
|------------------------------------|--|
| <b>G04</b>                         | <p><b>VEHICLE FUEL CHARGEBACK</b></p> <p>Payments to departments authorized to provide vehicle fuel or centralized billing for vehicle fuel.</p> |
| <b>Legal Authority:</b>            | Authorizing Legislation; Appropriation Act; <a href="#">815 CMR 6.00</a>   |
| <b>Oversight Department:</b>       | OSD, DOT, DCR CTR  |
| <b>Agreement Type:</b>             | Unit Pricing   |
| <b>Pre/Encumb/Payment Request:</b> | IE/ITI, ITA  |
| <b>Incidental Purchase:</b>        | N/A  |
| <b>Tax Forms:</b>                  | None   |

|                                    |  |
|------------------------------------|--|
| <b>G05</b>                         | <p><b>FUEL FOR VEHICLES</b></p> <p>Payments for gasoline and diesel fuel for vehicles, airplanes and ships. For vehicle fuel chargebacks, see <a href="#">G04</a>.</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a> .   |
| <b>Oversight Department:</b>       | A&F, OSD, CTR  |
| <b>Agreement Type:</b>             | Standard Contract Form   |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/PC/PRC  |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases   |
| <b>Tax Forms:</b>                  | None   |

|                                    |  |
|------------------------------------|--|
| <b>G06</b>                         | <p><b>FUEL FOR BUILDINGS</b></p> <p>Fuel required to produce heat, light, steam and power. For fuel for vehicles, see <a href="#">G05</a>. For electricity, see <a href="#">G03</a> and <a href="#">GG3</a>. For natural gas, see <a href="#">G11</a> and <a href="#">GG1</a>.</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>   |
| <b>Oversight Department:</b>       | A&F, OSD, CTR  |
| <b>Agreement Type:</b>             | Standard Contract Form   |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/PC/PRC  |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases   |
| <b>Tax Forms:</b>                  | None   |

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| <b>G08</b>   | <p><b>SEWAGE DISPOSAL AND WATER</b></p> <p>Water use expenses and sewage disposal, including bills and services. For bottled water, see <a href="#">E15</a>.</p>   |
| <p><b>Legal Authority:</b> Appropriation Act</p> <p><b>Oversight Department:</b> N/A</p> <p><b>Agreement Type:</b> Unit Pricing</p> <p><b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance)/GAE/GAX</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p>  |  |
| <b>G10</b>   | <p><b>ENERGY SAVINGS</b></p> <p>Payments pursuant to Energy Management Service Contracts (Shared Savings Agreements), Clean and Renewable Energy Bonds (CREBs) and other energy improvement programs. Payments may be based upon either a percentage of the energy cost savings achieved through these services or lease payments associated with implementing conservation energy improvement measures, see <a href="#">N62</a>. Includes payments to departments authorized to collect funds for savings from utility audits, as well as funds expended in connection with utility demand response programs and other conservation energy improvement programs offered by utility companies.</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a>; <a href="#">M.G.L. c. 25A, § 11C</a>; <a href="#">815 CMR 6.00</a></p> <p><b>Oversight Department:</b> A&amp;F, DCP, ENE, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form, Construction Contract, Energy Services Agreement</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance document) /CT/PRC/RPO/PRM/IE/ITI, ITA</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases</p> <p><b>Tax Forms:</b> 1099-NEC</p> |  |
| <b>G11</b>   | <p><b>NATURAL GAS</b></p> <p>Natural gas supply and associated natural gas distribution costs purchased from an investor-owned or municipal utility. For natural gas supply purchased from a Department of Telecommunication and Energy (DPU) licensed, competitive gas supplier/retail agent, see <a href="#">GG1</a>. For bottled gas, see <a href="#">G06</a>; for electricity, see <a href="#">G03</a> and <a href="#">GG3</a>.</p>  |
| <p><b>Legal Authority:</b> Appropriation Act</p> <p><b>Oversight Department:</b> CTR, OSD</p> <p><b>Agreement Type:</b> Unit Pricing</p> <p><b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance)/GAE/GAX</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p>   |  |
| <b>G13</b>   | <p><b>DISTRIBUTED GENERATION CONNECTION INSURANCE</b></p> <p>The cost of insurance to cover a third party which connects a state-owned distributed generation project to the electric grid. A&amp;F must approve use of this object code prior to use to ensure funding for period of insurance need. For electric power supply purchased from an investor-owned or municipal utility, see <a href="#">G03</a>. For electric power supply purchased from a Department of Telecommunication and Energy (DPU) licensed, competitive electric supplier/broker, see <a href="#">GG3</a>. For natural gas, see <a href="#">G11</a> and <a href="#">GG1</a>.</p>   |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, ENE, DPU, DCP, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC, GAP (optional pre-encumbrance)/GAE/GAX</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> 1099-MISC</p>  |  |

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| <b>G87</b>   | <p><b>CASH WITH CAMPUS</b></p> <p>Pursuant to Massachusetts General Law requiring Commonwealth Colleges and Universities to report the activity of campus-based funds by subsidiary to the Comptroller of the Commonwealth on the Commonwealth’s Statewide Accounting System, MMARS (Fund 0901).</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 15A, § 15C</a> Authorizing Legislation</p> <p><b>Oversight Department:</b> CTR</p> <p><b>Agreement Type:</b> Relevant Supporting Detail on college and university accounting systems.</p> <p><b>Payment/Receipt Request:</b> TV/RT (Use restricted to colleges and universities)</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> Forms 1099 and 1042 – Colleges and Universities Responsible for Compliance using local Tax Identification Number</p> |  |

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| <b>G90</b>  | <p><b>OPERATING TRANSFER</b></p> <p>Energy Costs and Space Rental Expenses.</p> |
| <p><b>Legal Authority:</b> Authorizing Legislation; <a href="#">815 CMR 6.00</a></p> <p><b>Oversight Department:</b> CTR</p> <p><b>Agreement Type:</b> Copy of Authorizing Legislation; Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> OT (Use restricted to CTR)</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p> |   |

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| <b>G97</b>  | <p><b>LATE PENALTY INTEREST FOR UTILITIES</b></p> <p>Penalty interest for late payments.</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 164, § 94D</a></p> <p><b>Oversight Department:</b> CTR</p> <p><b>Agreement Type:</b> Valid Claim Under Contract</p> <p><b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance document)/GAE/GAX</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> 1099-INT</p> |  |

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| <b>G99</b>   | <p><b>LATE PENALTY INTEREST</b></p> <p>Penalty interest for late payments.</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 29; §§ 20C, 29C</a>; <a href="#">M.G.L. c. 7A, § 5A</a>; <a href="#">815 CMR 4.00</a></p> <p><b>Oversight Department:</b> CTR</p> <p><b>Agreement Type:</b> Valid Claim Under Contract</p> <p><b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance document)/GAE/GAX</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> 1099-INT</p> |  |

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## OBJECT CLASS HH CONSULTANT SERVICE CONTRACTS

### Covered Expenditures

This object class includes expenditures for temporary professional services for specific projects during defined time periods. Services are specialized and are not ordinarily provided by, or available from, state employees. Consultant Contractors (Independent Contractors) provide advice, develop programs, and provide other services. Consultants do not provide direct services to clients. (For example: under this object class a department may contract with a physician to review case files and give expert medical advice that will enable employees to develop comprehensive treatment plans. The physician would not, however, treat clients.) The use of the term “persons” includes firms or companies, as well as individuals.

### Requirements

All Commonwealth departments are responsible for making contract obligations and expenditures in compliance with applicable laws and [CTR Fiscal Policies](#). All departments that take advantage of incidental purchases must comply with incidental purchase requirements identified by CTR and OSD. In addition:

- Executive departments “Level III” must comply with [M.G.L. c. 7, § 22](#), [801 CMR 21.00](#) and the “[Conducting Best Value Procurements Handbook](#)” for [801 CMR 21.00](#) covered goods and services, and must purchase from available Statewide Contracts, and use specified Commonwealth contract forms. Exceptions from using Statewide Contracts 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 [Conducting Best Value Procurements Handbook](#);
- Individuals must be determined to be “Independent Contractors” by conducting the Commonwealth Three-Part Test in the [Employment Status Form](#) and attaching it to the Standard Contract Form in compliance with the CTR/OSC/HRD policy on contract employees: [Contracts](#).
- Non-Executive departments “Level II” must comply with [M.G.L. c. 7, § 22](#), internal procurement policies and procedures and use specified Commonwealth contract forms.
- Exempt departments “Level I” must comply with internal procurement policies and procedures and if the department takes advantage of MMARS document processing delegation, the department must use specified Commonwealth contract forms.

### Expenditures Not Covered

State and/or contract employees may not be reimbursed through this object class. For direct client services, see Object Class [MM](#). For Operational Services, see Object Class [JJ](#). For Information Technology (IT) expenses, see Object Class [UU](#).

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| <b>HH1</b> | <b>FINANCIAL SERVICES</b><br>Persons who provide financial and audit services, including but not limited to keeping books or accounts, design and control systems of accounting, compiling statistical data and preparing statistical reports, contract compliance, managerial expertise in fiscal or budgetary matters, market analysis and projections in business development and economic forecasting, land appraisers or persons who set the value of a piece of land or other real property interests. <i>Departments contracting for audit work must obtain prior written approval from CTR before contract is executed to ensure that contract does not raise conflict issue with State audit contract and GAAP requirements.</i> |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 29, § 29A</a> ; <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a><br><b>Oversight Department:</b> A&F, HRD, OSD, CTR<br><b>Agreement Type:</b> Standard Contract Form<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC<br><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)<br><b>Tax Forms:</b> 1099-NEC   |

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| <h2>HH2</h2>   | <p><b>ENGINEERING, RESEARCH, AND SCIENTIFIC SERVICES</b></p> <p>Persons who design the exterior or interior of a building or structure for decorative or functional development, preservation or improvements to grounds. Persons who offer mechanical, electrical, or other engineering expertise, designs and services. Persons who provide research and development or analysis of data or other information and materials based upon specifications provided by a department. Includes services by sociologists, social scientists, genealogists and archaeologists. Includes persons who conduct or perform scientific research and development through observation, study, experiments and other scientific projects including knowledge of nature or physical phenomena. Includes chemists, biochemists, biotechnicians, biologists, biogeologists, etc. See <a href="#">NN1</a> for engineering, research and scientific services involving vertical and/or horizontal construction projects. For court related investigations and research see <a href="#">J13</a>. See <a href="#">CC</a> Object Class for contract employees. See <a href="#">UU</a> Object Class for Information Technology (IT) Expenses. For policy planners, see <a href="#">H22</a>. See <a href="#">HH4</a> for non-employee coroners and pathologists; see <a href="#">C25</a> for contract employee coroners or pathologists.</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 29, § 29A</a>; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, HRD, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> 1099-NEC</p>           |  |
| <h2>HH3</h2>   | <p><b>MEDIA DESIGN, EDITORIAL, AND COMMUNICATION SERVICES</b></p> <p>Persons, advertising and other agencies that providing design, print, editorial and other communication materials including but not limited to persons who develop and produce communication strategies, promotional materials, advertising layouts and programs for publication in print, videotape, radio, television, or other media; persons who draft written materials including documents, reports, press releases, scripts, legislation, newspaper copy, or develop literature, based upon specifications; artists/graphic designers who create or design visual representations or layouts in graphic, electronic or audio form based upon specifications; photographic and micrographic services by persons who provide photography, videography, computer generated graphics, photo developing, enlargements, copies, videotape dubbing, micrographic design, systems and related services. See <a href="#">CC</a> Object Class for contract employees who provide media, design and communication services.</p>   |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 29, § 29A</a>; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, HRD, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> 1099-NEC</p>           |  |
| <h2>HH4</h2>   | <p><b>HEALTH AND SAFETY SERVICES</b></p> <p>Persons providing health care and safety services, including but not limited to experts who investigate causes and effects of physical illnesses including structural, mechanical or environmental defects or hazards, which have caused or may cause health or safety risks; persons who provide medical, health care or rehabilitation related services, advice and recommendations concerning medical issues and policies, such as services by optometrists, pharmacists, dentists, doctors, nurses, dietitians, psychiatrists, psychologists, coroners, pathologists and other health care professionals; includes consultations, evaluations and coordination of services rendered by medical, health care professionals or providers. See <a href="#">CC</a> Object Class for contract employees who provide health care and safety services.</p>  |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 29, § 29A</a>; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, HRD, OSD, ENV, GIC, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> 1099-NEC</p> |  |

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| <h2>H09</h2> | <p><b>ATTORNEYS/LEGAL SERVICES</b></p> <p>Individuals and firms who represent the Commonwealth in legal matters. For construction project related legal services, see <a href="#">N03</a>. All Commonwealth departments are required to obtain prior written review by the Office of the Attorney General (AGO) for any legal services performed for the department under a contract. The AGO review of legal services contracts is limited to determining that any attorney/firm hired by a department is a member of the Massachusetts Bar (or out of state bar) in good standing, has no apparent conflicts of interests, and if providing litigation services, will appear in court on behalf of the Commonwealth only after his/her appointment as a Special Assistant Attorney General (SAAG) by the AGO. The <a href="#">Attorney General Review Form for Attorneys Providing Legal Services</a> form must be completed and mailed (with required attachments) to the AGO for any new legal services contract, and for any significant amendment to the scope of services under an existing contract, PRIOR to the start of performance or change in performance. See: <a href="#">Attorney General Policy for Prior Review of Attorneys</a>. Attorneys hired by Executive departments are also required to obtain prior approval of the Governor's Chief Legal Counsel prior to posting or hire. See <a href="#">CC</a> Object class for contract employee legal services.</p> |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 12, § 3</a>; <a href="#">M.G.L. c. 29, § 29A</a>; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52, 65</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, AGO, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC/IE/ITI, ITA</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> 1099-NEC</p>   |
| <h2>H13</h2> | <p><b>EXAM DEVELOPERS</b></p> <p>Persons who develop examinations, testing mechanisms and materials used in testing.</p>   |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 29, § 29A</a>; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, HRD, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> 1099-NEC</p>   |
| <h2>H15</h2> | <p><b>HONORARIA FOR VISITING SPEAKERS/LECTURES</b></p> <p>For services related to a speaking or lecturing engagement. This may be a flat rate, which includes travel-related expenses. If the fee includes travel expenses, see H98.</p>   |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 29, § 29A</a>; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a>; <a href="#">M.G.L. c. 15A</a>; <a href="#">M.G.L. c. 75</a></p> <p><b>Oversight Department:</b> A&amp;F, HRD, RGT, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> 1099-NEC</p>   |
| <h2>H17</h2> | <p><b>LABOR NEGOTIATORS</b></p> <p>Persons who negotiate labor agreements, disputes, etc.</p>  |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 15A</a>; <a href="#">M.G.L. 75</a>; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a></p> <p><b>Oversight Department:</b> RGT, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form (Use restricted to Higher Education or Non-Executive departments)</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> 1099-NEC</p>  |



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| <b>H19</b>                         | <p><b>MANAGEMENT CONSULTANTS</b></p> <p>Persons who provide management expertise and advice based upon market analysis, strategic planning or other management tools.</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 29, § 29A</a> ; <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>                          |
| <b>Oversight Department:</b>       | A&F, HRD, OSD, CTR  |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/CT/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)             |
| <b>Tax Forms:</b>                  | 1099-NEC  |

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| <b>H21</b>                         | <p><b>PERSONNEL PLACEMENT CONSULTANTS (RECRUITERS)</b></p> <p>Persons who recruit or find placement for individuals.</p>                                      |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 29, § 29A</a> ; <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>              |
| <b>Oversight Department:</b>       | A&F, HRD, OSD, CTR  |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/CT/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX) |
| <b>Tax Forms:</b>                  | 1099-NEC  |

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| <b>H22</b>                         | <p><b>PLANNERS</b></p> <p>Persons who research, develop, and provide a course of action, methodology, policy or another plan. See HH2 for space planners or landscape designers. See HH3 for artists and graphic designers.</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 29, § 29A</a> ; <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>  |
| <b>Oversight Department:</b>       | A&F, HRD, OSD, CTR  |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/CT/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)   |
| <b>Tax Forms:</b>                  | 1099-NEC  |

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| <b>H23</b>                         | <p><b>PROGRAM COORDINATORS</b></p> <p>Persons, who design, evaluate, coordinate, or implement programs, conferences, exhibitions or who establish criteria for the purchase of an outside program. See <a href="#">E56</a> for Secretariat Fiscal Services Chargeback.</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 29, § 29A</a> ; <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>   |
| <b>Oversight Department:</b>       | A&F, HRD, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form   |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/CT/PRC  |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)  |
| <b>Tax Forms:</b>                  | 1099-NEC   |

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| <b>H30</b>                         | <p><b>PERFORMERS/ACTORS</b></p> <p>Professional actors and performers who provide entertainment, voice-overs, or other representations, re-enactments or presentations. See <a href="#">HH3</a> if services are included within an advertising or media campaign.</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 29, § 29A</a> ; <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>  |
| <b>Oversight Department:</b>       | A&F, HRD, OSD, CTR  |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/CT/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)   |
| <b>Tax Forms:</b>                  | 1099-NEC  |



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| <h2>H78</h2>  | <p><b>CONSULTANT SERVICE CONTRACTS: SUB-RECIPIENT</b></p> <p>Encumbrance and payment activity involving sub-recipients of federal funds. Federal funds are reported as sub-recipient payments. Vendor services must use other appropriate object codes. (Use required object codes for vendor services).</p>  |
| <p><b>Legal Authority:</b></p> <p><b>Oversight Department:</b></p> <p><b>Sub-Recipient:</b></p> <p><b>Agreement Type:</b></p> <p><b>Pre/Encumb/Payment Request:</b></p> <p><b>Incidental Purchase:</b></p> <p><b>Tax Forms:</b></p> | <p><a href="#">M.G.L. c. 29, § 29A</a>; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a>; <a href="#">Federal Single Audit Act, OMB A-133</a>; <a href="#">the American Reinvestment and Recovery Act of 2009 (ARRA)</a></p> <p>A&amp;F, HRD, OSD, CTR</p> <p>Federal funds are reported as sub-recipient payments</p> <p>Standard Contract Form</p> <p>RQS (optional pre-encumbrance)/CT/PRC</p> <p>GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p>1099-NEC</p> |
| <h2>H87</h2>  | <p><b>CASH WITH CAMPUS</b></p> <p>Pursuant to Massachusetts General Law requiring Commonwealth Colleges and Universities to report the activity of campus-based funds by subsidiary to the Comptroller of the Commonwealth on the Commonwealth's Statewide Accounting System, MMARS (Fund 0901).</p>  |
| <p><b>Legal Authority:</b></p> <p><b>Oversight Department:</b></p> <p><b>Agreement Type:</b></p> <p><b>Payment/Receipt Request:</b></p> <p><b>Incidental Purchase:</b></p> <p><b>Tax Forms:</b></p>                                 | <p><a href="#">M.G.L. c. 15A, § 15C</a> Authorizing Legislation</p> <p>CTR</p> <p>Relevant Supporting Detail on college and university accounting systems.</p> <p>TV/RT (Use restricted to colleges and universities)</p> <p>N/A</p> <p>Forms 1099 and 1042 – Colleges and Universities Responsible for Compliance using local Tax Identification Number</p>  |
| <h2>H90</h2>  | <p><b>OPERATING TRANSFER</b></p> <p>Consultant Service Contracts.</p>   |
| <p><b>Legal Authority:</b></p> <p><b>Oversight Department:</b></p> <p><b>Agreement Type:</b></p> <p><b>Pre/Encumb/Payment Request:</b></p> <p><b>Incidental Purchase:</b></p> <p><b>Tax Forms:</b></p>                              | <p>Authorizing Legislation; <a href="#">815 CMR 6.00</a>; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a></p> <p>CTR</p> <p>Copy of Authorizing Legislation; Relevant Supporting Documentation</p> <p>OT (Use restricted to CTR)</p> <p>N/A</p> <p>None</p>   |
| <h2>H98</h2>  | <p><b>REIMBURSEMENT FOR TRAVEL AND EXPENSES FOR CONSULTANT SERVICES</b></p> <p>Authorizations for reimbursements are included in the service contract. Reimbursements are not tax reportable because the recipient is required to account for expenditures.</p>   |
| <p><b>Legal Authority:</b></p> <p><b>Oversight Department:</b></p> <p><b>Agreement Type:</b></p> <p><b>Pre/Encumb/Payment Request:</b></p> <p><b>Incidental Purchase:</b></p> <p><b>Tax Forms:</b></p>                              | <p><a href="#">M.G.L. c. 29, § 29A</a>; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a></p> <p>A&amp;F, HRD, OSD, CTR</p> <p>Relevant Supporting Documentation, Standard Contract Form</p> <p>RQS (optional pre-encumbrance)/CT/PRC</p> <p>GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p>None</p>  |
| <h2>H99</h2>  | <p><b>LATE PENALTY INTEREST</b></p> <p>Penalty interest for late payments.</p>  |
| <p><b>Legal Authority:</b></p> <p><b>Oversight Department:</b></p> <p><b>Agreement Type:</b></p> <p><b>Pre/Encumb/Payment Request:</b></p> <p><b>Incidental Purchase:</b></p> <p><b>Tax Forms:</b></p>                              | <p><a href="#">M.G.L. c. 29, §§ 20C, 29C</a>; <a href="#">M.G.L. c. 7A, § 5A</a>; <a href="#">815 CMR 4.00</a></p> <p>CTR</p> <p>Valid Claim Under Contract</p> <p>GAP (optional pre-encumbrance)/GAE/GAX</p> <p>N/A</p> <p>1099-INT</p>  |

# EXPENDITURE CLASSIFICATION HANDBOOK

OFFICE OF THE COMPTROLLER

## OBJECT CLASS JJ

### PROGRAMMATIC OPERATIONAL SERVICES

#### Covered Expenditures

This object class includes expenditures for services related to the routine programmatic operation of departments and programs. Services are provided by Contractors (Independent Contractors), except when otherwise authorized by statute or regulation. “Operational Services” are part of the daily programmatic activities of the department. The use of the term “persons” includes firms as well as individuals.

#### Requirements

All Commonwealth departments are responsible for making contract obligations and expenditures in compliance with applicable laws and CTR Fiscal Policies. All departments that take advantage of incidental purchases must comply with incidental purchase requirements identified by CTR and OSD. In addition:

- Executive departments “Level III” must comply with [M.G.L. c. 7, § 22](#), [801 CMR 21.00](#) and the “[Conducting Best Value Procurements Handbook](#)” for [801 CMR 21.00](#) covered goods and services, and must purchase from available Statewide Contracts, and use specified Commonwealth contract forms. Exceptions from using Statewide Contracts 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 [Conducting Best Value Procurements Handbook](#);
- Individuals must be determined to be “Independent Contractors” by conducting the Commonwealth Three-Part Test in the [Employment Status Form](#) and attaching it to the Standard Contract Form in compliance with the CTR/OSC/HRD policy on contract employees: [Individual Contractors](#);
- Non-Executive departments “Level II” must comply with [M.G.L. c. 7, § 22](#), internal procurement policies and procedures and use specified Commonwealth contract forms.
- Exempt departments “Level I” must comply with internal procurement policies and procedures and if the department takes advantage of MMARS document processing delegation, the department must use specified Commonwealth contract forms.

#### Expenditures Not Covered

State and/or contract employees may not be reimbursed through this object class. For consultant services, see Object Class [HH](#). For direct client services, see Object Class [MM](#). For administrative expenses, see Object Class [EE](#). For facility infrastructure maintenance and operational services, see Object Class [NN](#). For Information Technology (IT) services and expenses, see Object Class [UU](#).

|                                    |   |
|------------------------------------|---|
| <h1>JJ1</h1>                       | <h4>LEGAL SUPPORT SERVICES</h4> <p>Persons who provide legal and related services including, but not limited to, impartial mediators (“neutrals”) and arbitrators to resolve disputes or provide or other alternative forms of dispute resolution services in lieu of litigation. Includes the costs of negotiation skills training for department personnel and the Alternative Dispute Resolution Chargeback offered by Massachusetts Office of Dispute Resolution (A&amp;F); including negotiation skills training; court reporters/stenographic and transcription services; certified paralegals who provide legal assistance, research, expert witness, notary public, polygraph examiner, document preparation, record management, title examiners and other skills for department staff attorneys; law clerks or legal interns. Attorney/Legal services may not be paid under this object code. See <a href="#">H09</a> for Attorney/Legal Services. For construction project related legal services, see <a href="#">N03</a>.</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a> ; <a href="#">M.G.L. c. 12, § 3</a> ; <a href="#">M.G.L. c. 221, § 83, § 88</a> ; <a href="#">M.G.L. c. 9, § 15</a> ; <a href="#">815 CMR 6.00</a>   |
| <b>Oversight Department:</b>       | CTR, OSD, A&F, AGO, GOV, HRD  |
| <b>Agreement Type:</b>             | Standard Contract Form, Relevant Supporting Documentation   |
| <b>Pre/Encumb/Payment Request:</b> | EA RQS (optional pre-encumbrance)/CT/PRC/IE/ITI, ITA  |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases  |
| <b>Tax Forms:</b>                  | 1099-NEC  |

# EXPENDITURE CLASSIFICATION HANDBOOK

OFFICE OF THE COMPTROLLER

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| <b>JJ2</b>   | <p><b>AUXILIARY SERVICES</b></p> <p>Persons providing auxiliary or support services including but not limited to athletic services, officials, coaches, lifeguards, referees, trainers; etc.; persons who perform religious services; veterinary services and medical attention to animals, including breeding, lab testing and farrier services; persons who prepare and/or serve food; persons who move office equipment and fixtures; American Sign Language Interpreters (ASL) and Communication Access Real-Time Translation (CART) services; foreign language translators/interpreters who translate oral or written words; guides and persons who direct tours or provide guide services; transportation, movers, storage and mail services including but not limited to messengers, mail services and persons who deliver communications, packages, or currency; Persons who serve as the subject for an artist or photographer. Includes payments to artists for artwork used for educational and/or exhibition purposes e.g., print photographs, murals, sculptures, paintings, etc. Also includes art purchases from independent art dealers/artists, which may include films, videos, slide sets, contemporary books and other works from selected artists. Costs associated with accreditation review of facilities and programs by professional accreditation standards boards. Also includes document-destruction services. See <a href="#">CC</a> Object Class for contract employee consultants; see <a href="#">HH</a> Object Class for non-employee operational services. Also includes document-destruction services.</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">M.G.L. c. 149, § 27G</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, HRD, OSD, CTR, DOE, RGT, MCD</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases</p> <p><b>Tax Forms:</b> 1099-NEC</p> |   |

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|---|---|
| <b>JJ3</b>  | <p><b>NATIONAL DEFENSE AND PUBLIC ORDER AND SECURITY AND NON-MEDICAL SAFETY SERVICES</b></p> <p>Persons providing security and safety services including but not limited to inspectors, reviewers, hearing officers. Includes security guard services and other security services, persons who protect clients, workers and property, including overseeing the destruction of confidential records, National Guard duty payments to members. See J28 for the costs associated with hiring local or law enforcement officers. See <a href="#">A20</a> for state law enforcement and see <a href="#">E21</a> for non-employee confidential investigations expenses.</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> EPS, OSD, CTR, A&amp;F, AGO</p> <p><b>Agreement Type:</b> Standard Contract Form, Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases</p> <p><b>Tax Forms:</b> 1099-NEC</p> |   |

|  |   |
|--|---|
| <b>J07</b>   | <p><b>AUCTIONEERS/APPRAISERS</b></p> <p>Persons Agents who sell goods or services at auction(s) and/or persons who estimate the worth of such. For land appraisers, see <a href="#">HH1</a>; for land appraisal conducted as part of a construction project, see <a href="#">N04</a>.</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases</p> <p><b>Tax Forms:</b> 1099-NEC</p> |   |

# EXPENDITURE CLASSIFICATION HANDBOOK

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|------------------------------------|---|
| <b>J10</b>                         | <b>AUXILIARY FINANCIAL SERVICES</b><br>Cost of lock boxes, merchant banking, credit card processing services, collection and billing agencies and other bank services. For contingent fee debt collection and revenue contracts, see <a href="#">T09</a> and/or <a href="#">T10</a> . For auditors and consultant financial services, see <a href="#">HH1</a> . |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>  |
| <b>Oversight Department:</b>       | A&F, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/CT/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases  |
| <b>Tax Forms:</b>                  | 1099-NEC  |

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|------------------------------------|---|
| <b>J13</b>                         | <b>COURT INVESTIGATORS</b><br>Persons appointed by a judge to investigate matters pending before a court. |
| <b>Legal Authority:</b>            | Authorizing Legislation, Court Ordered  |
| <b>Oversight Department:</b>       | Judiciary, District Attorneys, CTR  |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/CT/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases  |
| <b>Tax Forms:</b>                  | 1099-NEC  |

|                                    |  |
|------------------------------------|--|
| <b>J16</b>                         | <b>EXAMINERS/MONITORS/GRADERS</b><br>Persons who administer, monitor or assess examinations.               |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a> |
| <b>Oversight Department:</b>       | A&F, OSD, CTR  |
| <b>Agreement Type:</b>             | Standard Contract Form   |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/CT/PRC  |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases   |
| <b>Tax Forms:</b>                  | 1099-NEC   |

|                                    |   |
|------------------------------------|---|
| <b>J19</b>                         | <b>GUARDIANS AD LITEM</b><br>Special guardians appointed by a court, and financed by the Commonwealth, to act on behalf of a minor or incompetent individual.   |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 119, § 26</a> ; <a href="#">M.G.L. c. 19A, § 20</a> ; <a href="#">M.G.L. c. 185, § 40</a> ; <a href="#">M.G.L. c. 123</a> ; <a href="#">M.G.L. c. 215, § 6A</a> ; <a href="#">M.G.L. c. 40, §§ 8, 9, 10</a> ; Authorizing Legislation |
| <b>Oversight Department:</b>       | TRC, CTR  |
| <b>Agreement Type:</b>             | Standard Contract Form, Relevant Supporting Documentation   |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/CT/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases  |
| <b>Tax Forms:</b>                  | 1099-NEC  |

|                                    |   |
|------------------------------------|---|
| <b>J24</b>                         | <b>JURY AND WITNESS FEES</b><br>Costs involved with jury duty and lay witness fees. For expert witnesses, see <a href="#">JJ1</a> . |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 262, § 29</a> ; <a href="#">M.G.L. c. 234A</a>  |
| <b>Oversight Department:</b>       | TRC, SJC, CTR   |
| <b>Agreement Type:</b>             | Evidence of Attendance; Relevant Supporting Documentation   |
| <b>Pre/Encumb/Payment Request:</b> | EA GAE/GX9/GAX (Use restricted to the Courts and the District Attorneys)  |
| <b>Incidental Purchase:</b>        | N/A   |
| <b>Tax Forms:</b>                  | 1099-NEC  |

# EXPENDITURE CLASSIFICATION HANDBOOK

OFFICE OF THE COMPTROLLER

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| <b>J24</b>                         | <b>LABORATORY AND PHARMACEUTICAL SERVICES</b><br>Experimental study in a science or for testing and analysis; services relating to the sale and manufacture of pharmaceuticals.  |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>   |
| <b>Oversight Department:</b>       | A&F, HCF, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form   |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/CT/PRC/IE/ITI, ITA  |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases   |
| <b>Tax Forms:</b>                  | 1099-NEC   |
| <b>J27</b>                         | <b>LAUNDRY SERVICES</b><br>Costs of outside laundry services. For laundry supplies, see <a href="#">F11</a> .  |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>   |
| <b>Oversight Department:</b>       | A&F, OSD, CTR  |
| <b>Agreement Type:</b>             | Standard Contract Form   |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/CT/PRC  |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases   |
| <b>Tax Forms:</b>                  | 1099-NEC   |
| <b>J28</b>                         | <b>LAW ENFORCEMENT</b><br>Costs associated with hiring local or state law enforcement officers. Includes the services of state law enforcement officers procured from a department authorized to provide such services. The Commonwealth Standard Contract Form is required for expenditures and details performed by non-state law enforcement officers. For security guard services, see <a href="#">JJ2</a> . |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 149, § 30C</a> ; <a href="#">815 CMR 6.00</a>  |
| <b>Oversight Department:</b>       | EPS, POL, AGO, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form   |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/CT/PRC/IE/ITI, ITA  |
| <b>Incidental Purchase:</b>        | N/A  |
| <b>Tax Forms:</b>                  | 1099-NEC   |
| <b>J33</b>                         | <b>PHOTOGRAPHIC AND MICROGRAPHIC SERVICES</b><br>Persons who provide photography, videography, computer generated graphics, photo developing, enlargements, copies, videotape dubbing, micrographic design, systems and related services. See <a href="#">HH3</a> for persons who develop photographic layouts, organize or develop video productions or other advertising and media programs.                   |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>   |
| <b>Oversight Department:</b>       | A&F, OSD, CTR  |
| <b>Agreement Type:</b>             | Standard Contract Form   |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/CT/PRC  |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases   |
| <b>Tax Forms:</b>                  | 1099-NEC   |
| <b>J41</b>                         | <b>SHERIFFS, CONSTABLES, AND PROCESS SERVERS</b><br>Persons who serve and deliver legal documents.   |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 221, § 75</a> ; <a href="#">M.G.L. c. 262</a>  |
| <b>Oversight Department:</b>       | CTR  |
| <b>Agreement Type:</b>             | Proof of Service   |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX   |
| <b>Incidental Purchase:</b>        | N/A  |
| <b>Tax Forms:</b>                  | 1099-NEC   |

# EXPENDITURE CLASSIFICATION HANDBOOK

OFFICE OF THE COMPTROLLER

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| <b>J44</b>                         | <b>SURVEYORS</b><br>Persons who survey. For surveying services relating to Horizontal/Lateral projects, see <a href="#">N13</a> .   |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>  |
| <b>Oversight Department:</b>       | A&F, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/CT/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases  |
| <b>Tax Forms:</b>                  | 1099-NEC  |
| <b>J46</b>                         | <b>TEMPORARY HELP SERVICES</b><br>Persons who perform temporary general office work, for example: secretary, typist, receptionist, data entry, word processor.  |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>  |
| <b>Oversight Department:</b>       | A&F, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/CT/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases  |
| <b>Tax Forms:</b>                  | 1099-NEC  |
| <b>J50</b>                         | <b>INSTRUCTORS/LECTURERS/TRAINERS</b><br>Persons who provide instructional programs for departmental staff or the public except that no expenditure shall be made for employee enrollment in course(s) from which participants would commonly receive college level credits toward a degree of higher learning. For training programs provided for department clients, see <a href="#">M1M</a> , <a href="#">M01</a> , <a href="#">M03</a> , or <a href="#">M04</a> . |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>  |
| <b>Oversight Department:</b>       | A&F, OSD, HRD, CTR  |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/CT/PRC/IE/ITI, ITA   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases  |
| <b>Tax Forms:</b>                  | 1099-NEC  |
| <b>J54</b>                         | <b>WEATHER REPORTING SERVICES</b><br>Persons who provide weather forecasts and warnings.  |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>  |
| <b>Oversight Department:</b>       | A&F, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/CT/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases  |
| <b>Tax Forms:</b>                  | 1099-NEC  |
| <b>J56</b>                         | <b>FOOD SERVICES</b><br>Persons who prepare and/or serve food.  |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>  |
| <b>Oversight Department:</b>       | A&F, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/CT/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases  |
| <b>Tax Forms:</b>                  | 1099-NEC  |



# EXPENDITURE CLASSIFICATION HANDBOOK

OFFICE OF THE COMPTROLLER

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| <b>J57</b>   | <p><b>“WORK STUDY”</b></p> <p>Payments to educational institutions that provide college students with part-time employment. This is the department’s share of the expense. For direct payments to individual students, see <a href="#">C05</a>, <a href="#">CC5</a>, or <a href="#">C28</a>.</p> |
| <p><b>Legal Authority:</b></p> <p><b>Oversight Department:</b></p> <p><b>Agreement Type:</b></p> <p><b>Pre/Encumb/Payment Request:</b></p> <p><b>Incidental Purchase:</b></p> <p><b>Tax Forms:</b></p> | <p><a href="#">M.G.L. c. 30, § 60</a></p> <p>RGT, CTR</p> <p>Standard Contract Form</p> <p>RQS (optional pre-encumbrance)/CT/PRC</p> <p>N/A</p> <p>None</p>  |

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| <b>J58</b>   | <p><b>ARCHIVISTS/LIBRARIANS/RECORD MANAGERS</b></p> <p>Persons who manage archives, and who provide services to libraries. Also includes document-destruction services.</p>   |
| <p><b>Legal Authority:</b></p> <p><b>Oversight Department:</b></p> <p><b>Agreement Type:</b></p> <p><b>Pre/Encumb/Payment Request:</b></p> <p><b>Incidental Purchase:</b></p> <p><b>Tax Forms:</b></p> | <p><a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a></p> <p>A&amp;F, OSD, CTR</p> <p>Standard Contract Form</p> <p>RQS (optional pre-encumbrance)/CT/PRC</p> <p>GAE/INP use restricted to Incidental Purchases</p> <p>1099-NEC</p> |

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| <b>J62</b>   | <p><b>CONTRACTED ADVISORY BOARD/COMMISSION MEMBERS</b></p> <p>Stipends paid to individuals serving on commissions, boards or task forces that do not meet the IRS definition of an employee. For reimbursement, see <a href="#">C98</a> or <a href="#">E98</a>. If there is an authorized position, these individuals must be paid through HR/CMS from <a href="#">A01</a> or see <a href="#">C28</a> for contracted board memberships.</p> |
| <p><b>Legal Authority:</b></p> <p><b>Oversight Department:</b></p> <p><b>Agreement Type:</b></p> <p><b>Pre/Encumb/Payment Request:</b></p> <p><b>Incidental Purchase:</b></p> <p><b>Tax Forms:</b></p> | <p>Board or Commission Legislative Authorization for Stipends</p> <p>A&amp;F, OSD, CTR</p> <p>Standard Contract Form</p> <p>RQS (optional pre-encumbrance)/CT/PRC</p> <p>GAE/INP use restricted to Incidental Purchases</p> <p>1099-NEC</p>   |

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| <b>J75</b>   | <p><b>ADVANCES PROGRAMMATIC OPERATIONAL SERVICES</b></p> <p>Used to encumber advances in the JJ Object Class. It must also be used to return advance funds with an AR.</p> |
| <p><b>Legal Authority:</b></p> <p><b>Agreement Type:</b></p> <p><b>Oversight Department:</b></p> <p><b>Encumb/Payment Request:</b></p> <p><b>Incidental Purchase:</b></p> <p><b>Tax Forms:</b></p> | <p><a href="#">M.G.L. c. 29, §§ 23, 24, 25</a></p> <p>Relevant Supporting Documentation</p> <p>TRE, HRD, CTR</p> <p>EAV/RA/AR</p> <p>N/A</p> <p>None</p>                   |

|   |  |
|---|--|
| <b>J87</b>  | <p><b>CASH WITH CAMPUS</b></p> <p>Pursuant to Massachusetts General Law requiring Commonwealth Colleges and Universities to report the activity of campus-based funds by subsidiary to the Comptroller of the Commonwealth on the Commonwealth’s Statewide Accounting System, MMARS (Fund 0901).</p>   |
| <p><b>Legal Authority:</b></p> <p><b>Oversight Department:</b></p> <p><b>Agreement Type:</b></p> <p><b>Payment/Receipt Request:</b></p> <p><b>Incidental Purchase:</b></p> <p><b>Tax Forms:</b></p> | <p><a href="#">M.G.L. c. 15A, § 15C</a> Authorizing Legislation</p> <p>CTR</p> <p>Relevant Supporting Detail on college and university accounting systems.</p> <p>TV/RT (Use restricted to colleges and universities)</p> <p>N/A</p> <p>Forms 1099 and 1042 – Colleges and Universities Responsible for Compliance using local Tax Identification Number</p> |



# EXPENDITURE CLASSIFICATION HANDBOOK

OFFICE OF THE COMPTROLLER

|   |   |
|---|---|
| <h2 style="margin: 0;">J90</h2>   | <p><b>OPERATING TRANSFER</b><br/>Operational Services.</p>  |
| <p><b>Legal Authority:</b> Authorizing Legislation; <a href="#">815 CMR 6.00</a><br/> <b>Oversight Department:</b> CTR<br/> <b>Agreement Type:</b> Copy of Authorizing Legislation; Relevant Supporting Documentation<br/> <b>Pre/Encumb/Payment Request:</b> OT (Use restricted to CTR)<br/> <b>Incidental Purchase:</b> N/A<br/> <b>Tax Forms:</b> None</p>   |   |
| <h2 style="margin: 0;">J98</h2>   | <p><b>REIMBURSEMENT FOR TRAVEL AND OTHER EXPENSES FOR PROGRAMMATIC OPERATIONAL SERVICES</b><br/>                 Authorizations for reimbursements are included in the Service Contract. Reimbursements are not tax reportable because the recipient is required to account for expenditures.</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a><br/> <b>Oversight Department:</b> A&amp;F, OSD, CTR<br/> <b>Agreement Type:</b> Relevant Supporting Documentation; Standard Contract Form<br/> <b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC<br/> <b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases<br/> <b>Tax Forms:</b> None</p> |   |
| <h2 style="margin: 0;">J99</h2>   | <p><b>LATE PENALTY INTEREST</b><br/>Penalty interest for late payments.</p>   |
| <p><b>Legal Authority:</b> <a href="#">815 CMR 4.00</a>; <a href="#">M.G.L. c. 29, §§ 20C, 29C</a>; <a href="#">M.G.L. c. 7A, § 5A</a><br/> <b>Oversight Department:</b> CTR<br/> <b>Agreement Type:</b> Valid Claim Under Contract<br/> <b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance)/GAE/GAX<br/> <b>Incidental Purchase:</b> N/A<br/> <b>Tax Forms:</b> 1099-IT</p>  |   |

# EXPENDITURE CLASSIFICATION HANDBOOK

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## OBJECT CLASS KK PROGRAMMATIC EQUIPMENT PURCHASE

### Covered Expenditures

This object class includes expenditures for the procurement (outright purchase) and installation of equipment to support the programmatic functions administered by state departments.

### Requirements

All Commonwealth departments are responsible for making contract obligations and expenditures in compliance with applicable laws and CTR Fiscal Policies (see [Fixed Asset Acquisition Policy](#)). All departments that take advantage of incidental purchases must comply with incidental purchase requirements identified by CTR and OSD. In addition:

- Executive departments “Level III” must comply with [M.G.L. c. 7, § 22](#), [801 CMR 21.00](#) and the “[Conducting Best Value Procurements Handbook](#)” for [801 CMR 21.00](#) covered goods and services, and must purchase from available Statewide Contracts, and use specified Commonwealth contract forms. Exceptions from using Statewide Contracts 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 [Conducting Best Value Procurements Handbook](#);
- Non-Executive departments “Level II” must comply with [M.G.L. c. 7, § 22](#), internal procurement policies and procedures and use specified Commonwealth contract forms.
- Exempt departments “Level I” must comply with internal procurement policies and procedures and if the department takes advantage of MMARS document processing delegation, the department must use specified Commonwealth contract forms.

### Expenditures Not Covered

See Object Class [LL](#) and object codes: [N62](#), [N63](#), [U08](#) and [U09](#) for Equipment TELP Lease-Purchase, Lease and Rental, Maintenance and Repair. For state facility infrastructure equipment, see Object Class [NN](#). For Information Technology (IT) expenses, see Object Class [UU](#).

|                                    |   |
|------------------------------------|---|
| <h2>K02</h2>                       | <b>EDUCATIONAL EQUIPMENT</b><br>Items necessary for instructional use in a teaching setting, for example: microscopes, overhead projectors, tape recorders and lab equipment. See <a href="#">L02</a> for TELP lease-purchase; <a href="#">L22</a> for rental or lease; <a href="#">L42</a> for maintenance and repair costs. See <a href="#">F17</a> for educational supplies. |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>  |
| <b>Oversight Department:</b>       | A&F, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/PC/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases  |
| <b>Tax Forms:</b>                  | None  |

  

|                                    |   |
|------------------------------------|---|
| <h2>K03</h2>                       | <b>PROGRAMMATIC FACILITY EQUIPMENT</b><br>Items necessary for the operation of programs of a state facility, for example: machinery, instruments, appliances, physical fitness testing equipment, and modular units. For the initial purchase of equipment during the construction of a facility, see <a href="#">N18</a> . See <a href="#">L03</a> for TELP lease-purchase; <a href="#">L23</a> for rental or lease. See <a href="#">N17</a> for energy savings conservation measures. |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>  |
| <b>Oversight Department:</b>       | A&F, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/PC/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases  |
| <b>Tax Forms:</b>                  | None  |

# EXPENDITURE CLASSIFICATION HANDBOOK

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|            |   |
|------------|---|
| <b>K04</b> | <b>MOTORIZED VEHICLE EQUIPMENT</b><br>Motor vehicles, including passenger vehicles, airplanes, helicopters, passenger trucks, lawn mowers/tractors greater than 90 h.p, and marine vessels. Includes motorized vehicle equipment accessories. See K11 for heavy equipment. See <a href="#">L04</a> for TELP lease-purchase; <a href="#">L24</a> for rental or lease; <a href="#">L44</a> for maintenance and repair costs.                                  |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a> ; <a href="#">M.G.L. c. 30, § 36A</a><br><b>Oversight Department:</b> A&F, OSD, CTR<br><b>Agreement Type:</b> Standard Contract Form<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/PC/PRC<br><b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases<br><b>Tax Forms:</b> None |

|            |   |
|------------|---|
| <b>K05</b> | <b>OFFICE EQUIPMENT</b><br>For example: calculators, typewriters, postage, FAX machines, etc. For IT hardware, see <a href="#">U07</a> . See <a href="#">L05</a> for TELP lease-purchase; <a href="#">L25</a> for rental or lease; <a href="#">L45</a> for maintenance and repair costs.  |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a><br><b>Oversight Department:</b> A&F, OSD, CTR<br><b>Agreement Type:</b> Standard Contract Form<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/PC/PRC<br><b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases<br><b>Tax Forms:</b> None |

|            |  |
|------------|--|
| <b>K06</b> | <b>PRINTING, PHOTOCOPYING, AND MICROGRAPHICS EQUIPMENT</b><br>Printing, photocopying, duplicating and micrographic equipment; including equipment for the microproduction of source documents or electronic data and microfilm/microfiche readers and printers. Includes payments for cash buyouts. See <a href="#">L06</a> for TELP lease-purchase; <a href="#">L26</a> for rental or lease; <a href="#">L46</a> for maintenance and repair costs.  |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a> ; <a href="#">815 CMR 6.00</a><br><b>Oversight Department:</b> A&F, OSD, CTR<br><b>Agreement Type:</b> Standard Contract Form<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/PC/PRC<br><b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases<br><b>Tax Forms:</b> None |

|            |   |
|------------|---|
| <b>K07</b> | <b>OFFICE FURNISHINGS</b><br>Furnishings including desks, chairs, floor mats and modular partitions. Chargeback for the Massachusetts Correction Industries (DOC) products available. When practical, preference should be given to items produced by DOC. See <a href="#">L07</a> for TELP lease-purchase; <a href="#">L27</a> for rental or lease; <a href="#">L47</a> for maintenance and repair costs.            |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a><br><b>Oversight Department:</b> A&F, OSD, CTR<br><b>Agreement Type:</b> Standard Contract Form<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/PC/PRC<br><b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases<br><b>Tax Forms:</b> None |

|            |   |
|------------|---|
| <b>K09</b> | <b>MEDICAL EQUIPMENT</b><br>For example: X-ray machines, blood gas analyzers, etc. See <a href="#">L09</a> for TELP lease-purchase; <a href="#">L29</a> for rental or lease; <a href="#">L49</a> for maintenance and repair costs.  |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a><br><b>Oversight Department:</b> A&F, OSD, CTR<br><b>Agreement Type:</b> Standard Contract Form<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/PC/PRC<br><b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases<br><b>Tax Forms:</b> None |

# EXPENDITURE CLASSIFICATION HANDBOOK

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|                                    |   |
|------------------------------------|---|
| <b>K10</b>                         | <b>LAW ENFORCEMENT AND SECURITY EQUIPMENT</b>   |
|                                    | For example: firearms, radar, walkie-talkies, breathe analyzers, etc. For ammunition, see <a href="#">F27</a> . See <a href="#">L10</a> for TELP lease-purchase; <a href="#">L30</a> for rental or lease; <a href="#">L50</a> for maintenance and repair costs. |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>  |
| <b>Oversight Department:</b>       | A&F, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/PC/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases  |
| <b>Tax Forms:</b>                  | None  |

|                                    |  |
|------------------------------------|--|
| <b>K11</b>                         | <b>HEAVY EQUIPMENT</b>   |
|                                    | For example: front-end loaders, backhoes, bulldozers, cranes, etc. See <a href="#">L11</a> for TELP lease-purchase; <a href="#">L31</a> for rental or lease; <a href="#">L51</a> for maintenance and repair costs. |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>   |
| <b>Oversight Department:</b>       | A&F, OSD, CTR  |
| <b>Agreement Type:</b>             | Standard Contract Form   |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/PC/PRC  |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases   |
| <b>Tax Forms:</b>                  | None   |

|                                    |  |
|------------------------------------|--|
| <b>K12</b>                         | <b>TELEVISION BROADCASTING EQUIPMENT</b>   |
|                                    | High technology equipment used for audio/visual productions for video and other television broadcasting. See <a href="#">L12</a> for TELP lease-purchase; <a href="#">L32</a> for rental or lease; <a href="#">L52</a> for maintenance and repair costs. |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>   |
| <b>Oversight Department:</b>       | A&F, OSD, CTR  |
| <b>Agreement Type:</b>             | Standard Contract Form   |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/PC/PRC  |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases   |
| <b>Tax Forms:</b>                  | None   |

|                                 |  |
|---------------------------------|--|
| <b>K87</b>                      | <b>CASH WITH CAMPUS</b>  |
|                                 | Pursuant to Massachusetts General Law requiring Commonwealth Colleges and Universities to report the activity of campus-based funds by subsidiary to the Comptroller of the Commonwealth on the Commonwealth’s Statewide Accounting System, MMARS (Fund 0901). |
| <b>Legal Authority:</b>         | <a href="#">M.G.L. c. 15A, § 15C</a> Authorizing Legislation   |
| <b>Oversight Department:</b>    | CTR  |
| <b>Agreement Type:</b>          | Relevant Supporting Detail on college and university accounting systems.   |
| <b>Payment/Receipt Request:</b> | TV/RT (Use restricted to colleges and universities)  |
| <b>Incidental Purchase:</b>     | N/A  |
| <b>Tax Forms:</b>               | Forms 1099 and 1042 – Colleges and Universities Responsible for Compliance using local Tax Identification Number   |

|                                    |  |
|------------------------------------|--|
| <b>K90</b>                         | <b>OPERATING TRANSFER – PROGRAMMATIC EQUIPMENT PURCHASE</b>  |
|                                    | Pursuant to Massachusetts General Law requiring Commonwealth Colleges and Universities to report the activity of campus-based funds by subsidiary to the Comptroller of the Commonwealth on the Commonwealth’s Statewide Accounting System, MMARS (Fund 0901). |
| <b>Legal Authority:</b>            | Authorizing Legislation; <a href="#">815 CMR 6.00</a>  |
| <b>Oversight Department:</b>       | CTR  |
| <b>Agreement Type:</b>             | Copy of Authorizing Legislation; Relevant Supporting Documentation   |
| <b>Pre/Encumb/Payment Request:</b> | OT (Use restricted to CTR)   |
| <b>Incidental Purchase:</b>        | N/A  |
| <b>Tax Forms:</b>                  | None   |

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|                                    |   |
|------------------------------------|---|
| <b>K99</b>                         | <b>LATE PENALTY INTEREST</b><br>Interest penalty for late payments.   |
| <b>Legal Authority:</b>            | <a href="#">815 CMR 4.00</a> ; <a href="#">M.G.L. c. 7A, § 5A</a> ; <a href="#">M.G.L. c. 29, §§ 20C, 29C</a> |
| <b>Oversight Department:</b>       | CTR   |
| <b>Agreement Type:</b>             | Valid Claim Under Contract  |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX  |
| <b>Incidental Purchase:</b>        | N/A   |
| <b>Tax Forms:</b>                  | 1099-IT   |

# EXPENDITURE CLASSIFICATION HANDBOOK

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## OBJECT CLASS LL

### PROGRAMMATIC EQUIPMENT TAX EXEMPT LEASE-PURCHASE (TELP), LEASE AND RENTAL, MAINTENANCE AND REPAIR

#### Covered Expenditures

This object class includes expenditures for non-Information Technology (IT) and non-facility infrastructure Tax Exempt Lease-Purchases (TELP), Equipment Term Leases and short-term rentals, and equipment maintenance and repair.

#### Expenditures Not Covered:

This object class does not cover outright purchase of equipment without financing. For this expenditure, see Object Class [KK](#). For facility infrastructure and systems, see Object Class [NN](#). For Information Technology (IT) expenses, see Object Class [UU](#).

#### Requirements

All Commonwealth departments are responsible for making contract obligations and expenditures in compliance with applicable laws and [CTR Fiscal Policies](#) (see [Fixed Asset Acquisition Policy](#)). All departments that take advantage of incidental purchases must comply with incidental purchase requirements identified by CTR and OSD. In addition:

- Executive departments “Level III” must comply with [M.G.L. c. 7, § 22](#), [801 CMR 21.00](#) and the “[Conducting Best Value Procurements Handbook](#)” for [801 CMR 21.00](#) covered goods and services, and must purchase from available Statewide Contracts, and use specified Commonwealth contract forms. Exceptions from using Statewide Contracts 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 [Conducting Best Value Procurements Handbook](#);
- Non-Executive departments “Level II” must comply with [M.G.L. c. 7, § 22](#), internal procurement policies and procedures and use specified Commonwealth contract forms.
- Exempt departments “Level I” must comply with internal procurement policies and procedures and if the department takes advantage of MMARS document processing delegation, the department must use specified Commonwealth contract forms.

The format of this object class differs from other object classes because the object codes are divided into the following three categories:

#### OBJECT CODES L02 THROUGH L12 – EQUIPMENT LEASE-PURCHASE (TELP) (PURCHASE OF COMMODITY WITH THIRD PARTY FINANCING WITH GOAL OF ULTIMATE OWNERSHIP)

- Department has a definite long term need for the Commodity.
- Commodity is not likely to be quickly outdated by advances in technology, or the durability of the Commodity will provide a long-term useful life.
- Department wants to “own” equipment.
- Department does not have sufficient available funds for outright purchase.
- A&F has approved the use of a TELP.
- Department must commit to ensuring sufficient operating or other non-capital funds are available for TELP payments.
- TELPS paid (in full or in part) with Commonwealth funds (appropriated) MUST use either the Tax-Exempt Financing by Commonwealth TELP, Statewide TELP Contracts or an approved Contractor TELP; Universities, Non-Executive and Exempt departments that plan to use appropriated funds to pay for a TELP MUST use the approved TELP contractors since use of appropriated funds potentially impacts the Commonwealth’s bond rating and must be carefully monitored.
- Department builds equity in equipment and title passes to the department at end of Lease-Purchase payments.
- Procuring departments are required to service/maintain equipment. Service/Maintenance contracts should be executed with an appropriate service vendor and recorded on MMARS as a CT or RPO.
- TELPS require recurring payment mechanism to ensure timely payments (RPO).
- TELPS may not be terminated without prior approval of the Comptroller.

# EXPENDITURE CLASSIFICATION HANDBOOK

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## OBJECT CODES L22 THROUGH L32 - EQUIPMENT SHORT TERM RENTAL OR TERM LEASE (SHORT TERM USE OF EQUIPMENT WITHOUT OWNERSHIP.)

### Short Term Equipment Use Without Ownership (Less than 6 months) – Rental

- Short Term “use” department does not wish to own.
- Rental payments are usually significantly more than Term Lease or Lease Purchase (TELP) payments.
- Maintenance/insurance is provided by the contractor.
- Departments will not build equity in the equipment and will not own or buy out the equipment as an option of the Rental.
- Title and ownership and risk of loss remain with the contractor and will NOT be transferred to the department as part of the Rental.

### Long Term Equipment Use Without Ownership (Longer than 6 months) – Term Lease

- Lease gives the department only the “use” of the commodity for a specified period.
- Lease payments are usually less than a rental for the same period of time.
- Procuring departments are usually required to maintain and service the commodity, either as part of the lease payment or under a separate maintenance contract.
- Procuring departments will not build equity in the equipment and will not own or buy out the equipment as an option of the lease.
- Leases may offer automatic upgrades or replacement with new models during or at the end of the term of the lease.
- Title and ownership and risk of loss remain with the Contractor and will NOT be transferred to the department as part of the lease.

A **Term Lease** must be evaluated to determine if it should be categorized as capital or operating. **The key points are as follows:**

- Is there are transfer of ownership at the end of the lease?
- Is there a “bargain purchase option?” In other words, can the asset be purchased at the end of the lease for less than its fair market value at the end of the lease?
- Is the term of the lease GREATER THAN OR EQUAL TO 75% of the asset’s **USEFUL LIFE**?
- Is the present value of the lease payments GREATER THAN OR EQUAL TO 90% of the asset’s **FAIR MARKET VALUE** at the time of signing of the contract?

If the answer to **ANY** of the above is **YES**, the lease type is a **CAPITAL** lease. All others are **OPERATING LEASES**.

## OBJECT CODES L42 THROUGH–L63 EQUIPMENT MAINTENANCE AND REPAIR (INCLUDES REPLACEMENT PARTS ONLY AS PART OF THE SERVICE AGREEMENT)

Maintenance is day-to-day, recurring repair and upkeep, which maintains an asset in good working condition throughout its estimated useful life.

## OBJECT CODES L02 THROUGH L12 – Equipment Lease-Purchase (TELP)

**PURCHASE OF COMMODITY WITH THIRD PARTY FINANCING WITH GOAL OF ULTIMATE OWNERSHIP.**

**SEE [OBJECT CLASS LL](#) INTRODUCTION FOR ADDITIONAL INFORMATION.**

|                                    |  |
|------------------------------------|--|
| <h1>L02</h1>                       | <b>EDUCATIONAL EQUIPMENT TELP LEASE-PURCHASE</b><br>Items necessary for instructional use in a teaching setting, for example: microscopes, overhead projectors, tape recorders and lab equipment. See <a href="#">K02</a> for outright purchase. |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>   |
| <b>Oversight Department:</b>       | A&F, OSD, CTR  |
| <b>Agreement Type:</b>             | Standard Contract Form   |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/RPO/PRM   |
| <b>Incidental Purchase:</b>        | N/A  |
| <b>Tax Forms:</b>                  | None   |



# EXPENDITURE CLASSIFICATION HANDBOOK

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|                                    |   |
|------------------------------------|---|
| <b>L03</b>                         | <p><b>PROGRAMMATIC FACILITY EQUIPMENT TELP LEASE-PURCHASE</b></p> <p>Items necessary for the operation of programs of a state facility, for example: machinery, instruments, appliances, and modular units. See <a href="#">K03</a> for outright purchase. See <a href="#">N62</a> for TELP Lease-Purchase of energy savings conservation measures.</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>  |
| <b>Oversight Department:</b>       | A&F, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/RPO/PRM  |
| <b>Incidental Purchase:</b>        | N/A   |
| <b>Tax Forms:</b>                  | None  |

|                                    |   |
|------------------------------------|---|
| <b>L04</b>                         | <p><b>MOTORIZED VEHICLE EQUIPMENT TELP LEASE-PURCHASE</b></p> <p>Motor vehicles, including passenger vehicles, airplanes, helicopters, passenger trucks, lawn mowers/tractors greater than 90 h.p., and marine vessels. Includes motorized vehicle equipment accessories. See <a href="#">K04</a> for outright purchase; <a href="#">K11</a> for heavy equipment.</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">M.G.L. c. 30, 36A</a> ; <a href="#">801 CMR 21.00</a>  |
| <b>Oversight Department:</b>       | A&F, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/RPO/PRM  |
| <b>Incidental Purchase:</b>        | N/A   |
| <b>Tax Forms:</b>                  | None  |

|                                    |   |
|------------------------------------|---|
| <b>L05</b>                         | <p><b>OFFICE EQUIPMENT TELP LEASE-PURCHASE</b></p> <p>For example: calculators, typewriters, postage, and FAX machines. For IT Hardware equipment, see <a href="#">U07</a>, <a href="#">U08</a> and <a href="#">U09</a>. See <a href="#">K05</a> for outright purchase.</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>  |
| <b>Oversight Department:</b>       | A&F, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/RPO/PRM  |
| <b>Incidental Purchase:</b>        | N/A   |
| <b>Tax Forms:</b>                  | None  |

|                                    |  |
|------------------------------------|--|
| <b>L06</b>                         | <p><b>PRINTING, PHOTOCOPYING, AND MICROGRAPHICS EQUIPMENT TELP LEASE-PURCHASE</b></p> <p>Printing, photocopying, duplicating and micrographic equipment, includes equipment for the microproduction of source documents or electronic data and microfilm/microfiche readers and printers. See <a href="#">K06</a> for outright purchase.</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>   |
| <b>Oversight Department:</b>       | A&F, OSD, CTR  |
| <b>Agreement Type:</b>             | Standard Contract Form   |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/RPO/PRM   |
| <b>Incidental Purchase:</b>        | N/A  |
| <b>Tax Forms:</b>                  | None   |

|                                    |   |
|------------------------------------|---|
| <b>L07</b>                         | <p><b>OFFICE FURNISHINGS TELP LEASE-PURCHASE</b></p> <p>For example: desks, chairs, floor mats and modular partitions. See <a href="#">K07</a> for outright purchase.</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>  |
| <b>Oversight Department:</b>       | A&F, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form; TELP approvals and additional TELP Forms  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/RPO/PRM  |
| <b>Incidental Purchase:</b>        | N/A   |
| <b>Tax Forms:</b>                  | None  |

# EXPENDITURE CLASSIFICATION HANDBOOK

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|            |   |
|------------|---|
| <b>L09</b> | <b>MEDICAL EQUIPMENT TELP LEASE-PURCHASE</b><br>For example: x-ray machines and blood gas analyzers. See <a href="#">K09</a> for outright purchase.   |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a><br><b>Oversight Department:</b> A&F, OSD, CTR<br><b>Agreement Type:</b> Standard Contract Form; TELP approvals and additional TELP Forms<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/RPO/PRM<br><b>Incidental Purchase:</b> N/A<br><b>Tax Forms:</b> None |

|            |   |
|------------|---|
| <b>L10</b> | <b>LAW ENFORCEMENT AND SECURITY EQUIPMENT TELP LEASE-PURCHASE</b><br>For example: firearms, radar, walkie-talkies and breath analyzers. See <a href="#">K10</a> for outright purchase.  |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a><br><b>Oversight Department:</b> A&F, OSD, CTR<br><b>Agreement Type:</b> Standard Contract Form; TELP approvals and additional TELP Forms<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/RPO/PRM<br><b>Incidental Purchase:</b> N/A<br><b>Tax Forms:</b> None |

|            |   |
|------------|---|
| <b>L11</b> | <b>HEAVY EQUIPMENT TELP LEASE-PURCHASE</b><br>For example: front-end loaders, backhoes, bulldozers and cranes. See <a href="#">K11</a> for outright purchase.   |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a><br><b>Oversight Department:</b> A&F, OSD, CTR<br><b>Agreement Type:</b> Standard Contract Form; TELP approvals and additional TELP Forms<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/RPO/PRM<br><b>Incidental Purchase:</b> N/A<br><b>Tax Forms:</b> None |

|            |   |
|------------|---|
| <b>L12</b> | <b>TELEVISION BROADCASTING EQUIPMENT TELP LEASE-PURCHASE</b><br>High technology equipment used for audio/visual productions for video and other television broadcasting.<br>See <a href="#">K12</a> for outright purchase.  |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a><br><b>Oversight Department:</b> A&F, OSD, CTR<br><b>Agreement Type:</b> Standard Contract Form; TELP approvals and additional TELP Forms<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/RPO/PRM<br><b>Incidental Purchase:</b> N/A<br><b>Tax Forms:</b> None |

## OBJECT CODES L22 THROUGH L32 - EQUIPMENT RENTAL OR LEASE

SHORT-TERM USE OF EQUIPMENT WITHOUT OWNERSHIP.

SEE [OBJECT CLASS LL](#) INTRODUCTION FOR ADDITIONAL INFORMATION.

|            |   |
|------------|---|
| <b>L22</b> | <b>EDUCATIONAL EQUIPMENT RENTAL OR LEASE</b><br>Items necessary for instructional use in a teaching setting, for example: microscopes, overhead projectors, tape recorders and lab equipment.   |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a><br><b>Oversight Department:</b> A&F, OSD, CTR<br><b>Agreement Type:</b> Standard Contract Form<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC<br><b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)<br><b>Tax Forms:</b> 1099-MISC |

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|            |   |
|------------|---|
| <b>L23</b> | <b>PROGRAMMATIC FACILITY EQUIPMENT RENTAL OR LEASE</b><br>Items necessary for the operation of programs of a state facility, for example: machinery, instruments, and appliances. For rental or lease of law enforcement and security equipment, see L30. See object code <a href="#">G01</a> for rental or lease of modular units.   |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a><br><b>Oversight Department:</b> A&F, OSD, CTR<br><b>Agreement Type:</b> Standard Contract Form<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC<br><b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)<br><b>Tax Forms:</b> 1099-MISC |

|            |   |
|------------|---|
| <b>L24</b> | <b>MOTORIZED VEHICLE EQUIPMENT RENTAL OR LEASE</b><br>Motor vehicles, including passenger vehicles, airplanes, helicopters and passenger trucks, lawn mowers/tractors greater than 90 h.p., and marine vessels. Includes motorized vehicle equipment accessories.   |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">M.G.L. c. 30, § 36A</a> ; <a href="#">801 CMR 21.00</a><br><b>Oversight Department:</b> A&F, OSD, CTR<br><b>Agreement Type:</b> Standard Contract Form<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC<br><b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)<br><b>Tax Forms:</b> 1099-MISC |

|            |   |
|------------|---|
| <b>L25</b> | <b>OFFICE EQUIPMENT RENTAL OR LEASE</b><br>For example: calculators, typewriters and postage machines. For lease or rental of IT hardware, see <a href="#">U09</a> .  |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a><br><b>Oversight Department:</b> A&F, OSD, CTR<br><b>Agreement Type:</b> Standard Contract Form<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC<br><b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)<br><b>Tax Forms:</b> 1099-MISC |

|            |   |
|------------|---|
| <b>L26</b> | <b>PRINTING, PHOTOCOPYING, AND MICROGRAPHICS EQUIPMENT RENTAL OR LEASE</b><br>Printing, photocopying, duplicating and micrographic equipment, including equipment for the microproduction of source documents or electronic data and microfilm/microfiche readers and printers.   |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a><br><b>Oversight Department:</b> A&F, OSD, CTR<br><b>Agreement Type:</b> Standard Contract Form<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC<br><b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)<br><b>Tax Forms:</b> 1099-MISC |

|            |   |
|------------|---|
| <b>L27</b> | <b>OFFICE FURNISHINGS RENTAL OR LEASE</b><br>For example: desks, chairs, floor mats and modular partitions.   |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a><br><b>Oversight Department:</b> A&F, OSD, CTR<br><b>Agreement Type:</b> Standard Contract Form<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC<br><b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)<br><b>Tax Forms:</b> 1099-MISC |

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|                                    |   |
|------------------------------------|---|
| <b>L29</b>                         | <b>MEDICAL EQUIPMENT RENTAL OR LEASE</b><br>For example: x-ray machines and blood gas analyzers.  |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>                                    |
| <b>Oversight Department:</b>       | A&F, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX) |
| <b>Tax Forms:</b>                  | 1099-MISC   |

|                                    |   |
|------------------------------------|---|
| <b>L30</b>                         | <b>LAW ENFORCEMENT AND SECURITY EQUIPMENT RENTAL OR LEASE</b><br>For example: firearms, radar, walkie-talkies and breath analyzers.           |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>                                    |
| <b>Oversight Department:</b>       | A&F, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX) |
| <b>Tax Forms:</b>                  | 1099-MISC   |

|                                    |   |
|------------------------------------|---|
| <b>L31</b>                         | <b>HEAVY EQUIPMENT RENTAL OR LEASE</b><br>For example: front-end loaders, backhoes, bulldozers and cranes.                                    |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>                                    |
| <b>Oversight Department:</b>       | A&F, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX) |
| <b>Tax Forms:</b>                  | 1099-MISC   |

|                                    |  |
|------------------------------------|--|
| <b>L32</b>                         | <b>TELEVISION BROADCASTING EQUIPMENT RENTAL OR LEASE</b><br>High technology equipment used for audio/visual productions for video and other television broadcasting. |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>   |
| <b>Oversight Department:</b>       | A&F, OSD, CTR  |
| <b>Agreement Type:</b>             | Standard Contract Form   |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC  |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)                        |
| <b>Tax Forms:</b>                  | 1099-MISC  |

## OBJECT CODES L42 THROUGH L63: EQUIPMENT MAINTENANCE AND REPAIR

INCLUDES REPLACEMENT PARTS ONLY AS PART OF THE SERVICE AGREEMENT.

**SEE OBJECT CLASS LL INTRODUCTION FOR ADDITIONAL INFORMATION.**

|                                    |   |
|------------------------------------|---|
| <b>L42</b>                         | <b>EDUCATIONAL EQUIPMENT MAINTENANCE AND REPAIR</b><br>Maintenance of items necessary for instructional use in a teaching setting, for example: microscopes, overhead projectors, tape recorders and lab equipment. |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">801 CMR 21.00</a>  |
| <b>Oversight Department:</b>       | A&F, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)   |
| <b>Tax Forms:</b>                  | 1099-NEC  |

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|            |  |
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| <b>L44</b> | <b>MOTORIZED VEHICLE EQUIPMENT MAINTENANCE AND REPAIR</b><br>Maintenance of motor vehicles, including passenger vehicles, airplanes, helicopters and passenger trucks, lawn mowers/tractors greater than 90 h.p., and marine vessels.  |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 30, § 36A</a> ; <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a><br><b>Oversight Department:</b> A&F, OSD, CTR<br><b>Agreement Type:</b> Standard Contract Form<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC<br><b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)<br><b>Tax Forms:</b> 1099-NEC |

|            |  |
|------------|--|
| <b>L45</b> | <b>OFFICE EQUIPMENT MAINTENANCE AND REPAIR</b><br>Maintenance of calculators, typewriters, postage, FAX machines, etc. For IT equipment maintenance and repair, see <a href="#">U10</a> .  |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a><br><b>Oversight Department:</b> A&F, OSD, CTR<br><b>Agreement Type:</b> Standard Contract Form<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC<br><b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)<br><b>Tax Forms:</b> 1099-NEC |

|            |  |
|------------|--|
| <b>L46</b> | <b>PRINTING, PHOTOCOPYING, AND MICROGRAPHICS EQUIPMENT MAINTENANCE AND REPAIR</b><br>Maintenance of printing, photocopying, duplicating and micrographic equipment, includes maintenance of equipment for the microproduction of source documents or electronic data and microfilm/microfiche readers and printers.  |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a><br><b>Oversight Department:</b> A&F, OSD, CTR<br><b>Agreement Type:</b> Standard Contract Form<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC<br><b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)<br><b>Tax Forms:</b> 1099-NEC |

|            |  |
|------------|--|
| <b>L47</b> | <b>OFFICE FURNISHINGS MAINTENANCE AND REPAIR</b><br>Maintenance of desks, chairs, floor mats, modular partitions, etc.   |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a><br><b>Oversight Department:</b> A&F, OSD, CTR<br><b>Agreement Type:</b> Standard Contract Form<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC<br><b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)<br><b>Tax Forms:</b> 1099-NEC |

|            |  |
|------------|--|
| <b>L49</b> | <b>MEDICAL EQUIPMENT MAINTENANCE AND REPAIR</b><br>Maintenance of x-ray machines, blood gas analyzers, etc.  |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a><br><b>Oversight Department:</b> A&F, OSD, CTR<br><b>Agreement Type:</b> Standard Contract Form<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC<br><b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)<br><b>Tax Forms:</b> 1099-NEC |

# EXPENDITURE CLASSIFICATION HANDBOOK

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|                                    |   |
|------------------------------------|---|
| <b>L50</b>                         | <b>LAW ENFORCEMENT AND SECURITY EQUIPMENT MAINTENANCE AND REPAIR</b><br>Maintenance of firearms, radar, walkie-talkies, breathe analyzers, etc. |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>                                      |
| <b>Oversight Department:</b>       | A&F, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)   |
| <b>Tax Forms:</b>                  | 1099-NEC  |

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| <b>L51</b>                         | <b>HEAVY EQUIPMENT MAINTENANCE AND REPAIR</b><br>Maintenance of front-end loaders, backhoes, bulldozers and cranes, etc.                      |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>                                    |
| <b>Oversight Department:</b>       | A&F, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX) |
| <b>Tax Forms:</b>                  | 1099-NEC  |

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| <b>L52</b>                         | <b>TELEVISION BROADCASTING EQUIPMENT MAINTENANCE AND REPAIR</b><br>High technology equipment used for audio/visual productions for video and other television broadcasting. |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>  |
| <b>Oversight Department:</b>       | A&F, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)                               |
| <b>Tax Forms:</b>                  | 1099-NEC  |

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| <b>L63</b>                         | <b>PROGRAMMATIC EQUIPMENT MAINTENANCE AND REPAIR</b><br>Maintenance and repair for items necessary for the operation of programs of a state facility, for example: machinery, instruments, appliances and modular units. For security equipment maintenance and repair, see <a href="#">L50</a> . For maintenance of building infrastructure and systems, such as elevators and HVAC systems and controls, see <a href="#">N50</a> . |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>   |
| <b>Oversight Department:</b>       | A&F, OSD, CTR  |
| <b>Agreement Type:</b>             | Standard Contract Form   |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC  |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)  |
| <b>Tax Forms:</b>                  | 1099-NEC   |

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| <b>L87</b>                      | <b>CASH WITH CAMPUS</b><br>Pursuant to Massachusetts General Law requiring Commonwealth Colleges and Universities to report the activity of campus-based funds by subsidiary to the Comptroller of the Commonwealth on the Commonwealth's Statewide Accounting System, MMARS (Fund 0901). |
| <b>Legal Authority:</b>         | <a href="#">M.G.L. c. 15A, § 15C</a> Authorizing Legislation  |
| <b>Oversight Department:</b>    | CTR   |
| <b>Agreement Type:</b>          | Relevant Supporting Detail on college and university accounting systems.  |
| <b>Payment/Receipt Request:</b> | TV/RT (Use restricted to colleges and universities)   |
| <b>Incidental Purchase:</b>     | N/A   |
| <b>Tax Forms:</b>               | Forms 1099 and 1042 – Colleges and Universities Responsible for Compliance using local Tax Identification Number  |

# EXPENDITURE CLASSIFICATION HANDBOOK

OFFICE OF THE COMPTROLLER

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| <b>L90</b>                         | <b>OPERATING TRANSFER</b><br>Equipment TELP Lease-Purchase, Lease and Rental, Maintenance and Repair. |
| <b>Legal Authority:</b>            | Authorizing Legislation; <a href="#">815 CMR 6.00</a>   |
| <b>Oversight Department:</b>       | CTR   |
| <b>Agreement Type:</b>             | Copy of Authorizing Legislation; Relevant Supporting Documentation                                    |
| <b>Pre/Encumb/Payment Request:</b> | OT (Use restricted to CTR)  |
| <b>Incidental Purchase:</b>        | N/A   |
| <b>Tax Forms:</b>                  | None  |

  

|                                    |   |
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| <b>L99</b>                         | <b>LATE PENALTY INTEREST</b><br>Interest penalty for late payments.   |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 29, §§ 20C, 29C</a> ; <a href="#">M.G.L. c. 7A, § 5A</a> ; <a href="#">815 CMR 4.00</a> |
| <b>Oversight Department:</b>       | CTR   |
| <b>Agreement Type:</b>             | Valid Claim Under Contract  |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX  |
| <b>Incidental Purchase:</b>        | N/A   |
| <b>Tax Forms:</b>                  | 1099-INT  |



# EXPENDITURE CLASSIFICATION HANDBOOK

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## OBJECT CLASS MM

### PURCHASED CLIENT HUMAN AND SOCIAL SERVICES AND NON-HUMAN SERVICES PROGRAMS

#### Covered Expenditures

This object class includes expenditures for client services including, but not limited to, social, special educational, health, medical, mental health, rehabilitative, and elder programs and services to clients, residents, and students. This object class is divided into object codes based upon who provides the client services (individuals or corporations) and whether or not the services are part of a Purchased Program of Client Services (POS) under [M.G.L. c. 29, § 29B](#).

#### POS – PURCHASE OF SERVICE PROGRAMS

Purchased Program of Client Services under [M.G.L. c. 29, § 29B](#).

- Purchased Service Programs provided by organizations or Commonwealth departments (see object codes M03 and MM3);
- Purchased Service Programs providing direct services to clients, such as client transportation, designed to support and enhance the delivery of other direct client services, and indirect or ancillary services which enhance, or supplement purchased client human and social services such as contractor staff training (see object code M04).
- Human and Social Services Program Equipment (see object code M11).

#### NON-POS PROGRAM SERVICES

Services not part of a Purchased Program of Client Services and not covered under [M.G.L. c. 29, § 29B](#).

- Ongoing care to residents, patients and clients rendered by individuals other than state employees of the procuring department (see object codes M01 and MM1).
- Client services rendered by individuals employed by incorporated entities such as agencies providing respite workers and medical group practices (see object codes MIM and M2M).
- Reimbursements to clients or to individuals for expenses incurred on behalf of clients (see object codes M02 and MM2); tuition and educational fees (see object code M07).
- Non-Human Service – Cooperative Funding Contracts (see object code M10).
- Reimbursement for Travel and Other Expenses for Individuals (see object code M98).

#### Requirements

All Commonwealth departments are responsible for making contract obligations and expenditures in compliance with applicable laws and [CTR Fiscal Policies](#). All departments that take advantage of incidental purchases must comply with incidental purchase requirements identified by CTR and OSD. In addition:

- Executive departments “Level III” must comply with [M.G.L. c. 7, § 22](#), [801 CMR 21.00](#) and the “[Conducting Best Value Procurements Handbook](#)” for [801 CMR 21.00](#) covered goods and services, and must purchase from available Statewide Contracts, and use specified Commonwealth contract forms. Exceptions from using Statewide Contracts 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 [Conducting Best Value Procurements Handbook](#);
- Non-Executive departments “Level II” must comply with [M.G.L. c. 7, § 22](#), internal procurement policies and procedures and use specified Commonwealth contract forms.
- Exempt departments “Level I” must comply with internal procurement policies and procedures and if the department takes advantage of MMARS document processing delegation, the department must use specified Commonwealth contract forms.

#### Expenditures Not Covered

State employees may not be reimbursed through this object class. This object class does not include “Grants” or “Subsidies”, see Object Class [PP](#), or Entitlement Programs, see Object Class [RR](#).

# EXPENDITURE CLASSIFICATION HANDBOOK

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| <b>M01</b> | <p><b>NON-MEDICAL OR NON-HEALTH CARE RELATED CLIENT SERVICES PROVIDED BY INDIVIDUALS</b></p> <p>Non-medical or non-health care related services rendered by individuals who provide client services either directly or on behalf of a client. Individual contractors are not employed by an organization but have direct contracts and receive direct payments from the department. Includes non-credentialed care providers such as: peer counselors and respite workers, as well as individuals belonging to a recognized human service profession such as: social workers, teachers, interpreters or translators including American Sign Language Interpreters (ASL) and Communication Access Real-Time Translation (CART) services. For non-medical or non-health related services by an individual employed by an organization, with the contract and payments made with/to the organization, see <a href="#">M1M</a>.</p> |
|            | <p><b>Legal Authority:</b> Authorizing Legislation; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> 1099-NEC</p>   |

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| <b>MM1</b> | <p><b>MEDICAL OR HEALTH CARE RELATED INDIVIDUAL SERVICES RENDERED EITHER DIRECTLY TO, OR ON BEHALF OF, A CLIENT BY INDIVIDUALS</b></p> <p>Services rendered by individuals, who provide medical or health care related services to clients. Includes physicians, nurses, psychiatrists and other health care professionals. Individual Contractors are not employed by an organization but have direct contracts and receive direct payments from the department. For medical or health related services rendered by an individual employed by an organization, with the contract and payments made with/to the organization, see <a href="#">M2M</a>.</p> |
|            | <p><b>Legal Authority:</b> Authorizing Legislation; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> 1099-MISC, Medical and Health Care Payments</p>   |

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| <b>M1M</b> | <p><b>NON-MEDICAL OR NON-HEALTH CARE RELATED CLIENT SERVICES PROVIDED BY INDIVIDUALS WITHIN ORGANIZATIONS</b></p> <p>Non-medical or non-health care related individual services rendered either directly to or on behalf of a client, or either directly to or on behalf of a person(s) (adult, child and or family) before or involved in the justice system, or to the court by individuals who are employed by an organization. A department contracts with and makes payments to the organization that assigns or refers individual service providers to provide requested services (e.g., services to the adult and juvenile trial courts, the personal care attendants, social workers, teachers, interpreters, translators or direct care relief services furnished by a temporary employment or referral agency to a state hospital). For non-medical services rendered by an individual contractor, not employed by or through an organization, see <a href="#">M01</a>. For POS non-medical and non-health program services, see <a href="#">M03</a>.</p> |
|            | <p><b>Legal Authority:</b> Authorizing Legislation; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> 1099-NEC</p>   |

# EXPENDITURE CLASSIFICATION HANDBOOK

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| <b>M02</b> | <b>REIMBURSEMENTS</b><br>Reimbursement to clients or to individuals for expenses incurred on behalf of clients. Includes foster family stipends, adoption subsidies, guardian’s ad litem, volunteers and reimbursement for expenses incurred while receiving services.  |
|            | <p><b>Legal Authority:</b> Authorizing Legislation</p> <p><b>Oversight Department:</b> A&amp;F, CTR</p> <p><b>Agreement Type:</b> Memorandum of Understanding, Receipt</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p> |

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| <b>MM2</b> | <b>TAX REPORTABLE REIMBURSEMENTS</b><br>Reimbursements to volunteers based on stipend levels.   |
|            | <p><b>Legal Authority:</b> Authorizing Legislation</p> <p><b>Oversight Department:</b> A&amp;F, CTR</p> <p><b>Agreement Type:</b> Memorandum of Understanding</p> <p><b>Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> 1099-NEC</p> |

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| <b>M2M</b> | <b>MEDICAL OR HEALTH CARE RELATED CLIENT SERVICES PROVIDED BY INDIVIDUALS WITHIN ORGANIZATIONS</b><br>Medical or health care related individual services rendered either directly to or on behalf of a client by individuals who are employed by an organization. A department contracts with and makes payments to the organization that assigns or refers medical professionals to provide requested services (e.g., physicians, nurses, psychiatrists, physical therapists and other health care professionals furnished by a medical referral agency or medical group practice to a state hospital). For services rendered by an individual contractor, not employed by or through an organization, see <a href="#">MM1</a> . For POS program services, see <a href="#">MM3</a> . |
|            | <p><b>Legal Authority:</b> Authorizing Legislation; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> 1099-MISC, Medical and Health Care Payments</p>  |

# EXPENDITURE CLASSIFICATION HANDBOOK

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| <h2 style="font-size: 2em; margin: 0;">M03</h2> | <p><b>PURCHASED HUMAN AND SOCIAL SERVICES FOR CLIENTS – NON-MEDICAL: SUB-RECIPIENT</b></p> <p>Payments pursuant to contracts with organizations to purchase specified social services or programs (excluding medical and health care, see <a href="#">MM3</a>) on behalf of specifically identified clients or a specific target group. Includes services rendered by an individual with payment to a corporate entity. Limited to services with no health care components. Includes payments to “Chapter 71B” approved private schools rendering special educational services. Federal funds are reported as sub-recipient payments. Vendor services must use other appropriate object codes. (Use required object codes for vendor services).</p> |
| <b>Legal Authority:</b>                         | Authorizing Legislation; <a href="#">M.G.L. c. 29, § 29B</a> ; st. 1993 c. 110, S. 274 as amended; <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">801CMR 21.00</a> ; <a href="#">808 CMR 1.00</a> ; <a href="#">815 CMR 3.00</a> ; <a href="#">Federal Single Audit Act</a> , <a href="#">OMB A-133</a> ; <a href="#">the American Reinvestment and Recovery Act of 2009 (ARRA)</a>  |
| <b>Oversight Department:</b>                    | A&F, OSD, CTR   |
| <b>Sub-Recipient:</b>                           | Federal funds are reported as sub-recipient payments  |
| <b>Agreement Type:</b>                          | Commonwealth Terms and Conditions for Human and Social Services/Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b>              | RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC   |
| <b>Sub-Recipient:</b>                           | Utilized for Federal reporting  |
| <b>Incidental Purchase:</b>                     | GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)   |
| <b>Tax Forms:</b>                               | None  |

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| <h2 style="font-size: 2em; margin: 0;">MM3</h2> | <p><b>PURCHASED HUMAN AND SOCIAL SERVICES FOR CLIENTS – MEDICAL OR HEALTH CARE RELATED: SUB-RECIPIENT</b></p> <p>Payments pursuant to contracts with organizations to purchase social services or programs with medical or health care related components on behalf of specially identified clients or a specific target group. Includes services rendered by an individual with payment to a corporate entity. Federal funds are reported as sub-recipient payments. Vendor services must use other appropriate object codes. (Use required object codes for vendor services).</p> |
| <b>Legal Authority:</b>                         | Authorizing Legislation; <a href="#">M.G.L. c. 29, § 29B</a> ; st. 1993 c. 110, S. 274 as amended; <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">801 CMR 21.00</a> ; <a href="#">808 CMR 1.00</a> ; <a href="#">815 CMR 3.00</a> ; <a href="#">Federal Single Audit Act</a> , <a href="#">OMB A-133</a> ; <a href="#">the American Reinvestment and Recovery Act of 2009 (ARRA)</a>   |
| <b>Oversight Department:</b>                    | A&F, OSD, CTR   |
| <b>Sub-Recipient:</b>                           | Federal funds are reported as sub-recipient payments  |
| <b>Agreement Type:</b>                          | Commonwealth Terms and Conditions for Human and Social Services/Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b>              | RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC   |
| <b>Incidental Purchase:</b>                     | GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)   |
| <b>Tax Forms:</b>                               | 1099-MISC, Medical and Health Care Payments   |

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|---|---|
| <h2 style="font-size: 2em; margin: 0;">M3M</h2> | <p><b>PURCHASED HUMAN AND SOCIAL SERVICES FOR CLIENTS – NON-MEDICAL</b></p> <p>Payments <i>issued using federal funds determined to be for vendor services</i> pursuant to contracts with organizations to purchase specified social services or programs (excluding medical and health care, see <a href="#">MM3</a>) on behalf of specifically identified clients or a specific target group. Includes services rendered by an individual with payment to a corporate entity. Limited to services with no health care components. Federal funds are reported as vendor services, not sub-recipient. All other funds and sub-recipient payments – use <a href="#">M03</a>.</p> |
| <b>Legal Authority:</b>                         | Authorizing Legislation; <a href="#">M.G.L. c. 29, § 29B</a> ; st. 1993 c. 110, S. 274 as amended; <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">801CMR 21.00</a> ; <a href="#">808 CMR 1.00</a> ; <a href="#">815 CMR 3.00</a>   |
| <b>Oversight Department:</b>                    | A&F, OSD, CTR   |
| <b>Agreement Type:</b>                          | Commonwealth Terms and Conditions for Human and Social Services/Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b>              | RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC   |
| <b>Incidental Purchase:</b>                     | GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)   |
| <b>Tax Forms:</b>                               | None  |

# EXPENDITURE CLASSIFICATION HANDBOOK

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| <b>M04</b>                         | <p><b>SERVICES PURCHASES IN SUPPORT OF HUMAN AND SOCIAL SERVICES FOR CLIENTS</b></p> <p>Payments pursuant to contracts with organizations for direct services to clients designed to support and enhance the delivery of other direct client services (e.g., client transportation) or indirect/ancillary services which enhance, complement or supplement purchased client services (e.g., purchased contractor staff training or public information and referral programs). No individuals may be classified under this object code.</p> |
| <b>Legal Authority:</b>            | Authorizing Legislation; <a href="#">M.G.L. c. 29, § 29B</a> ; st. 1993 c. 110, S. 274, as amended; <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">801 CMR 21.00</a> ; <a href="#">815 CMR 3.00</a> .   |
| <b>Oversight Department:</b>       | A&F, OSD, EHS, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form   |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC  |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)  |
| <b>Tax Forms:</b>                  | None   |

|                                    |   |
|------------------------------------|---|
| <b>M07</b>                         | <p><b>TUITION AND EDUCATIONAL FEES</b></p> <p>Tuition, dormitory, board, incidental fees, and educational supplies paid to enroll clients in an established curriculum of elementary, secondary, post-secondary, graduate, or vocational instruction at an accredited educational institution. Excludes payments to “Chapter 71B” approved private schools rendering special educational services, see <a href="#">M03</a>, <a href="#">MM3</a>. <b>Comments:</b> Compensation is determined by the tuition and fee schedule of each educational institution.</p> |
| <b>Legal Authority:</b>            | Authorizing Legislation   |
| <b>Oversight Department:</b>       | CTR   |
| <b>Agreement Type:</b>             | Invoice Statement, Relevant Supporting Documentation  |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX  |
| <b>Incidental Purchase:</b>        | N/A   |
| <b>Tax Forms:</b>                  | None  |

|                                    |   |
|------------------------------------|---|
| <b>M10</b>                         | <p><b>NON-HUMAN SERVICE – COOPERATIVE FUNDING CONTRACTS</b></p> <p>Payments for collective purchasing contracts and other cooperative funding contracts for Non-Human and Social Services and programs. For procurement and contracts for research, including research performed by private Higher Educational institutions, see Object Class <a href="#">HH</a>. For grants or subsidies, see Object Class <a href="#">PP</a>.</p> |
| <b>Legal Authority:</b>            | Authorizing Legislation; <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">801 CMR 21.00</a>  |
| <b>Oversight Department:</b>       | A&F, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/CT/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)   |
| <b>Tax Forms:</b>                  | None  |

# EXPENDITURE CLASSIFICATION HANDBOOK

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| <b>M11</b>  | <p><b>HUMAN AND SOCIAL SERVICES PROGRAM EQUIPMENT</b></p> <p>Expenditures for the purchase of Commonwealth owned equipment and furnishings necessary for the operation of Human and Social Service Programs; equipment and/or furnishings for use in programs operated by Commonwealth vendors and procured under <a href="#">M03</a>, <a href="#">MM3</a>, and <a href="#">M04</a>. Equipment and/or furnishings eligible for purchase under this object code must be movable and have an acquisition cost exceeding \$500 and a useful life of more than one year. For example, equipment and/or furnishings purchased under this object code may include appliances, workshop production machinery, office files, desks, copiers and residential furnishings. Title to the equipment and/or furnishings vests with the Commonwealth. The department and the contractor are responsible for the inventory of the equipment and/or furnishings. The contractor is responsible for the return of the equipment to the department or transfer to another contractor upon termination of the contractor’s contract pursuant to 808 CMR 1.04(5).</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7 § 22</a>; <a href="#">M.G.L. c. 29 § 29B</a>; st.1993 c. 110, s.274 as amended; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/PC/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> None</p> |   |

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| <b>M75</b>   | <p><b>ADVANCES PURCHASED CLIENT HUMAN AND SOCIAL SERVICES AND NON-HUMAN SERVICES PROGRAMS</b></p> <p>Used to encumber advances in the MM Object Class.</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 29, §§ 23, 24, 25</a></p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Oversight Department:</b> TRE, HRD, CTR</p> <p><b>Payment Request:</b> EAV/RA/AR</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p> |  |

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| <b>M78</b>   | <p><b>PURCHASED CLIENT HUMAN AND SOCIAL SERVICES AND NON-HUMAN SERVICES PROGRAMS: SUB-RECIPIENT</b></p> <p>Encumbrance and payment activity involving sub-recipients of federal funds. Federal funds are reported as sub-recipient payments. Vendor services must use other appropriate object codes. (Use required object codes for vendor services).</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 29, § 29A</a>; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a>; <a href="#">Federal Single Audit Act, OMB A-133</a>; <a href="#">the American Reinvestment and Recovery Act of 2009 (ARRA)</a></p> <p><b>Oversight Department:</b> A&amp;F, HRD, OSD, CTR</p> <p><b>Sub-Recipient:</b> Federal funds are reported as sub-recipient payments</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> 1099-NEC, Medical and Health Care Payments</p> |  |

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| <b>M87</b> | <b>CASH WITH CAMPUS</b><br>Pursuant to Massachusetts General Law requiring Commonwealth Colleges and Universities to report the activity of campus-based funds by subsidiary to the Comptroller of the Commonwealth on the Commonwealth's Statewide Accounting System, MMARS (Fund 0901).  |
|            | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 15A, § 15C</a> Authorizing Legislation</p> <p><b>Oversight Department:</b> CTR</p> <p><b>Agreement Type:</b> Relevant Supporting Detail on college and university accounting systems.</p> <p><b>Payment/Receipt Request:</b> TV/RT (Use restricted to colleges and universities)</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> Forms 1099 and 1042 – Colleges and Universities Responsible for Compliance using local Tax Identification Number</p> |

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| <b>M90</b> | <b>OPERATING TRANSFER</b><br>Purchased Client Human Services and Social Services, and Non-Human Service Programs.   |
|            | <p><b>Legal Authority:</b> Authorizing Legislation; <a href="#">815 CMR 6.00</a></p> <p><b>Oversight Department:</b> CTR</p> <p><b>Agreement Type:</b> Copy of Authorizing Legislation; Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> OT (Use restricted to CTR)</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p> |

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| <b>M98</b> | <b>REIMBURSEMENT FOR TRAVEL AND OTHER EXPENSES FOR INDIVIDUALS PAID FROM M01 OR MM1</b><br>Authorizations for reimbursements are included in the service contract. Reimbursements are not tax reportable because the recipient is required to account for expenditures.   |
|            | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, OSD, CTR</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation, Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> None</p> |

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| <b>M99</b> | <b>LATE PENALTY INTEREST</b><br>Penalty interest for late payments.  |
|            | <p><b>Legal Authority:</b> <a href="#">815 CMR 4.00</a>; <a href="#">M.G.L. c. 29, §§ 20C, 29C</a>; <a href="#">M.G.L. c. 7A, § 5A</a></p> <p><b>Oversight Department:</b> CTR</p> <p><b>Agreement Type:</b> Valid Claim Under Contract</p> <p><b>Pre/Encumb/Payment Request:</b> GAE/GAX</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> 1099-INT</p> |



# EXPENDITURE CLASSIFICATION HANDBOOK

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## OBJECT CLASS NN

### HORIZONTAL AND VERTICAL CONSTRUCTION, IMPROVEMENTS, MAINTENANCE AND REPAIR COSTS AND LAND ACQUISITION

#### Covered Expenditures

This object class includes expenditures for the construction, reconstruction, installation, demolition, maintenance or repair of any building (vertical structures). The Division of Capital Asset Management and Maintenance DCAM/(DCP) oversees vertical structure construction, improvement, major maintenance and repair of fixed building systems and structures, land acquisition and related costs. This object class also includes expenditures for the construction, reconstruction, alteration, maintenance, remodeling or repair of any Horizontal/Lateral structures such as highways, roads, bikeways, sidewalks, airport runways, waterways, railroads, bridges, tunnels, and dams. The Massachusetts Department of Transportation (DOT) oversees most Horizontal/Lateral structure construction, improvements, maintenance, land acquisition and related costs and services. Costs and services related to this work include planning, survey, engineering, design, project management, purchase of rights of way, environmental studies and permitting, utility relocation, drilling services, and any other services necessary to complete the work, excluding those expenditures specifically identified elsewhere in this Handbook. Examples of major building construction projects are an addition, alteration, betterment or structural change to an asset, which results in its greater durability or extended useful life or to comply with current code regulations. Non-major facility infrastructure maintenance and repair of state buildings is overseen by the occupying department and includes day-to-day, routine and/or recurring repair and upkeep activities to keep an asset in good working condition throughout its estimated useful life or minor, non-recurring repair and upkeep that is needed to keep assets in good working condition. See Object Class LL for rules regarding lease, rent or TELP expenses. The use of the term “persons” includes firms as well as individuals.

#### Expenditures Not Covered

Purchase, lease, rental, maintenance and repair of equipment used in facility programs. For those, see Object Classes: [FF](#), [KK](#) and [LL](#). Formula-based local aid expenditures for road and bridge projects shall be coded as Object Class [PP](#) specifically object code [P01](#) (Use restricted to DOT).

#### Requirements

All Commonwealth departments are responsible for making contract obligations and expenditures in compliance with applicable laws and [CTR Fiscal Policies](#). All departments that take advantage of incidental purchases must comply with incidental purchase requirements identified by CTR and OSD. In addition, for goods and services contracts:

- Executive departments “Level III” must comply with [M.G.L. c. 7, § 22](#), [801 CMR 21.00](#) and the “[Conducting Best Value Procurements Handbook](#)” for [801 CMR 21.00](#) covered goods and services, and must purchase from available Statewide Contracts, and use specified Commonwealth contract forms. Exceptions from using Statewide Contracts 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 [Conducting Best Value Procurements Handbook](#);
- All Departments must comply with the Operational Services Division (OSD) Tax-Exempt Lease Purchase Financing Handbook [COMMBUYS](#). (Search for “PRF17” under Contracts. The TELP Handbook is under “Terms/Forms”);
- Non-Executive departments “Level II” must comply with [M.G.L. c. 7, § 22](#), internal procurement policies and procedures and use specified Commonwealth contract forms.
- Exempt departments “Level I” must comply with internal procurement policies and procedures and if the department takes advantage of MMARS document processing delegation, the department must use specified Commonwealth contract forms.

#### EQUIPMENT LEASE-PURCHASE (TELP) (PURCHASE OF COMMODITY WITH THIRD PARTY FINANCING WITH GOAL OF ULTIMATE OWNERSHIP).

- Department has a definite long term need for the Commodity.
- Commodity is not likely to be quickly outdated by advances in technology, or the durability of the Commodity will provide a long-term useful life.
- Department wants to “own” equipment.

# EXPENDITURE CLASSIFICATION HANDBOOK

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- Department does not have sufficient available funds for outright purchase.
- A&F has approved the use of a TELP.
- Department must commit to ensuring sufficient operating or other non-capital funds are available for TELP payments.
- TELPS paid (in full or in part) with Commonwealth funds (appropriated) MUST use either the Tax-Exempt Financing by Commonwealth TELP, Statewide TELP Contracts or an approved Contractor TELP; Universities, Non-Executive and Exempt departments that plan to use appropriated funds to pay for a TELP MUST use the approved TELP contractors since use of appropriated funds potentially impacts the Commonwealth's bond rating and must be carefully monitored.
- Department builds equity in equipment and title passes to the department at end of Lease-Purchase payments.
- Procuring departments are required to service/maintain equipment. Service/Maintenance contracts should be executed with an appropriate service vendor and recorded on MMARS as a CT or RPO.
- TELPS require recurring payment (RPO) mechanism to ensure timely payments.
- TELPS may not be terminated without prior approval of the Comptroller.

### EQUIPMENT SHORT TERM RENTAL OR TERM LEASE (SHORT TERM USE OF EQUIPMENT WITHOUT OWNERSHIP).

#### **Short Term Equipment Use Without Ownership (Less than 6 months) – Rental**

- Short Term “use” Department does not wish to own.
- Rental payments are usually significantly more than Term Lease or Lease Purchase (TELP) payments.
- Maintenance/insurance is provided by the contractor.
- Departments will not build equity in the equipment and will not own or buy out the equipment as an option of the Rental.
- Title and ownership and risk of loss remain with the contractor and will NOT be transferred to the department as part of the Rental.

#### **Long Term Equipment Use Without Ownership (Longer than 6 months) – Term Lease**

- Lease gives the department only the “use” of the Commodity for a specified period.
- Lease payments are usually less than a rental for the same period of time.
- Procuring departments are usually required to maintain and service the Commodity, either as part of the Lease payment or under a separate maintenance Contract.
- Procuring departments will not build equity in the equipment and will not own or buy out the equipment as an option of the Lease.
- Leases may offer automatic upgrades or replacement with new models during or at the end of the term of the Lease.
- Title and ownership and risk of loss remain with the Contractor and will NOT be transferred to the department as part of the Lease.

A **Term Lease** must be evaluated to determine if it should be categorized as capital or operating. **The key points are as follows:**

- Is there are transfer of ownership at the end of the lease?
- Is there a “bargain purchase option?” In other words, can the asset be purchased at the end of the lease for less than its fair market value at the end of the lease?
- Is the term of the lease GREATER THAN OR EQUAL TO 75% of the asset's **USEFUL LIFE**?
- Is the present value of the lease payments GREATER THAN OR EQUAL TO 90% of the asset's **FAIR MARKET VALUE** at the time of signing of the contract?

If the answer to **ANY** of the above is **YES**, the lease type is a **CAPITAL** lease. All others are **OPERATING LEASES**.

# EXPENDITURE CLASSIFICATION HANDBOOK

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| <b>NN1</b>                         | <p><b>ENGINEERING, RESEARCH, AND SCIENTIFIC SERVICES</b></p> <p>Persons who provide engineering, research and scientific services including but not limited to design and planning for construction projects, architects, persons who advise/make decisions regarding plans, specifications and materials on construction projects including engineers, resident engineers and project managers; researchers and persons who provide research and development or analysis of data or other information and materials based upon specifications provided by a department. See <a href="#">CC</a> for contract employee consultants. See <a href="#">HH2</a> or <a href="#">HH4</a> for non-construction projects.</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7C, §§ 44-57</a> (designer section law) formerly M.G.L. c. 7, §§ 38A½-N; <a href="#">M.G.L. c. 29, § 29A</a> ; <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">M.G.L. c. 7C § 58</a> ; <a href="#">801 CMR 21.00</a> ; <a href="#">720 CMR 5.00</a>   |
| <b>Oversight Department:</b>       | A&F, HRD, OSD, CTR   |
| <b>Agreement Type:</b>             | DCAM Standard Contract for Final Design and Contract Administrative Services; Standard Contract Form   |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/CT/PRC  |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)  |
| <b>Tax Forms:</b>                  | 1099-NEC   |

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| <b>N02</b>                         | <p><b>ARTISTS</b></p> <p>Persons who create works of art for construction projects.</p>   |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 29, § 29A</a> ; <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a>              |
| <b>Oversight Department:</b>       | A&F, HRD, OSD, CTR  |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/CT/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX) |
| <b>Tax Forms:</b>                  | 1099-NEC  |

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| <b>N03</b>                         | <p><b>ATTORNEYS/LEGAL SERVICES</b></p> <p>Persons who represent the state in legal matters on construction projects, or who provide any legal services related to a construction project, even if project is paid under a separate object code. For non-construction related legal services, see <a href="#">H09</a>. All Commonwealth departments are required to obtain prior written review by the Office of the Attorney General (AGO) for any legal services performed for the department under a contract. The AGO review of legal services contracts is limited to determining that any attorney/firm hired by a department is a member of the Massachusetts Bar (or out of state bar) in good standing, has no apparent conflicts of interests, and if providing litigation services, will appear in court on behalf of the Commonwealth only after his/her appointment as a Special Assistant Attorney General (SAAG) by the AGO. The <a href="#">Attorney General Review Form for Attorneys Providing Legal Services</a> form must be completed and mailed (with required attachments) to the AGO for any new legal services contract, and for any significant amendment to the scope of services under an existing contract, PRIOR to the start of performance or change in performance. See: <a href="#">Attorney General Policy for Prior Review of Attorneys</a>. Attorneys hired by Executive departments are also required to obtain prior approval of the Governor's Chief Legal Counsel prior to posting or hire.</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 12, § 3</a> ; <a href="#">M.G.L. c. 29, § 29A</a> ; <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52, 65</a> ; <a href="#">801 CMR 21.00</a>  |
| <b>Oversight Department:</b>       | A&F, AGO, HRD, OSD, CTR   |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/CT/PRC   |
| <b>Incidental Purchase:</b>        | N/A   |
| <b>Tax Forms:</b>                  | 1099-NEC  |

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| <b>N04</b> | <b>APPRAISERS</b><br>Persons who set the value of a piece of land or other real property interests. See <a href="#">HH1</a> for land appraisals not associated with construction projects and <a href="#">JJ2</a> for non-land related appraisals of goods and/or services.   |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 29, § 29A</a> ; <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a><br><b>Oversight Department:</b> A&F, HRD, OSD, CTR<br><b>Agreement Type:</b> Standard Contract Form<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC<br><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)<br><b>Tax Forms:</b> 1099-NEC |

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| <b>N05</b> | <b>CONSTRUCTION MANAGEMENT</b><br>Persons who oversee the development and progress of specific construction projects. Includes property management during period of construction. For non-construction property management, see N51.  |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 29, § 29A</a> ; <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a><br><b>Oversight Department:</b> A&F, DCP, HRD, OSD, CTR<br><b>Agreement Type:</b> DCP CM-1 Construction Management Contract; Standard Contract Form<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC<br><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)<br><b>Tax Forms:</b> 1099-NEC |

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| <b>N06</b> | <b>COST ESTIMATORS</b><br>Persons who estimate the actual cost of a project.  |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 29, § 29A</a> ; <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a><br><b>Oversight Department:</b> A&F, HRD, OSD, CTR<br><b>Agreement Type:</b> Standard Contract Form<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC<br><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)<br><b>Tax Forms:</b> 1099-NEC |

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| <b>N11</b> | <b>CONSTRUCTION BONUS</b><br>Payments in excess of the construction fee for projects, which meet criteria, specified in the contract and which exceed the minimum contract standards.   |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 81</a> ; <a href="#">M.G.L. c. 30, §§ 39A-39R</a> ; <a href="#">M.G.L. c. 149, § 44A-44J</a><br><b>Oversight Department:</b> A&F, DCP, CTR<br><b>Agreement Type:</b> Construction Contract, Standard Contract Form<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC<br><b>Incidental Purchase:</b> N/A<br><b>Tax Forms:</b> 1099-NEC |

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| <b>N12</b> | <b>TESTING FIRMS</b><br>Firms that test concrete, soil or other items associated with a construction project.  |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 29, § 29A</a> ; <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">M.G.L. c.7C § 58</a> ; <a href="#">801 CMR 21.00</a> ; <a href="#">720 CMR 5.00</a><br><b>Oversight Department:</b> A&F, DCP, HRD, OSD, CTR<br><b>Agreement Type:</b> Standard Contract Form<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC<br><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)<br><b>Tax Forms:</b> 1099-NEC |

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| <h2>N13</h2> | <p><b>HIGHWAY HORIZONTAL/LATERAL STURCTURE PLANNING AND ENGINEERING</b></p> <p>Costs associated with survey work, open space planning, transportation and transportation-related planning, environmental studies, title examinations, preliminary engineering and construction-phase engineering on highways, bridges, tunnels, bikeways, sidewalks, and other horizontal structures. Includes expert witnesses who prepare documents for court appearances.</p>  |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 29, § 9G, § 29A</a>; <a href="#">M.G.L. c. 140B, §§ 9-10</a>; <a href="#">M.G.L. c. 81</a>; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">M.G.L. c.7C § 58</a>; <a href="#">801 CMR 21.00</a>; <a href="#">720 CMR 5.00</a></p> <p><b>Oversight Department:</b> A&amp;F, HRD, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> 1099-NEC</p> |

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| <h2>N14</h2> | <p><b>HAZARDOUS WASTE REMOVAL SERVICES</b></p> <p>Costs associated with the assessment, disposal and/or removal of hazardous waste during a construction project. This includes costs associated with the planning and design of hazardous waste services. For non-hazardous waste removal, see N73. For non-construction-related hazardous waste removal, see N72.</p>  |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 21A-21I</a>; <a href="#">M.G.L. c. 81</a>; <a href="#">M.G.L. c. 16 § 18</a>; <a href="#">M.G.L. c. 29, § 29A</a>; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, HRD, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> 1099-NEC</p> |

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| <h2>N15</h2> | <p><b>MAJOR NEW BUILDING/VERTICAL STURCTURE CONSTURCTION</b></p> <p>Costs associated with general contractors and vertical construction for new buildings. Vertical construction projects over \$100,000 involving structural or mechanical work are regulated, controlled and supervised by the Division of Capital Asset Management and Maintenance DCAM/(DCP) as defined by c. 579 Acts of 1980 as codified in <a href="#">M.G.L. c. 7</a>, where applicable. Use is restricted to DCP and those departments delegated by DCP. For major facility infrastructure repairs, see <a href="#">N17</a>. For day-to-day facility infrastructure or system maintenance, see <a href="#">N50</a>. For property management, see <a href="#">N51</a>.</p> |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 149 §§ 44A-44J</a>; <a href="#">M.G.L. c. 30, § 39M</a></p> <p><b>Oversight Department:</b> A&amp;F, DCP, CTR</p> <p><b>Agreement Type:</b> Standard Vertical Construction Contract</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> 1099-NEC</p>  |

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| <h2>N16</h2> | <p><b>MAJOR CONSTUCTION, MAJOR RENOVATION, BUILDING ALTERNATION, AND LAND IMPROVEMENTS</b></p> <p>Improvements of state land; improvements to buildings including work required to restore or modernize a building that results in greater durability or extended useful life. Vertical construction projects over \$100,000 involving structural or mechanical work are regulated, controlled and supervised by the Division of Capital Asset Management and Maintenance DCAM/(DCP) unless delegated to the department by DCP. For major facility infrastructure repairs, see <a href="#">N17</a>. For day-to-day facility infrastructure or system maintenance, see <a href="#">N50</a>. For property management, see <a href="#">N51</a>. For state parks, roads and recreation facilities see <a href="#">N41</a> and <a href="#">N74</a>.</p> |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 30, §§ 39A-39R</a>; <a href="#">M.G.L. c. 149, § 44A-44J</a></p> <p><b>Oversight Department:</b> A&amp;F, DCP, CTR</p> <p><b>Agreement Type:</b> Standard Vertical Construction Contract</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> 1099-NEC</p>   |

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| <p><b>N17</b></p>  | <p><b>MAJOR BUILDING MAINTENANCE AND LAND IMPROVEMENTS</b></p> <p>Projects to repair/replace large, fixed equipment such as replacement of HVAC system; elevator replacement; large-scale roof replacement; replacing a building façade; installation of energy conservation equipment and controls system upgrades to restore or modernize a building, extending its useful life. To adapt a building or a system to meet new codes and/or uses; usually involves a comprehensive project including systems and equipment and an expected useful life of several years. For major improvements and maintenance of land; improvements to buildings including heating, air conditioning, ventilation and cooling systems, including energy conservation equipment; work that result in allowing a facility to meet its expected useful life, to restore systems to their intended function or to comply with code requirements. Vertical construction projects over \$100,000 involving structural or mechanical work are regulated, controlled and supervised by the Division of Capital Asset Management and Maintenance DCAM/(DCP) unless delegated to the department by DCP. For Non-Major Infrastructure maintenance and repair, see <a href="#">N50</a>; property management, see <a href="#">N51</a>; See <a href="#">N60</a> for lawn and grounds equipment maintenance and repair costs. <a href="#">N61</a> for outright purchase of lawn and grounds equipment for TELP-financed facility infrastructure equipment and work, see <a href="#">N62</a>. For lease and rental of maintenance, repair and grounds equipment see <a href="#">N63</a>.</p> |
| <p><b>Legal Authority:</b></p> <p><b>Oversight Department:</b></p> <p><b>Agreement Type:</b></p> <p><b>Pre/Encumb/Payment Request:</b></p> <p><b>Incidental Purchase:</b></p> <p><b>Tax Forms:</b></p> | <p><a href="#">M.G.L. c. 30, §§ 39A-39R</a>; <a href="#">M.G.L. c. 149, § 44A-44J</a>;<br/><a href="#">M.G.L. c. 25A § 11C</a></p> <p>A&amp;F, DCP, CTR</p> <p>Standard Vertical Construction Contract, Energy Services Agreement</p> <p>RQS (optional pre-encumbrance)/CT/PRC</p> <p>N/A</p> <p>1099-NEC</p>  |
| <p><b>N18</b></p>  | <p><b>INITIAL FURNISHINGS AND EQUIPMENT PURCHASES</b></p> <p>Purchase of furnishings and equipment related to construction, renovations, or improvements.</p>  |
| <p><b>Legal Authority:</b></p> <p><b>Oversight Department:</b></p> <p><b>Agreement Type:</b></p> <p><b>Pre/Encumb/Payment Request:</b></p> <p><b>Incidental Purchase:</b></p> <p><b>Tax Forms:</b></p> | <p><a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a></p> <p>A&amp;F, OSD, CTR</p> <p>Standard Contract Form</p> <p>RQS (optional pre-encumbrance)/PC/PRC</p> <p>GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p>None</p>  |
| <p><b>N19</b></p>  | <p><b>LAND ACQUISITION AND EMINENT DOMAIN</b></p> <p>Acquisition of land and related expenditures, including eminent domain costs and real estate taxes. For relocation costs, see <a href="#">N30</a>. For attorneys and appraisers, see <a href="#">N03</a> and <a href="#">N04</a>. For interest on eminent domain payments, see <a href="#">N96</a>.</p>   |
| <p><b>Legal Authority:</b></p> <p><b>Oversight Department:</b></p> <p><b>Agreement Type:</b></p> <p><b>Pre/Encumb/Payment Request:</b></p> <p><b>Incidental Purchase:</b></p> <p><b>Tax Forms:</b></p> | <p><a href="#">M.G.L. c. 79</a>; <a href="#">M.G.L. c. 81, § 7</a>; <a href="#">M.G.L. c. 159, § 60</a>; Authorizing Legislation</p> <p>A&amp;F, DCP, DOT, CTR</p> <p>Deed; Eminent Domain Order; Relevant Supporting Documentation</p> <p>RQS (optional pre-encumbrance)/CT/PRC; GAP (optional pre-encumbrance)/GAE/GAX</p> <p>N/A</p> <p>1099-S</p>  |
| <p><b>N20</b></p>  | <p><b>LEGISLATIVELY MANDATED PURCHASES OTHER THAN LAND</b></p> <p>Purchases specifically mandated by the legislature or courts.</p>  |
| <p><b>Legal Authority:</b></p> <p><b>Oversight Department:</b></p> <p><b>Agreement Type:</b></p> <p><b>Pre/Encumb/Payment Request:</b></p> <p><b>Incidental Purchase:</b></p> <p><b>Tax Forms:</b></p> | <p>Authorizing Legislation; Court Order; <a href="#">M.G.L. c. 29, § 9G</a></p> <p>A&amp;F, CTR</p> <p>Copy of Authorizing Legislation; Relevant Supporting Documentation</p> <p>RQS (optional pre-encumbrance)/CT/PRC</p> <p>N/A</p> <p>1099-NEC</p>  |



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| <h2>N21</h2> | <p><b>HIGHWAY HORIZONTAL/LATERAL CONSTRUCTION</b></p> <p>Costs associated with the construction, rehabilitation and structural repair of highways, bridges, tunnels bikeways, sidewalks, environmental remediation projects, such as: grading replacement and other horizontal structures. See <a href="#">N22</a> if the work is more closely associated with routine day-to-day maintenance activities. See <a href="#">N23</a> if materials only are purchased.</p>  |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 81</a>; <a href="#">M.G.L. c. 161C</a>; <a href="#">M.G.L. c. 29, § 9G</a>; <a href="#">M.G.L. c. 140B, § 10</a>; <a href="#">M.G.L. c. 30, § 39M</a>; <a href="#">M.G.L. c. 149A</a>; <a href="#">M.G.L. c. 7C § 58</a>; <a href="#">720 CMR 5.00</a></p> <p><b>Oversight Department:</b> DOT, ENV, A&amp;F, CTR</p> <p><b>Agreement Type:</b> Construction Contract</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> 1099-NEC</p> |

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| <h2>N22</h2> | <p><b>HIGHWAY HORIZONTAL/LATERAL MAINTENANCE AND IMPROVEMENTS</b></p> <p>Costs associated with routine day-to-day maintenance and non-structural improvements to bridges, highways, tunnels, bikeways, sidewalks and other horizontal structures. This work includes grass mowing, tree trimming, general landscaping, pavement patching, litter removal, catch basin cleaning, highway line painting, bridge painting, bridge and tunnel cleaning, street sweeping, minor bridge repairs, etc. See <a href="#">N21</a> if the work is included as part of the initial construction or rehabilitation activities. See <a href="#">N23</a> if materials only are purchased for department use.</p> |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 81</a>; <a href="#">M.G.L. c. 161C</a>; <a href="#">M.G.L. c. 29, § 9G</a>; <a href="#">M.G.L. c. 140B, § 10</a>; <a href="#">M.G.L. c. 30, § 39M</a></p> <p><b>Oversight Department:</b> DOT, ENV, A&amp;F, CTR</p> <p><b>Agreement Type:</b> Construction Contract; Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> 1099-NEC</p>  |

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| <h2>N23</h2> | <p><b>HIGHWAY HORIZONTAL/LATERAL MAINTENANCE MATERIALS</b></p> <p>Costs of materials used to maintain highways, e.g., sand, salt, patch, etc.</p>   |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, § 39M</a>, §§ 51-52; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/PC/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> None</p> |

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| <h2>N24</h2> | <p><b>RAILROADS</b></p> <p>Purchase of railroad land, rights of way and ties in conjunction with capital projects.</p>   |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 161C</a>; <a href="#">M.G.L. c. 79, § 1</a></p> <p><b>Oversight Department:</b> DOT, CTR</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PC/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> 1099-S</p> |



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| <b>N25</b>  | <b>RAILROADS: EASEMENTS AND INTERESTS IN LAND AND RIGHT OF WAY</b><br>Includes payments for temporary or permanent use of property for construction of bridges, highways and railroad rights of way.  |
| <b>Legal Authority:</b><br><b>Oversight Department:</b><br><b>Agreement Type:</b><br><b>Pre/Encumb/Payment Request:</b><br><b>Incidental Purchase:</b><br><b>Tax Forms:</b> | <a href="#">M.G.L. c. 161C</a> ; <a href="#">M.G.L. c. 79, § 1</a><br>DOT, CTR<br>Relevant Supporting Documentation<br>RQS (optional pre-encumbrance)/CT/PRC<br>GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)<br>1099-S |

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| <b>N26</b>  | <b>MANAGEMENT OF COMMONWEALTH OWNED RAILROAD RIGHT OF WAY</b><br>Expenditures for dispatching, maintenance of way, track structures and signals, procedures training, trackage charges and other related expenses pursuant to an agreement to operate train services. |
| <b>Legal Authority:</b><br><b>Oversight Department:</b><br><b>Agreement Type:</b><br><b>Pre/Encumb/Payment Request:</b><br><b>Incidental Purchase:</b><br><b>Tax Forms:</b> | <a href="#">M.G.L. c. 161C</a><br>DOT, CTR<br>Relevant Supporting Documentation, Standard Contract Form<br>RQS (optional pre-encumbrance)/CT/PRC<br>N/A<br>1099-NEC   |

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| <b>N27</b>  | <b>TRANSPORTATION OPERATING AGREEMENTS</b><br>Transportation of passengers and freight by railroad, bus, boat and plane. For direct client transportation services, see <a href="#">M04</a> . |
| <b>Legal Authority:</b><br><b>Oversight Department:</b><br><b>Agreement Type:</b><br><b>Pre/Encumb/Payment Request:</b><br><b>Incidental Purchase:</b><br><b>Tax Forms:</b> | <a href="#">M.G.L. c. 161C</a> ; Authorizing Legislation<br>DOT, CTR<br>Standard Contract Form<br>RQS (optional pre-encumbrance)/CT/PRC<br>N/A<br>1099-NEC                                    |

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| <b>N28</b>  | <b>DRILLING CONTRACTS</b><br>Cost of drilling associated with preliminary engineering projects.                                |
| <b>Legal Authority:</b><br><b>Oversight Department:</b><br><b>Agreement Type:</b><br><b>Pre/Encumb/Payment Request:</b><br><b>Incidental Purchase:</b><br><b>Tax Forms:</b> | <a href="#">M.G.L. c. 81</a><br>DOT, CTR<br>Standard Contract Form<br>RQS (optional pre-encumbrance)/CT/PRC<br>N/A<br>1099-NEC |

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| <b>N30</b>  | <b>RELOCATION COSTS FOR LAND TAKING</b><br>This includes moving expenses-residential (fixed), moving expenses (actual), moving expenses-residential (actual), moving expenses-business, payments in lieu of actual business moving expenses, replacement housing payment-tenants and certain others, contract payments to local public agencies, and last resort housing-preliminary and last resort housing-final. |
| <b>Legal Authority:</b><br><b>Oversight Department:</b><br><b>Agreement Type:</b><br><b>Pre/Encumb/Payment Request:</b><br><b>Incidental Purchase:</b><br><b>Tax Forms:</b> | <a href="#">M.G.L. c. 79A</a> ; <a href="#">Federal Register, Vol. 5 No. 40, March 2, 1989, Section 24.208</a><br>A&F, DCP, CTR<br>Relevant Supporting Documentation<br>GAP (optional pre-encumbrance)/GAE/GAX<br>N/A<br>None   |

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| <h2>N41</h2> | <p><b>STATE PARK AND RECREATION FACILITIES CONSTRUCTION</b></p> <p>Cost associated with the construction, rehabilitation and structural maintenance of state parks and roads, boardwalks, dams, beaches, paved bike and pedestrian trails, recreational projects (such as pools), sewer systems, seawall fishing and boat piers, etc.</p>   |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 81</a>; <a href="#">M.G.L. c. 161C</a>; <a href="#">M.G.L. c 29, § 9G</a>; <a href="#">M.G.L. 140B, § 10</a>; <a href="#">M.G.L. c.30, § 39M</a></p> <p><b>Oversight Department:</b> DOT, ENV, A&amp;F, CTR</p> <p><b>Agreement Type:</b> Construction Contract; Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> 1099-NEC</p> |

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| <h2>N50</h2> | <p><b>NON-MAJOR FACILITY INFRASTRUCTURE MAINTENANCE AND REPAIR</b></p> <p>For non-major improvements and maintenance of land, work that is done to return building systems or equipment to service to reach the originally anticipated life, to achieve the originally intended function or to comply with code requirements. Includes repairs required after a failure or to make building systems or equipment operation more efficient. This repair or maintenance work is low in cost to correct and <b>does not</b> include activities to expand the capacity of the building or otherwise upgrade the asset to serve needs greater than or different from those originally intended. Includes preventive maintenance activities to maximize the reliability, performance and lifecycle of buildings, systems and equipment. These projects are controlled and supervised by the operating agency. Generally, repairs to fixed equipment or replacement of a component thereof. Replacement of a component of an HVAC system (e.g., air handling unit, boiler, water heater, etc.); cleaning, adjustment, lubrication and/or selective parts replacements of building systems and equipment components. Roof patching, painting service calls to repair fixed equipment (e.g., an elevator). Includes replacement floor coverings; improvements to buildings including management maintenance systems. Includes the purchase of equipment necessary to the functioning of a facility. Also includes services performed, for example: plumbers, electricians, carpenters, locksmiths, etc.: For major facility infrastructure maintenance and improvements, see <a href="#">N17</a>. For property management, see <a href="#">N51</a>. See <a href="#">N60</a> for lawn and grounds equipment maintenance and repair costs; <a href="#">N61</a> for outright purchase of lawn and grounds equipment. For TELP-financed facility infrastructure equipment and work, see <a href="#">N62</a>. For facility infrastructure maintenance and repair equipment rentals or leases see <a href="#">L63</a>.</p> |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 30, §§ 39A-39R, 51-52</a>; <a href="#">M.G.L. c. 149, § 44A-44</a>; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c.141, 142, 143, 146</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, DCP, CTR, OSD</p> <p><b>Agreement Type:</b> Construction Contract, Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/PC/CT/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> 1099-NEC</p>  |

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| <h2>N51</h2> | <p><b>PROPERTY MANAGEMENT</b></p> <p>Persons responsible for providing comprehensive management, maintenance, improvements, and tenant services of Commonwealth property. For solely construction related building projects, see <a href="#">N16</a> and/or <a href="#">N17</a>.</p>  |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 149</a>; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, OSD, CTR, DCP</p> <p><b>Agreement Type:</b> Standard Contract Form, Construction Contract</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> 1099-NEC</p> |

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| <h2>N52</h2> | <p><b>FACILITY INFRASTRUCTURE MAINTENANCE AND REPAIR TOOLS AND SUPPLIES</b></p> <p>For example: hardware, plumbing, electrical supplies, small tools, grounds keeping tools, filters, boiler treatment chemicals, etc.</p>  |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, OSD, CTR, DCP</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/PC/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> None</p> |

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| <h2>N60</h2> | <p><b>LAWN AND GROUNDS EQUIPMENT MAINTENANCE AND REPAIR</b></p> <p>For example: compact tractors, snow throwers, chain saws, leaf blowers, lawn mowers up to 90 h.p., shredders and chippers, trimmers, tillers.</p>   |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> 1099-NEC</p> |

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| <h2>N61</h2> | <p><b>LAWN AND GROUNDS EQUIPMENT</b></p> <p>For outright purchase of equipment such as: compact tractors, snow throwers, chainsaws, leaf blowers, lawn mowers up to 90 h.p., shredders and chippers, trimmers, tillers. <a href="#">N60</a> for lawn and grounds equipment maintenance and repair costs. See <a href="#">N62</a> for TELP equipment lease-purchase; <a href="#">N63</a> for equipment rental or lease.</p>   |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/PC/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> None</p> |

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| <h2>N62</h2> | <p><b>TELP LEASE PURCHASE OF FACILITY INFRASTRUCTURE MAINTENANCE AND LAWN AND GROUNDS</b></p> <p>TELP lease purchase of items necessary for the maintenance of a state facility to allow a building to meet its expected useful life or to restore a facility to a condition to enable it to meet the purposes for which it was originally intended, for example: energy conservation equipment. Also includes compact tractors, snow throwers, chain saws, and leaf blowers, lawn mowers up to 90 h.p., shredders and chippers, trimmers, tillers. See <a href="#">N50</a> for purchases for non-major facility infrastructure maintenance and repair; <a href="#">N60</a> for lawn and grounds equipment maintenance and repair costs; <a href="#">N61</a> for outright purchase of lawn and grounds equipment; <a href="#">N63</a> for lease or rental. TELP purchases must comply with TELP rules listed at beginning of object class.</p> |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form; TELP approvals and additional TELP Forms</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/RPO/PRM</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p>   |

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| <h2 style="color: #0070C0;">N63</h2>  | <h3 style="color: #0070C0;">RENTAL OR RELEASE OF FACILITY INFRASTRUCTURE MAINTENANCE AND LAWN AND GROUNDS EQUIPMENT</h3> <p>Items necessary for the maintenance of a state facility, for example: temporary heating or cooling systems. For rental or lease of law enforcement and security equipment, see <a href="#">L30</a>. See <a href="#">G01</a> for rental or lease of modular units. Also includes, compact tractors, snow throwers, chain saws, leaf blowers, lawn mowers up to 90 h.p., shredders and chippers, trimmers, tillers. See <a href="#">N50</a> for purchases for non-major facility infrastructure maintenance and repair: <a href="#">N61</a> for outright purchase of lawn and grounds equipment. <a href="#">N60</a> for lawn and grounds equipment maintenance and repair costs; <a href="#">N62</a> for TELP lease purchase of maintenance, lawn and grounds equipment.</p> |
| <p><b>Legal Authority:</b><br/><b>Oversight Department:</b><br/><b>Agreement Type:</b><br/><b>Pre/Encumb/Payment Request:</b><br/><b>Incidental Purchase:</b><br/><b>Tax Forms:</b></p> | <p><a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a><br/>A&amp;F, OSD, CTR<br/>Standard Contract Form<br/>RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC<br/>GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)<br/>1099-MISC</p>   |
| <h2 style="color: #0070C0;">N64</h2>  | <h3 style="color: #0070C0;">GARDEN EXPENSES, TOOLS, AND SUPPLIES</h3> <p>Items used in connection with gardening operations, for example: fertilizers, pesticides, tree seedlings, grounds keeping tools, etc. For programmatic equipment, repairs and repair parts, see Object Classes <a href="#">KK</a> or <a href="#">LL</a>.</p>   |
| <p><b>Legal Authority:</b><br/><b>Oversight Department:</b><br/><b>Agreement Type:</b><br/><b>Pre/Encumb/Payment Request:</b><br/><b>Incidental Purchase:</b><br/><b>Tax Forms:</b></p> | <p><a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a><br/>A&amp;F, OSD, CTR<br/>Standard Contract Form<br/>RQS (optional pre-encumbrance)/PC/PRC<br/>GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)<br/>None</p>  |
| <h2 style="color: #0070C0;">N70</h2>  | <h3 style="color: #0070C0;">CLEANERS/JANITORS</h3> <p>Services to clean or maintain offices or properties.</p>  |
| <p><b>Legal Authority:</b><br/><b>Oversight Department:</b><br/><b>Agreement Type:</b><br/><b>Pre/Encumb/Payment Request:</b><br/><b>Incidental Purchase:</b><br/><b>Tax Forms:</b></p> | <p><a href="#">M.G.L. c. 149, § 27H</a>; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a><br/>A&amp;F, OSD, CTR<br/>Standard Contract Form<br/>RQS (optional pre-encumbrance)/CT/PRC<br/>GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)<br/>1099-NEC</p>  |
| <h2 style="color: #0070C0;">N71</h2>  | <h3 style="color: #0070C0;">EXTERMINATORS/INTEGRATED PEST MANAGEMENT</h3> <p>Persons who provide pest control services to eliminate or protect against health, safety and property damage risks caused by insects, rodents, birds, reptiles or other animals.</p>   |
| <p><b>Legal Authority:</b><br/><b>Oversight Department:</b><br/><b>Agreement Type:</b><br/><b>Pre/Encumb/Payment Request:</b><br/><b>Incidental Purchase:</b><br/><b>Tax Forms:</b></p> | <p><a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a>; <a href="#">M.G.L. c.132, § 11</a>; <a href="#">M.G.L. c.128, M.G.L. c. 129</a><br/>A&amp;F, OSD, ENV, CTR<br/>Standard Contract Form<br/>RQS (optional pre-encumbrance)/CT/PRC<br/>GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)<br/>1099-NEC</p>  |

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| <h2>N72</h2> | <p><b>HAZARDOUS WASTE REMOVAL SERVICES</b></p> <p>Costs associated with the assessment, disposal and/or removal of hazardous waste not related to a construction project. This includes costs associated with the planning and designing of hazardous waste services. Also includes medical waste. For non-hazardous waste removal, see <a href="#">N73</a>. For construction-related hazardous waste removal, see <a href="#">N14</a>.</p>   |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a>; <a href="#">M.G.L. c. 21E</a></p> <p><b>Oversight Department:</b> A&amp;F, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> 1099-NEC</p> |

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| <h2>N73</h2> | <p><b>NON-HAZARDOUS WASTE REMOVAL SERVICES</b></p> <p>Persons who remove and dispose of non-hazardous waste. For non-construction related hazardous waste removal, see <a href="#">N72</a>. Also includes document-destruction services. For Medical Waste, see <a href="#">N72</a>.</p>   |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a>; <a href="#">M.G.L. c. 16, § 18 et.seq</a>; <a href="#">21C</a></p> <p><b>Oversight Department:</b> A&amp;F, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> 1099-NEC</p> |

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| <h2>N74</h2> | <p><b>SNOW REMOVAL AND GROUNDSKEEPING SERVICES FOR BUILDINGS AND PARKS</b></p> <p>Snow removal, park maintenance, recreational grounds and sidewalks and perform other related duties. For state park and facility construction and repairs, see <a href="#">N41</a>. For the state highway snow removal programs, see <a href="#">N80</a>. See <a href="#">F23</a> for departments authorized to provide grounds keeping services. See <a href="#">HH2</a> for landscape designers. For any projects triggering <a href="#">M.G.L. c. 30, § 39M</a> see <a href="#">N41</a>.</p> |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> 1099-NEC</p>          |

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| <h2>N78</h2> | <p><b>HORIZONTAL AND VERTICAL CONSTRUCTION, IMPROVEMENTS, MAINTENANCE AND REPAIR COSTS, AND LAND ACQUISITION: SUB-RECIPIENT</b></p> <p>Encumbrance and payment activity involving sub-recipients of federal funds. Federal funds are reported as sub-recipient payments. Vendor services must use other appropriate object codes. (Use required object codes for vendor services).</p>   |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 29, § 9G, § 29A</a>; <a href="#">M.G.L. c. 140B, §§ 9-10</a>; <a href="#">M.G.L. c. 81</a>; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a>; <a href="#">M.G.L. c. 30, §§ 39A-39R</a>; <a href="#">M.G.L. c. 149, § 44A-44J</a>; <a href="#">M.G.L. c. 25A section 11C</a>; <a href="#">Federal Single Audit Act, OMB A-133</a>; <a href="#">the American Reinvestment and Recovery Act of 2009 (ARRA)</a></p> <p><b>Oversight Department:</b> A&amp;F, HRD, OSD, CTR</p> <p><b>Sub-Recipient:</b> Federal funds are reported as sub-recipient payments</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> 1099-NEC</p> |

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| <b>N80</b>                         | <p><b>SNOW AND ICE HIRED EQUIPMENT AND REMOVAL</b></p> <p>Costs associated with snow and ice hired equipment and snow removal programs for state roads snow removal programs.</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 81</a> ; <a href="#">M.G.L. c. 161C</a> ; <a href="#">M.G.L. c. 29, § 9G</a> ; <a href="#">M.G.L. c. 140B, § 10</a> ; <a href="#">M.G.L. c. 30, § 39M</a>   |
| <b>Oversight Department:</b>       | DOT, ENV, A&F, CTR  |
| <b>Agreement Type:</b>             | Construction Contract; Standard Contract Form   |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/CT/PRC   |
| <b>Incidental Purchase:</b>        | N/A   |
| <b>Tax Forms:</b>                  | 1099-NEC  |

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| <b>N87</b>                      | <p><b>CASH WITH CAMPUS</b></p> <p>Pursuant to Massachusetts General Law requiring Commonwealth Colleges and Universities to report the activity of campus-based funds by subsidiary to the Comptroller of the Commonwealth on the Commonwealth’s Statewide Accounting System, MMARS (Fund 0901).</p> |
| <b>Legal Authority:</b>         | <a href="#">M.G.L. c. 15A, § 15C</a> Authorizing Legislation   |
| <b>Oversight Department:</b>    | CTR  |
| <b>Agreement Type:</b>          | Relevant Supporting Detail on college and university accounting systems.   |
| <b>Payment/Receipt Request:</b> | TV/RT (Use restricted to colleges and universities)  |
| <b>Incidental Purchase:</b>     | N/A  |
| <b>Tax Forms:</b>               | Forms 1099 and 1042 – Colleges and Universities Responsible for Compliance using local Tax Identification Number   |

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| <b>N90</b>                         | <p><b>OPERATING TRANSFER</b></p> <p>Construction and improvements of buildings and maintenance of infrastructure and land acquisition.</p> |
| <b>Legal Authority:</b>            | Authorizing Legislation; <a href="#">815 CMR 6.00</a>  |
| <b>Oversight Department:</b>       | CTR  |
| <b>Agreement Type:</b>             | Copy of Authorizing Legislation, Relevant Supporting Documentation   |
| <b>Pre/Encumb/Payment Request:</b> | OT (Use restricted to CTR)   |
| <b>Incidental Purchase:</b>        | N/A  |
| <b>Tax Forms:</b>                  | None   |

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| <b>N90</b>                         | <p><b>HORIZONTAL AND VERTICAL CONSTRUCTION RELATED SETTLEMENTS AND JUDGMENTS – TAX REPORTABLE TO CLAIMANT – CLAIMANT AND ATTORNEY JOINT PAYEES OR ATTORNEY SOLE PAYEE</b></p> <p>No payments may be made using this object code without prior approval of CTR’s Legal Unit of claim and use of object code. Payments under this object code include non-employment related settlements, court or administrative judgments resulting in damage payments which are tax reportable to the claimant and their attorney because the payment is made either jointly to the claimant and claimant’s attorney, or solely to claimant attorney. No payments may be made to a third party that is not the claimant’s attorney. All payments must be made using the attorney’s TIN. Types of damages payable under this object code include vertical and horizontal construction claims and other claims authorized to be paid under this object code by CTR’s Legal Unit. These claims are payable by department using department funds associated with the relevant contract or other legally available department funds. All payments are subject to appropriations. See <a href="#">N95</a> and <a href="#">N99</a> for all interest payments that must be paid separately from damages.</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 258</a> ; <a href="#">815 CMR 5.00</a> , Authorizing Legislation, <a href="#">Settlement or Judgment</a>  |
| <b>Oversight Department:</b>       | AGO, A&F, CTR   |
| <b>Agreement Type:</b>             | Certified copy of Settlement or Judgment; Relevant Supporting Documentation   |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX/RQS (optional pre-encumbrance)/CT/PRC  |
| <b>Incidental Purchase:</b>        | N/A   |
| <b>Tax Forms:</b>                  | 1099-MISC to Attorney, CTR issues manual 1099-MISC to Claimant  |



# EXPENDITURE CLASSIFICATION HANDBOOK

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| <h2 style="color: #0070C0;">N94</h2> | <p><b>HORIZONTAL AND VERTICAL CONSTRUCTION RELATED SETTLEMENTS AND JUDGMENTS – TAX REPORTABLE TO CLAIMANT – CLAIMANT SOLE PAYEE</b></p> <p>No payments may be made using this object code without prior approval of CTR’s Legal Unit of claim and use of object code. Payments under this object code include non-employment related settlements, court or administrative judgments resulting in damage payments which are tax reportable to the claimant, and which are payable solely to claimant or third-party insurer. All payments must be made under claimant’s TIN. The check may be mailed to the claimant’s attorney or other 3<sup>rd</sup> party address using an additional remittance address without the attorney or 3<sup>rd</sup> party being listed as a payee. Payments to claimant attorneys may not be made using this object code. Types of damages payable under this object code include vertical and horizontal construction claims and other claims authorized to be paid under this object code by CTR’s Legal Unit. Upon approval of use of object code by CTR’s Legal Unit, these claims are payable by department using department funds associated with the relevant contract or other legally available department funds. Does NOT include employment related claims (claims made by current or former employee arising from employment). See <a href="#">N95</a> and <a href="#">N99</a> for interest payments.</p> |
|                                      | <p><b>Legal Authority:</b> <a href="#">815 CMR 5.00</a>, Authorizing Legislation, <a href="#">Settlement or Judgment</a></p> <p><b>Oversight Department:</b> AGO, A&amp;F, CTR</p> <p><b>Agreement Type:</b> Certified copy of Settlement or Judgment; Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance)/GAE/GAX/RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> 1099-MISC to Claimant or Insurer</p>   |
| <h2 style="color: #0070C0;">N95</h2> | <p><b>LATE PAYMENT INTEREST ON CONSTRUCTION AND IMPROVEMENT PROJECTS</b></p> <p>Penalty interest on late payments related to a construction project or settlement or judgment arising out of a construction project. Excludes interest payments on eminent domain takings, See <a href="#">N96</a>.</p> <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 30, § 39G-39K</a>; <a href="#">815 CMR 4.00</a></p> <p><b>Oversight Department:</b> CTR, DOT, DCP</p> <p><b>Agreement Type:</b> Valid Claim Under Contract</p> <p><b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance)/GAE/GAX/RQS (optional preencumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> 1099-INT</p>   |
| <h2 style="color: #0070C0;">N96</h2> | <p><b>LATE PAYMENT INTEREST ON EMINENT DOMAIN TAKING</b></p> <p>Interest payments on eminent domain taking.</p> <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 79, § 37</a></p> <p><b>Oversight Department:</b> CTR</p> <p><b>Agreement Type:</b> Valid Claim Under Contract</p> <p><b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance)/GAE/GAX/RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> 1099-INT</p>   |
| <h2 style="color: #0070C0;">N98</h2> | <p><b>REIMBURSEMENTS FOR TRAVEL AND OTHER EXPENSES FOR INFRASTRUCTURE PROJECTS</b></p> <p>Authorizations for reimbursements are included in the service contract. Reimbursements are not tax reportable because the recipient is required to account for expenditures.</p> <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 29, § 29A</a>; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, OSD, CTR</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation, Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> None</p>  |



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| <b>N99</b>                         | <b>LATE PENALTY INTEREST</b><br>Interest penalty for late payments.   |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 29, §§ 20C, 29C</a> ; <a href="#">M.G.L. c. 7A, § 5A</a> ; <a href="#">815 CMR 4.00</a> |
| <b>Oversight Department:</b>       | CTR   |
| <b>Agreement Type:</b>             | Valid Claim Under Contract  |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX  |
| <b>Incidental Purchase:</b>        | N/A   |
| <b>Tax Forms:</b>                  | 1099-INT  |

# EXPENDITURE CLASSIFICATION HANDBOOK

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## OBJECT CLASS PP GRANTS AND SUBSIDIES

### Covered Expenditures

This object class includes grants and subsidies to both public and non-public entities, with certain specified restrictions, as outlined in [815 CMR 2.00](#) and CTR Policy [State Grants and Federal Sub Grants](#). A public entity includes, but shall not be limited to, a city, town, township, municipality, commission, district, school district, special district, local public authority, or any department or instrumentality of local public authorities, and public authorities (as defined in [M.G.L. c. 29, § 1](#)). A grant provides financial assistance under contractual terms with Grantees (Public and Non-Public entities) to achieve, through a joint venture, a specified public purpose to benefit the general public or a segment of the general public consistent with the Grantor department's legislative mandate. A grant may not be made for a procurement or contract for the purchase of Goods or Services for a department's own use. Grants of discretionary funds that have not been legislatively designated to either be distributed through a formula or other non-discretionary method, or to specified grantees, are awarded through an open public process. A subsidy is a legislatively mandated payment of a specific amount of funds to a specifically named entity.

### Requirements

All Commonwealth departments disbursing grants must comply with [815 CMR 2.00](#) and are responsible for making contract obligations and expenditures in compliance with applicable laws and CTR Fiscal Policies. All departments that take advantage of Incidental Grants must comply with Incidental Purchase requirements identified by CTR and OSD. All grants must use the Standard Contract Form. Subsidies must use the Subsidy Agreement or comparable agreement.

### Expenditures Not Covered

This object class does not include purchased human service programs, and other contract types of client human and non-human services and social services, see Object Class [MM](#). For Entitlement Programs, see Object Class [RR](#).

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| <b>P01</b> | <b>GRANTS TO PUBLIC ENTITIES: SUB-RECIPIENT</b><br>Payments of discretionary and non-discretionary (designated) financial assistance under contractual terms to achieve, through a joint venture, a specified public purpose to benefit the general public or a segment of the general public consistent with the Grantor department's legislative mandate. Grants to public entities may be made from all sources of funds (account types: Budgetary, Capital, Trust and Federal). Federal funds are reported as sub-recipient payments. Vendor services must use other appropriate object codes. (Use required object codes for vendor services). |
|            | <b>Legal Authority:</b> Appropriation Act; <a href="#">815 CMR 2.00</a> ; <a href="#">Federal Single Audit Act</a> , <a href="#">OMB A-133</a> ; <a href="#">the American Reinvestment and Recovery Act of 2009 (ARRA)</a><br><b>Oversight Department:</b> CTR<br><b>Sub-Recipient:</b> Federal funds are reported as sub-recipient payments<br><b>Agreement Type:</b> Standard Contract Form; Copy of Legislation/Grant naming entity/Formula<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC; GAE/GAX<br><b>Incidental Purchase:</b> N/A<br><b>Tax Forms:</b> 1099-G  |

# EXPENDITURE CLASSIFICATION HANDBOOK

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| <b>PP1</b> | <p><b>GRANTS TO NON-PUBLIC ENTITIES: SUB-RECIPIENT</b></p> <p>Payments of discretionary and non-discretionary (designated) financial assistance under contractual terms to achieve, through a joint venture, a specified public purpose to benefit the general public or a segment of the general public consistent with the grantor department’s legislative mandate. Grants to non-public entities in budgetary and capital funds must be publicly posted in accordance with the CTR Grants Policy. Federal funds are reported as sub-recipient payments. Vendor services must use other appropriate object codes. (Use required object codes for vendor services).</p>   |
|            | <p><b>Legal Authority:</b> Authorizing Legislation; Appropriation Act; <a href="#">815 CMR 2.00</a>; <a href="#">Federal Single Audit Act, OMB A-133</a>; <a href="#">the American Reinvestment and Recovery Act of 2009 (ARRA)</a></p> <p><b>Oversight Department:</b> CTR</p> <p><b>Sub-Recipient:</b> Federal funds are reported as sub-recipient payments</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> See <a href="#">815 CMR 2.00</a> and CTR Policies for guidance on Incidental Grants; same threshold as Incidental Purchases; GAE/INP use restricted to Incidental Purchases</p> <p><b>Tax Forms:</b> 1099-G</p> |

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| <b>P02</b> | <p><b>SUBSIDIES</b></p> <p>Non-discretionary funds unconditionally appropriated by the Legislature to a specific entity. In order to be considered a “subsidy”, the Appropriation Act or general or special language must designate the funds as a direct “payment” (not as “Grant” or a “Contract”) and must specify the amount of funds to be paid and the name of the entity to receive the payment(s). <b>Comments:</b> A copy of the appropriation act or general or special law language authorizing the subsidy must be submitted.</p> |
|            | <p><b>Legal Authority:</b> Authorizing Legislation; Appropriation Act; <a href="#">815 CMR 2.00</a></p> <p><b>Oversight Department:</b> CTR</p> <p><b>Agreement Type:</b> Copy of Authorizing Act Language Authorizing Subsidy; Subsidy Agreement</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> 1099-G</p>  |

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| <b>P04</b> | <p><b>“CHERRY SHEET” DISTRIBUTIONS</b></p> <p>Designated local aid payments based upon percentages delineated in the General Appropriations Act. <b>Comments:</b> These are usually direct transfers to a city, town or other local governmental entity.</p>   |
|            | <p><b>Legal Authority:</b> Appropriation Act; Authorizing Legislation</p> <p><b>Oversight Department:</b> BLC, DOE, DOR, MGC, TRE, CTR</p> <p><b>Agreement Type:</b> N/A</p> <p><b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance)/GAE/GAX</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p> |

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| <b>P05</b> | <p><b>STATE-COLLECTED TAXES, FINES, FEES, ETC. DISTRIBUTED TO LOCAL GOVERNMENTS</b></p> <p>Taxes, fines, fees, etc. imposed at the option of local governments, which are collected at the state level and redistributed to eligible units of local government, such as: hotel/motel and jet fuel taxes. <b>Comments:</b> City or town taxes collected by the state and disbursed by TRE (for example: hotel/motel tax; jet fuel tax).</p> |
|            | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 64G, § 3A</a>; <a href="#">M.G.L. c. 64J</a>; Authorizing Legislation</p> <p><b>Oversight Department:</b> DOR, TRE, CTR</p> <p><b>Agreement Type:</b> N/A</p> <p><b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance)/GAE/GAX/TD</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p>  |

# EXPENDITURE CLASSIFICATION HANDBOOK

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|                                    |  |
|------------------------------------|--|
| <b>P06</b>                         | <b>OTHER FINANCIAL ASSISTANCE TO STATE AUTHORITIES</b>   |
|                                    | Legislatively mandated commitments by the Commonwealth to fund an identifiable expense originally incurred by a state authority (as defined by <a href="#">M.G.L. c. 29, § 1</a> ). <b>Comments:</b> For example: debt service assistance and agreement by the Commonwealth to act as guarantor of authority debt. |
| <b>Legal Authority:</b>            | Appropriation Act; Authorizing Legislation   |
| <b>Oversight Department:</b>       | CTR  |
| <b>Agreement Type:</b>             | Copy of Authorizing Legislation  |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX/TD  |
| <b>Incidental Purchase:</b>        | N/A  |
| <b>Tax Forms:</b>                  | None   |

|                                    |   |
|------------------------------------|---|
| <b>P07</b>                         | <b>FINANCIAL ASSISTANCE FOR WITNESS PROTECTION SERVICES</b>   |
|                                    | Legislatively authorized payments for Witness Protection Services approved by the Witness Protection Board as identified by and provided by District Attorneys, the Attorney General or other legislatively specified departments. (As defined by <a href="#">M.G.L. c. 263A</a> ). |
| <b>Legal Authority:</b>            | Appropriation Act; Authorizing Legislation; <a href="#">M.G.L. c. 263A</a>  |
| <b>Oversight Department:</b>       | EPS, CTR  |
| <b>Agreement Type:</b>             | Copy of Authorizing Legislation   |
| <b>Pre/Encumb/Payment Request:</b> | EA/AR /GAP (optional pre-encumbrance)/GAE/GAX/IE/ITI, ITA (Use restricted to AGO, District Attorneys and EPS)   |
| <b>Incidental Purchase:</b>        | N/A   |
| <b>Tax Forms:</b>                  | None  |

|                              |   |
|------------------------------|---|
| <b>P75</b>                   | <b>ADVANCES GRANTS AND SUBSIDIES</b>              |
|                              | Used to encumber advances in the PP Object Class. |
| <b>Legal Authority:</b>      | <a href="#">M.G.L. c. 29, §§ 23, 24, 25</a>       |
| <b>Oversight Department:</b> | TRE, HRD, CTR                                     |
| <b>Agreement Type:</b>       | Relevant Supporting Documentation                 |
| <b>Payment Request:</b>      | EAV/RA/AR   |
| <b>Incidental Purchase:</b>  | N/A   |
| <b>Tax Forms:</b>            | None  |

|                                 |  |
|---------------------------------|--|
| <b>P87</b>                      | <b>CASH WITH CAMPUS</b>  |
|                                 | Pursuant to Massachusetts General Law requiring Commonwealth Colleges and Universities to report the activity of campus-based funds by subsidiary to the Comptroller of the Commonwealth on the Commonwealth's Statewide Accounting System, MMARS (Fund 0901). |
| <b>Legal Authority:</b>         | <a href="#">M.G.L. c. 15A, § 15C</a> Authorizing Legislation   |
| <b>Oversight Department:</b>    | CTR  |
| <b>Agreement Type:</b>          | Relevant Supporting Detail on college and university accounting systems.   |
| <b>Payment/Receipt Request:</b> | TV/RT (Use restricted to colleges and universities)  |
| <b>Incidental Purchase:</b>     | N/A  |
| <b>Tax Forms:</b>               | Forms 1099 and 1042 – Colleges and Universities Responsible for Compliance using local Tax Identification Number   |

|                                    |  |
|------------------------------------|--|
| <b>P90</b>                         | <b>OPERATING TRANSFER</b>  |
|                                    | Grants and Subsidies   |
| <b>Legal Authority:</b>            | Authorizing Legislation; <a href="#">815 CMR 6.00</a>              |
| <b>Oversight Department:</b>       | CTR  |
| <b>Agreement Type:</b>             | Copy of Authorizing Legislation, Relevant Supporting Documentation |
| <b>Pre/Encumb/Payment Request:</b> | OT (Use restricted to CTR)   |
| <b>Incidental Purchase:</b>        | N/A  |
| <b>Tax Forms:</b>                  | None   |

# EXPENDITURE CLASSIFICATION HANDBOOK

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## OBJECT CLASS RR ENTITLEMENT PROGRAMS

### Covered Expenditures

This object class includes entitlement payments made to recipients/beneficiaries and/or service providers on behalf of recipients/beneficiaries for authorized services to Commonwealth residents. The Commonwealth through an authorized state department that maintains the program and is governed by specific rules and regulations determines eligibility and verification of the recipient and/or provider to participate in entitlement programs. **These payments are primarily categorized as financial assistance and the recipients/beneficiaries are identified prior to payment.**

### Requirements

All Commonwealth departments are responsible for making contract obligations and expenditures in compliance with applicable laws and CTR Fiscal Policies). All departments that take advantage of incidental purchases must comply with incidental purchase requirements identified by CTR and OSD. In addition, for commodity and services contracts:

- Executive departments “Level III” must comply with [M.G.L. c. 7, § 22](#), [801 CMR 21.00](#) and the “[Conducting Best Value Procurements Handbook](#)” for [801 CMR 21.00](#) covered goods and services, and must purchase from available Statewide Contracts, and use specified Commonwealth contract forms. Exceptions from using Statewide Contracts 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 [Conducting Best Value Procurements Handbook](#);
- Non-Executive departments “Level II” must comply with [M.G.L. c. 7, § 22](#), internal procurement policies and procedures and use specified Commonwealth contract forms.
- Exempt departments “Level I” must comply with internal procurement policies and procedures and if the department takes advantage of MMARS document processing delegation, the department must use specified Commonwealth forms.

### Expenditures Not Covered

This object class does not include purchased human service programs, and other contract types of client human and non-human services and social services, see Object Class [MM](#). For Grants and Subsidies, see Object Class [PP](#).

|                                    |   |
|------------------------------------|---|
| <b>R01</b>                         | <b>TRANSITIONAL AID FOR NEEDY FAMILIES (TA&amp;F)</b><br>Financial assistance to low-income families with dependent children. |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 18</a> ; <a href="#">M.G.L. c. 118</a> ; Appropriation Act  |
| <b>Oversight Department:</b>       | EHS, CTR  |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation   |
| <b>Pre/Encumb/Payment Request:</b> | EA (Use restricted to WEL)  |
| <b>Incidental Purchase:</b>        | N/A   |
| <b>Tax Forms:</b>                  | None  |

|                                    |  |
|------------------------------------|--|
| <b>RR1</b>                         | <b>NUTRITIONAL ASSISTANCE</b><br>Nutritional assistance to eligible or qualifying low-income families and individuals. (In particular, nutritional assistance to non-citizens who were made ineligible for the Food Stamp Program due to non-citizen status. Recipient must have resided in the Commonwealth for at least 60 days. |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c.18, § 2</a> ; <a href="#">M.G.L. c. 118</a> ; Appropriation Act   |
| <b>Oversight Department:</b>       | EHS, CTR   |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation  |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX (Use restricted to WEL)   |
| <b>Incidental Purchase:</b>        | N/A  |
| <b>Tax Forms:</b>                  | None   |

# EXPENDITURE CLASSIFICATION HANDBOOK

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|                                    |   |
|------------------------------------|---|
| <b>R02</b>                         | <p><b>EMERGENCY ASSISTANCE</b></p> <p>Emergency payments of rental assistance for individuals, or on behalf of individuals, regardless of qualification or status in any other benefit/assistance program.</p>  |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 18</a> ; <a href="#">M.G.L. c. 18B, § 2</a> ; <a href="#">M.G.L. c. 19A, § 18</a> ; <a href="#">M.G.L. c. 23B, § 24, 25, 26</a> ; <a href="#">M.G.L. c. 111E, § 9</a> ; Appropriation Act |
| <b>Oversight Department:</b>       | EHS, CTR  |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation   |
| <b>Pre/Encumb/Payment Request:</b> | EA/EBT (Use restricted to WEL)  |
| <b>Incidental Purchase:</b>        | N/A   |
| <b>Tax Forms:</b>                  | None  |

|                                    |   |
|------------------------------------|---|
| <b>R03</b>                         | <p><b>FUEL ASSISTANCE: SUB-RECIPIENTS</b></p> <p>Payments directly to, and on behalf of, qualified applicants for energy related programs, e.g., LIHEAP and utility payments. Federal funds are reported as sub-recipient payments. Vendor services must use other appropriate object codes. (Use required object codes for vendor services).</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 23B, § 24A</a> ; Appropriation Act; <a href="#">Federal Single Audit Act, OMB A-133</a> ; <a href="#">the American Reinvestment and Recovery Act of 2009 (ARRA)</a>   |
| <b>Oversight Department:</b>       | OCD, CTR  |
| <b>Sub-Recipient:</b>              | Federal funds are reported as sub-recipient payments  |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation   |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX  |
| <b>Incidental Purchase:</b>        | N/A   |
| <b>Tax Forms:</b>                  | None  |

|                                    |  |
|------------------------------------|--|
| <b>R04</b>                         | <p><b>SUPPLEMENTAL SECURITY INCOME (SSI)</b></p> <p>A federally administered program, funded in part by the Commonwealth, which provides cash assistance to the elderly, disabled and blind.</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 18, § 2</a> ; <a href="#">M.G.L. c. 118A, § 1</a> ; <a href="#">M.G.L. c. 117A, § 1</a> ; Appropriation Act  |
| <b>Oversight Department:</b>       | EHS, CTR   |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation  |
| <b>Pre/Encumb/Payment Request:</b> | EA   |
| <b>Incidental Purchase:</b>        | N/A  |
| <b>Tax Forms:</b>                  | None   |

|                                    |   |
|------------------------------------|---|
| <b>R05</b>                         | <p><b>REFUGEE ASSISTANCE</b></p> <p>A federally administered program, funded in part by the Commonwealth, which provides cash assistance to the elderly, disabled and blind.</p>    |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 6, § 206</a> ; <a href="#">Refugee Act of 1980, (P. L. 96.212)</a> ; <a href="#">Immigration Reform &amp; Control Act, (P. L. 99-603)</a> ; Appropriation Act |
| <b>Oversight Department:</b>       | EHS, CTR  |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation   |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX/EA   |
| <b>Incidental Purchase:</b>        | N/A   |
| <b>Tax Forms:</b>                  | None  |

|                                    |   |
|------------------------------------|---|
| <b>R06</b>                         | <p><b>EMERGENCY AID TO THE ELDERLY, DISABLED, AND CHILDREN (EAEDC)</b></p> <p>Financial assistance to needy individual's ineligible for other public assistance programs e.g., TA&amp;F or SSI or Organ Transplant (non-reportable) Program. For medical assistance, see <a href="#">R07</a>.</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 18, § 2</a> ; <a href="#">M.G.L. c. 117A, § 1</a> ; Rev. Rul. 71-425; Appropriation Act   |
| <b>Oversight Department:</b>       | EHS, CTR  |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation   |
| <b>Pre/Encumb/Payment Request:</b> | EA RQS (optional pre-encumbrance)/CT/PRC/EBT  |
| <b>Incidental Purchase:</b>        | N/A   |
| <b>Tax Forms:</b>                  | None  |

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|                                    |   |
|------------------------------------|---|
| <h2 style="margin: 0;">R07</h2>    | <p><b>MEDICAL ASSISTANCE</b></p> <p>Limited medical benefit payments for needy individual’s ineligible for other public assistance programs like Medicaid. For these programs, see R10. Includes Healthy Start, Organ Transplant (reportable) Program, etc.</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 118E</a> ; Authorizing Legislation; <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a> ; Appropriation Act  |
| <b>Oversight Department:</b>       | A&F, EHS, OSD, CTR  |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | EA/RQS (optional pre-encumbrance)/CT/PRC/EBT  |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to Incidental Purchases  |
| <b>Tax Forms:</b>                  | 1099(MISC), Medical and Health Care Payments  |

|                                    |  |
|------------------------------------|--|
| <h2 style="margin: 0;">R08</h2>    | <p><b>CHILD SUPPORT</b></p> <p>Payments to custodial parents who are <u>not</u> currently receiving TA&amp;F benefits.</p> |
| <b>Legal Authority:</b>            | <a href="#">42 U.S.C. § 651</a> ; <a href="#">M.G.L. c. 119</a> ; <a href="#">MG.L. c. 119A</a> ; Appropriation Act        |
| <b>Oversight Department:</b>       | DOR, CTR   |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation  |
| <b>Pre/Encumb/Payment Request:</b> | EA   |
| <b>Incidental Purchase:</b>        | N/A  |
| <b>Tax Forms:</b>                  | None   |

|                                    |  |
|------------------------------------|--|
| <h2 style="margin: 0;">R09</h2>    | <p><b>EDUCATIONAL ASSISTANCE: SUB-RECIPIENTS</b></p> <p>Scholarship, stipend, and fellowship payments directly to, or on behalf of, Commonwealth students. Includes the Commonwealth match for federal financial aid programs, National Health Service Corps (NHSC) Loan Repayment Program and State Loan Repayment Program (SLRP) payments. Federal funds are reported as sub-recipient payments. Vendor services must use other appropriate object codes. (Use required object codes for vendor services).</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 15A</a> ; <a href="#">M.G.L. c. 15C</a> ; <a href="#">M.G.L. c. 18, § 2</a> ; M.G.L. c. S55 (Mass. Higher Education Assistance Corp.); Appropriation Act; <a href="#">Federal Single Audit Act</a> , <a href="#">OMB A-133</a> ; <a href="#">the American Reinvestment and Recovery Act of 2009 (ARRA)</a>   |
| <b>Oversight Department:</b>       | RGT, Higher Education departments, CTR   |
| <b>Sub-Recipient:</b>              | Federal funds are reported as sub-recipient payments   |
| <b>Agreement Type:</b>             | Scholarship/Fellowship Language  |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX   |
| <b>Incidental Purchase:</b>        | N/A  |
| <b>Tax Forms:</b>                  | None   |

|                                    |   |
|------------------------------------|---|
| <h2 style="margin: 0;">R10</h2>    | <p><b>MEDICAID</b></p> <p>Payments to providers for medical assistance given on behalf of financially and medically needy individuals.</p>  |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 18, § 2</a> ; <a href="#">M.G.L. c. 118E</a> ; <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a> ; Appropriation Act |
| <b>Oversight Department:</b>       | A&F, EHS, OSD, CTR  |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/CT/PRC/IET   |
| <b>Incidental Purchase:</b>        | N/A   |
| <b>Tax Forms:</b>                  | 1099-MISC, Medical and Health Care Payments   |



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|                                    |  |
|------------------------------------|--|
| <b>R11</b>                         | <p><b>MANDATED SHARED COSTS: SUB-RECIPIENTS</b></p> <p>Programs with legislatively shared cost components; for example: “Section 8” and “Chapter 766”. Federal funds are reported as sub-recipient payments. Vendor services must use other appropriate object codes. (Use required object codes for vendor services).</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 121B</a> ; <a href="#">M.G.L. c. 71B</a> ; <a href="#">603 CMR 28.00</a> ; Appropriation Act; <a href="#">Federal Single Audit Act</a> , <a href="#">OMB A-133</a> ; <a href="#">the American Reinvestment and Recovery Act of 2009 (ARRA)</a>   |
| <b>Oversight Department:</b>       | OCD, DOE, CTR  |
| <b>Sub-Recipient:</b>              | Federal funds are reported as sub-recipient payments   |
| <b>Agreement Type:</b>             | Standard Contract Form   |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/CT/PRC/EBT  |
| <b>Incidental Purchase:</b>        | N/A  |
| <b>Tax Forms:</b>                  | 1099-NEC   |

|                                    |  |
|------------------------------------|--|
| <b>R12</b>                         | <p><b>INMATE RELEASE</b></p> <p>Payments authorized by the superintendent of a correctional institution to an inmate upon release.</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 6, § 129</a> ; Appropriation Act   |
| <b>Oversight Department:</b>       | EPS, CTR   |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation  |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX   |
| <b>Incidental Purchase:</b>        | N/A  |
| <b>Tax Forms:</b>                  | None   |

|                              |   |
|------------------------------|---|
| <b>R13</b>                   | <p><b>VETERANS ASSISTANCE</b></p> <p>Reimbursements to cities and towns for financial assistance to veterans. Includes war bonus payments directly to veterans and payments of annuities and payments for annuities to 100% disabled veterans and certain parents and spouses of deceased veterans.</p> |
| <b>Legal Authority:</b>      | <a href="#">M.G.L. c. 115, § 6</a> ; Appropriation Act  |
| <b>Oversight Department:</b> | TRE, VET, CTR   |
| <b>Agreement Type:</b>       | Relevant Supporting Documentation   |
| <b>Pre/Encumb/Payment:</b>   | GAP (optional pre-encumbrance)/GAE/GAX/PREXP  |
| <b>Incidental Purchase:</b>  | N/A   |
| <b>Tax Forms:</b>            | None  |

|                                    |   |
|------------------------------------|---|
| <b>R14</b>                         | <p><b>ENVIRONMENTAL CONSERVATION PROGRAMS: SUB-RECIPIENT</b></p> <p>Payments on behalf of pre-qualified individuals for home energy improvements and for the removal of environmental hazardous materials in the home or other conservation programs. Federal funds are reported as sub-recipient payments. Vendor services must use other appropriate object codes. (Use required object codes for vendor services).</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 25A, § 11A</a> ; Appropriation Act; <a href="#">Federal Single Audit Act</a> , <a href="#">OMB A-133</a> ; <a href="#">the American Reinvestment and Recovery Act of 2009 (ARRA)</a>  |
| <b>Oversight Department:</b>       | OCD, CTR  |
| <b>Sub-Recipient:</b>              | Federal funds are reported as sub-recipient payments  |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/CT/PRC   |
| <b>Incidental Purchase:</b>        | N/A   |
| <b>Tax Forms:</b>                  | None  |

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|              |   |
|--------------|---|
| <h2>R15</h2> | <p><b>VOUCHER TYPE PROGRAMS: SUB-RECIPIENT</b></p> <p>Payments to providers on behalf of clients who have received a specific service for a pre-determined amount, for example: day care and Women, Infants, and Children (WIC), nutrition and school lunch. Federal funds are reported as sub-recipient payments. Vendor services must use other appropriate object codes. (Use required object codes for vendor services).</p>  |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 18B</a>; Appropriation Act; <a href="#">Federal Single Audit Act, OMB A-133</a>; <a href="#">the American Reinvestment and Recovery Act of 2009 (ARRA)</a></p> <p><b>Oversight Department:</b> EHS, DOE, CTR</p> <p><b>Sub-Recipient:</b> Federal funds are reported as sub-recipient payments</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC/IE/ITI, ITA</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> 1099-NEC</p> |

|              |  |
|--------------|--|
| <h2>R16</h2> | <p><b>INDIVIDUAL EMPLOYMENT ASSISTANCE</b></p> <p>Payments to clients for transportation expenses incurred while seeking employment or participating in employment training programs.</p>  |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 151A, § 22</a>; Appropriation Act</p> <p><b>Oversight Department:</b> EOL, EHS, CTR</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance)/GAE/GAX</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p> |

|              |  |
|--------------|--|
| <h2>R17</h2> | <p><b>UNEMPLOYMENT BENEFITS</b></p> <p>Benefits paid directly to eligible individuals who are unemployed.</p>  |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 151A, § 22</a>; Appropriation Act</p> <p><b>Oversight Department:</b> TRE, EOL</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance)/GAE/GAX/TD</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> 1099-G</p> |

|              |  |
|--------------|--|
| <h2>R18</h2> | <p><b>EMPLOYMENT ASSISTANCE</b></p> <p>Payments to providers on behalf of individuals seeking job training and payments to labor shortage programs such as: health care education, training, career development, and childcare.</p>  |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 151A</a>; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a>; Appropriation Act</p> <p><b>Oversight Department:</b> A&amp;F, EOL, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases</p> <p><b>Tax Forms:</b> 1099-NEC</p> |

|              |   |
|--------------|---|
| <h2>R19</h2> | <p><b>COMPENSATION TO VICTIMS OF VIOLENT CRIMES</b></p> <p>Payments for expenses incurred as a result of violent crimes. Also provides for benefits to spouse/family members killed in the line of duty.</p>  |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 258B</a>; <a href="#">M.G.L. c. 32, § 100A</a>; Appropriation Act</p> <p><b>Oversight Department:</b> AGO</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance)/GAE, GX9 (Use restricted to TRE)</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p> |

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| <b>R20</b>   | <p><b>WORKERS' COMPENSATION</b><br/>Benefits paid to non-employees.</p>   |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 152</a><br/> <b>Oversight Department:</b> EOL, CTR<br/> <b>Agreement Type:</b> Relevant Supporting Documentation<br/> <b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance)/GAE/GAX<br/> <b>Incidental Purchase:</b> N/A<br/> <b>Tax Forms:</b> None</p>  |   |
| <b>R21</b>   | <p><b>CLIENT MEDICAL SERVICES: SUB-RECIPIENT</b><br/>Payments, as needed, to providers on behalf of custodial clients of the Commonwealth who need services such as: medical, rehabilitative, etc.; and medical payments for non-employees by an authorized department. Federal funds are reported as sub-recipient payments. Vendor services must use other appropriate object codes. (Use required object codes for vendor services).</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 18, § 2</a>; <a href="#">M.G.L. c. 118</a>; <a href="#">815 CMR 3.00</a>; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a>; Appropriation Act; <a href="#">Federal Single Audit Act</a>, <a href="#">OMB A-133</a>; <a href="#">the American Reinvestment and Recovery Act of 2009 (ARRA)</a><br/> <b>Oversight Department:</b> A&amp;F, EHS, OSD, CTR<br/> <b>Sub-Recipient:</b> Federal funds are reported as sub-recipient payments<br/> <b>Agreement Type:</b> Standard Contract Form<br/> <b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC<br/> <b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases<br/> <b>Tax Forms:</b> 1099(MISC), Medical and Health Care Payments</p> |   |
| <b>R22</b>   | <p><b>HEALTH INSURANCE PROGRAMS</b><br/>Medical plan coverage to subscribers and payments to health insurance entities or the purpose of providing health insurance to residents. <b>Comments:</b> References Commonwealth's Universal Health Care Program and Mass Health Insurance Reimbursement Program.</p>   |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 118E</a>; Appropriation Act<br/> <b>Oversight Department:</b> EHS, CTR<br/> <b>Agreement Type:</b> Standard Contract Form<br/> <b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC/EA<br/> <b>Incidental Purchase:</b> N/A<br/> <b>Tax Forms:</b> None</p>   |   |
| <b>R23</b>   | <p><b>POSTMORTEM EXPENSES</b><br/>Postmortem related expenses, including the cost of funerals.</p>  |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 118, § 2</a>; <a href="#">M.G.L. c. 118A, § 7</a>; <a href="#">M.G.L. c. 41, § 100G</a>; Appropriation Act<br/> <b>Oversight Department:</b> EHS, CTR<br/> <b>Agreement Type:</b> Relevant Supporting Documentation<br/> <b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance)/GAE/GAX<br/> <b>Incidental Purchase:</b> N/A<br/> <b>Tax Forms:</b> None</p>   |   |

# EXPENDITURE CLASSIFICATION HANDBOOK

OFFICE OF THE COMPTROLLER

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| <b>R24</b> | <b>PUBLIC COUNSEL</b><br>Private attorneys contracted by the Committee for Public Counsel Services who provide direct legal services to indigent clients. Includes other expenses related directly to the provision of legal services to indigent clients.   |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 211D, § 12</a> ; <a href="#">M.G.L. c. 261, § 27A-G</a> ; Appropriation Act<br><b>Oversight Department:</b> CPC, CTR<br><b>Agreement Type:</b> Notice of Assignment; Court Motion<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC (Use restricted to CPC)<br><b>Incidental Purchase:</b> N/A<br><b>Tax Forms:</b> 1099-NEC |

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| <b>R25</b> | <b>CLIENT LEGAL SERVICES</b><br>Legal service payments for non-employees by an authorized department.   |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 211D, § 12</a> ; <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a> ;<br>Appropriation Act<br><b>Oversight Department:</b> A&F, OSD, CTR<br><b>Agreement Type:</b> Standard Contract Form<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC<br><b>Incidental Purchase:</b> GAE/INP use restricted to Incidental Purchases<br><b>Tax Forms:</b> 1099-NEC |

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| <b>R26</b> | <b>UNCOMPENSATED CARE PROGRAMS</b><br>Payments to hospitals and community health centers for the purpose of providing reimbursement for uncompensated care pool liabilities (Universal Health Care).  |
|            | <b>Legal Authority:</b> <a href="#">114.6 CMR 11.00</a> ; Appropriation Act<br><b>Oversight Department:</b> EHS, CTR<br><b>Agreement Type:</b> Relevant Supporting Documentation<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC (Use restricted to EHS)<br><b>Incidental Purchase:</b> N/A<br><b>Tax Forms:</b> None |

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| <b>R27</b> | <b>MEDICAID PERSONAL NEEDS ALLOWANCE (PNA)</b><br>Payments to Medicaid members for personal needs, such as: toiletries, health and comfort items, etc.   |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 118E</a> ; Appropriation Act<br><b>Oversight Department:</b> EHS, CTR<br><b>Agreement Type:</b> Relevant Supporting Documentation<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC<br><b>Incidental Purchase:</b> N/A<br><b>Tax Forms:</b> None |

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| <b>R28</b> | <b>MEDICAID PERSONAL MEMBER TRANSPORTATION</b><br>Payments to Medicaid members for out-of-pocket cash expenditures for travel to and from a Medicaid provider. For Client Transportation, see <a href="#">M04</a> .  |
|            | <b>Legal Authority:</b> <a href="#">M.G.L. c. 118E</a> ; Appropriation Act<br><b>Oversight Department:</b> EHS, CTR<br><b>Agreement Type:</b> Relevant Supporting Documentation<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC<br><b>Incidental Purchase:</b> N/A<br><b>Tax Forms:</b> None |

# EXPENDITURE CLASSIFICATION HANDBOOK

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| <b>R29</b>   | <p><b>TEACHER INCENTIVE PAYMENTS</b><br/>Incentive payments to attract and retain teachers employed in local public schools.</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 15A §§ 19A, B, C</a>; Appropriation Act<br/> <b>Oversight Department:</b> DOE, CTR<br/> <b>Agreement Type:</b> Relevant Supporting Documentation<br/> <b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance)/GAE/GAX (Use restricted to DOE)<br/> <b>Incidental Purchase:</b> N/A<br/> <b>Tax Forms:</b> 1099-MISC</p> |  |

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| <b>R40</b>   | <p><b>PAID FAMILY MEDICAL LEAVE BENEFITS</b><br/>Benefits paid directly to eligible individuals for family or medical leave.</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 175M</a><br/> <b>Oversight Department:</b> EOL<br/> <b>Agreement Type:</b> Relevant Supporting Documentation<br/> <b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance)/GAE/GAX/<br/> <b>Incidental Purchase:</b> N/A<br/> <b>Tax Forms:</b> 1099-G</p> |  |

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|---|---|
| <b>R75</b>  | <p><b>ADVANCES BENEFIT ENTITLEMENT PROGRAMS FOR R01, R02, R04, R06, AND R22</b><br/>Used to encumber advances in the Object Class RR. Specifically: R01, R02, R04, R06, R08 and R22. It must also be used to return advance funds with an AR.</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 29, §§ 23, 24, 25</a><br/> <b>Oversight Department:</b> TRE, HRD, CTR<br/> <b>Agreement Type:</b> Relevant Supporting Documentation<br/> <b>Encumb/Payment Request:</b> EAV/RA/AR<br/> <b>Incidental Purchase:</b> N/A<br/> <b>Tax Forms:</b> None</p> |   |

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| <b>R76</b>  | <p><b>ADVANCES BENEFIT ENTITLEMENT PROGRAMS FOR R08</b><br/>Used to encumber advances in the Object Class RR. Specifically: R08. It must also be used to return advance funds with an AR. Use restricted to DOR.</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 29, §§ 23, 24, 25</a><br/> <b>Oversight Department:</b> TRE, HRD, CTR<br/> <b>Agreement Type:</b> Relevant Supporting Documentation<br/> <b>Encumb/Payment Request:</b> EAV/RA/AR<br/> <b>Incidental Purchase:</b> N/A<br/> <b>Tax Forms:</b> None</p> |  |

|  |  |
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| <b>R77</b>   | <p><b>ADVANCES BENEFIT ENTITLEMENT PROGRAMS FOR R07</b><br/>Used to encumber advances in the Object Class RR. Specifically: R07. It must also be used to return advance funds with an AR. Use restricted to WEL.</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 29, §§ 23, 24, 25</a><br/> <b>Oversight Department:</b> TRE, CTR<br/> <b>Encumb/Payment Request:</b> EAV/RA/AR<br/> <b>Incidental Purchase:</b> N/A<br/> <b>Tax Forms:</b> None</p> |  |

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| <b>R87</b>   | <p><b>CASH WITH CAMPUS</b><br/>Pursuant to Massachusetts General Law requiring Commonwealth Colleges and Universities to report the activity of campus-based funds by subsidiary to the Comptroller of the Commonwealth on the Commonwealth's Statewide Accounting System, MMARS (Fund 0901).</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 15A, § 15C</a> Authorizing Legislation<br/> <b>Oversight Department:</b> CTR<br/> <b>Agreement Type:</b> Relevant Supporting Detail on college and university accounting systems.</p> |   |

# EXPENDITURE CLASSIFICATION HANDBOOK

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|---------------------------------|--|
| <b>Payment/Receipt Request:</b> | TV/RT (Use restricted to colleges and universities)  |
| <b>Incidental Purchase:</b>     | N/A  |
| <b>Tax Forms:</b>               | Forms 1099 and 1042 – Colleges and Universities Responsible for Compliance using local Tax Identification Number |

|                                    |  |
|------------------------------------|--|
| <b>R90</b>                         | <b>OPERATING TRANSFER</b><br>Entitlement programs.                 |
| <b>Legal Authority:</b>            | Authorizing Legislation; <a href="#">815 CMR 6.00</a>              |
| <b>Oversight Department:</b>       | CTR  |
| <b>Agreement Type:</b>             | Copy of Authorizing Legislation, Relevant Supporting Documentation |
| <b>Pre/Encumb/Payment Request:</b> | OT (Use restricted to CTR)   |
| <b>Incidental Purchase:</b>        | N/A  |
| <b>Tax Forms:</b>                  | None   |

|                                    |  |
|------------------------------------|--|
| <b>R99</b>                         | <b>LATE PENALTY INTEREST</b><br>Pursuant to <a href="#">815 CMR 4.00</a> , <a href="#">M.G.L. c. 7A, § 5A</a> ; <a href="#">M.G.L. c. 29 §§ 20C, 29C</a> . |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 29, §§ 20C, 29C</a> ; <a href="#">M.G.L. c. 7A, § 5A</a> ; <a href="#">815 CMR 4.00</a> ; Appropriation Act                          |
| <b>Oversight Department:</b>       | CTR  |
| <b>Agreement Type:</b>             | Valid Claim Under Contract   |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX   |
| <b>Incidental Purchase:</b>        | N/A  |
| <b>Tax Forms:</b>                  | 1099-INT   |

# EXPENDITURE CLASSIFICATION HANDBOOK

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## OBJECT CLASS SS

### DEBT PAYMENT

|                                    |                                    |
|------------------------------------|------------------------------------|
| <b>S01</b>                         | <b>BOND REDEMPTION - PRINCIPAL</b> |
| <b>Legal Authority:</b>            | Specific Bond Authorizations       |
| <b>Oversight Department:</b>       | TRE                                |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation  |
| <b>Pre/Encumb/Payment Request:</b> | TD (Use restricted to TRE and CTR) |
| <b>Incidental Purchase:</b>        | N/A                                |
| <b>Tax Forms:</b>                  | None                               |
| <b>S02</b>                         | <b>BOND REDEMPTION - INTEREST</b>  |
| <b>Legal Authority:</b>            | Specific Bond Authorizations       |
| <b>Oversight Department:</b>       | TRE                                |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation  |
| <b>Pre/Encumb/Payment Request:</b> | TD (Use restricted to TRE and CTR) |
| <b>Incidental Purchase:</b>        | N/A                                |
| <b>Tax Forms:</b>                  | None                               |
| <b>S03</b>                         | <b>BOND REDEMPTION - DISCOUNT</b>  |
| <b>Legal Authority:</b>            | Specific Bond Authorizations       |
| <b>Oversight Department:</b>       | TRE                                |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation  |
| <b>Pre/Encumb/Payment Request:</b> | TD (Use restricted to TRE and CTR) |
| <b>Incidental Purchase:</b>        | N/A                                |
| <b>Tax Forms:</b>                  | None                               |
| <b>S04</b>                         | <b>NOTE REDEMPTION - PRINCIPAL</b> |
| <b>Legal Authority:</b>            | Specific Bond Authorizations       |
| <b>Oversight Department:</b>       | TRE                                |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation  |
| <b>Pre/Encumb/Payment Request:</b> | TD (Use restricted to TRE and CTR) |
| <b>Incidental Purchase:</b>        | N/A                                |
| <b>Tax Forms:</b>                  | None                               |
| <b>S05</b>                         | <b>NOTE REDEMPTION - INTEREST</b>  |
| <b>Legal Authority:</b>            | Specific Bond Authorizations       |
| <b>Oversight Department:</b>       | TRE                                |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation  |
| <b>Pre/Encumb/Payment Request:</b> | TD (Use restricted to TRE and CTR) |
| <b>Incidental Purchase:</b>        | N/A                                |
| <b>Tax Forms:</b>                  | None                               |



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| <b>S06</b>   | <b>MINI-BOND REDEMPTION - PRINCIPAL</b> |
| <p><b>Legal Authority:</b> Specific Bond Authorizations<br/> <b>Oversight Department:</b> TRE<br/> <b>Agreement Type:</b> Relevant Supporting Documentation<br/> <b>Pre/Encumb/Payment Request:</b> TD (Use restricted to TRE and CTR)<br/> <b>Incidental Purchase:</b> N/A<br/> <b>Tax Forms:</b> None</p>  |   |
| <b>S07</b>   | <b>MINI-BOND REDEMPTION - ITEREST</b>   |
| <p><b>Legal Authority:</b> Specific Bond Authorizations<br/> <b>Oversight Department:</b> TRE<br/> <b>Agreement Type:</b> Relevant Supporting Documentation<br/> <b>Pre/Encumb/Payment Request:</b> TD (Use restricted to TRE and CTR)<br/> <b>Incidental Purchase:</b> N/A<br/> <b>Tax Forms:</b> None</p>  |   |
| <b>S08</b>   | <b>BOND SALE AGENT</b>                  |
| <p>Payments to agents for processing the sale of bonds and administrative costs.</p> <p><b>Legal Authority:</b> Specific Bond Authorizations<br/> <b>Oversight Department:</b> TRE<br/> <b>Agreement Type:</b> Relevant Supporting Documentation<br/> <b>Pre/Encumb/Payment Request:</b> TD (Use restricted to TRE and CTR)<br/> <b>Incidental Purchase:</b> N/A<br/> <b>Tax Forms:</b> None</p>   |   |
| <b>S09</b>   | <b>OTHER DEBT SERVICES</b>              |
| <p>Payments by departments, other than the department of the State Treasurer (TRE) and the Office of the Comptroller (CTR), as authorized by legislation. Includes debt service expenses.</p> <p><b>Legal Authority:</b> Specific Bond Authorizations<br/> <b>Oversight Department:</b> TRE, CTR<br/> <b>Agreement Type:</b> Standard Contract Form<br/> <b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC<br/> <b>Incidental Purchase:</b> N/A<br/> <b>Tax Forms:</b> 1099-NEC</p> |   |
| <b>S10</b>   | <b>BOND SWAP PAYMENTS</b>               |
| <p>Payments related to interest rate swaps of Commonwealth debt instruments.</p> <p><b>Legal Authority:</b> Specific Bond Authorizations<br/> <b>Oversight Department:</b> TRE, CTR<br/> <b>Agreement Type:</b> TD/JV<br/> <b>Pre/Encumb/Payment Request:</b> TD (Use restricted to TRE and CTR)<br/> <b>Incidental Purchase:</b> N/A<br/> <b>Tax Forms:</b> None</p>  |   |

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|------------------------------------|---|
| <b>S11</b>                         | <b>PAYMENT TO REFUND BOND ESCROW AGENT</b><br>Payment to refund bond escrow agents. |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 29</a>  |
| <b>Oversight Department:</b>       | TRE, CTR  |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation   |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX  |
| <b>Incidental Purchase:</b>        | N/A   |
| <b>Tax Forms:</b>                  | None  |

|                                    |   |
|------------------------------------|---|
| <b>S13</b>                         | <b>PRINCIPAL ON CURRENT REFUNDINGS</b><br>Principal on current refundings. For CTR internal use only. |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 29, § 53A</a>   |
| <b>Oversight Department:</b>       | CTR   |
| <b>Agreement Type:</b>             | JV  |
| <b>Pre/Encumb/Payment Request:</b> | JV (Use restricted to CTR)  |
| <b>Incidental Purchase:</b>        | N/A   |
| <b>Tax Forms:</b>                  | None  |

|                                 |   |
|---------------------------------|---|
| <b>S87</b>                      | <b>CASH WITH CAMPUS</b><br>Pursuant to Massachusetts General Law requiring Commonwealth Colleges and Universities to report the activity of campus-based funds by subsidiary to the Comptroller of the Commonwealth on the Commonwealth's Statewide Accounting System, MMARS (Fund 0901). |
| <b>Legal Authority:</b>         | <a href="#">M.G.L. c. 15A, § 15C</a> Authorizing Legislation  |
| <b>Oversight Department:</b>    | CTR   |
| <b>Agreement Type:</b>          | Relevant Supporting Detail on college and university accounting systems.  |
| <b>Payment/Receipt Request:</b> | TV/RT (Use restricted to colleges and universities)   |
| <b>Incidental Purchase:</b>     | N/A   |
| <b>Tax Forms:</b>               | Forms 1099 and 1042 – Colleges and Universities Responsible for Compliance using local Tax Identification Number  |

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|------------------------------------|--|
| <b>S90</b>                         | <b>OPERATING TRANSFER – DEBT SERVICE</b><br>Principal.             |
| <b>Legal Authority:</b>            | Authorizing Legislation; <a href="#">815 CMR 6.00</a>              |
| <b>Oversight Department:</b>       | CTR  |
| <b>Agreement Type:</b>             | Copy of Authorizing Legislation; Relevant Supporting Documentation |
| <b>Pre/Encumb/Payment Request:</b> | OT (Use restricted to CTR)   |
| <b>Incidental Purchase:</b>        | N/A  |
| <b>Tax Forms:</b>                  | None   |

|                                    |  |
|------------------------------------|--|
| <b>S91</b>                         | <b>OPERATING TRANSFER – DEBT SERVICE</b><br>Interest.              |
| <b>Legal Authority:</b>            | Authorizing Legislation; <a href="#">815 CMR 6.00</a>              |
| <b>Oversight Department:</b>       | CTR  |
| <b>Agreement Type:</b>             | Copy of Authorizing Legislation; Relevant Supporting Documentation |
| <b>Pre/Encumb/Payment Request:</b> | OT (Use restricted to CTR)   |
| <b>Incidental Purchase:</b>        | N/A  |
| <b>Tax Forms:</b>                  | None   |

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| <b>S92</b>                         | <b>OPERATING TRANSFER – DEBT SERVICE</b><br>Discount.              |
| <b>Legal Authority:</b>            | Authorizing Legislation; <a href="#">815 CMR 6.00</a>              |
| <b>Oversight Department:</b>       | CTR  |
| <b>Agreement Type:</b>             | Copy of Authorizing Legislation; Relevant Supporting Documentation |
| <b>Pre/Encumb/Payment Request:</b> | OT (Use restricted to CTR)   |
| <b>Incidental Purchase:</b>        | N/A  |
| <b>Tax Forms:</b>                  | None   |

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## OBJECT CLASS TT LOANS AND SPECIAL PAYMENTS

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| <b>T01</b>  | <p><b>LOANS TO GOVERNMENTAL ENTITIES</b></p> <p>Loans to political sub-divisions or other governmental entities of the Commonwealth. These funds are distributed pursuant to an agreement that stipulates repayment.</p> |
| <p><b>Legal Authority:</b> Authorizing Legislation</p> <p>Oversight Department: A&amp;F, CTR</p> <p><b>Agreement Type:</b> Loan Agreement</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC/TD</p> <p>Incidental Purchase: N/A</p> <p>Tax Forms: None</p> |  |

|   |   |
|---|---|
| <b>T02</b>  | <p><b>LOANS TO OTHER THAN POLITICAL SUB-DIVISIONS AND OTHER GOVERNMENTAL ENTITIES OF THE COMMONWEALTH</b></p> <p>These funds are distributed pursuant to an agreement that stipulates repayment. <b>Comments:</b> Reportable on 1099-MISC only if loans are forgiven.</p> |
| <p><b>Legal Authority:</b> Authorizing Legislation</p> <p>Oversight Department: A&amp;F, CTR</p> <p><b>Agreement Type:</b> Loan Agreement</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC/TD</p> <p>Incidental Purchase: N/A</p> <p>Tax Forms: None</p> |   |

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|---|---|
| <b>T03</b>  | <p><b>INTERSTATE COMPACT DISTRIBUTIONS</b></p> <p>Distributions to other states where the Commonwealth is the administrative lead in Interstate Compacts.</p> |
| <p><b>Legal Authority:</b> <a href="#">815 CMR 2.00</a>; Special Laws or Compact Agreement</p> <p>Oversight Department: CTR</p> <p><b>Agreement Type:</b> Interstate Compact Document or Legislative Authorization</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p>Incidental Purchase: N/A</p> <p>Tax Forms: None</p> |   |

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| <b>T04</b>  | <p><b>PAYMENTS AND REFUNDS</b></p> <p>Payments and refunds to the federal government pursuant to an agreement and refund payments to state governments. Also, payments in lieu of taxes (PILOT) to local governments and refunds for cash received in a prior fiscal year.</p> |
| <p><b>Legal Authority:</b> U.S. Government, Authorizing Legislation</p> <p>Oversight Department: CTR</p> <p><b>Agreement Type:</b> Legislative Authorization or Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> GAP/RQS (optional pre-encumbrance)/GAE/GAX/RPO/PRM/CT/PRC</p> |  |

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|----------------------|------|
| Incidental Purchase: | N/A  |
| Tax Forms:           | None |

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| <b>T05</b>                  | <b>INITIAL PAYMENT OF PRIZES TO AWARDEES</b><br>For example: Megabucks winners, etc. |
| <b>Legal Authority:</b>     | <a href="#">M.G.L. c. 29, § 38</a> ; <a href="#">M.G.L. c. 10</a>                    |
| Oversight Department:       | TRE  |
| <b>Agreement Type:</b>      | Relevant Supporting Documentation  |
| Pre/Encumb/Payment Request: | GAE/GAX/TD   |
| Incidental Purchase:        | N/A  |
| Tax Forms:                  | W-2G   |

|                                    |   |
|------------------------------------|---|
| <b>T06</b>                         | <b>ANNUITIES</b><br>Annuities purchased from insurance carriers for award disbursement. |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 29, § 38</a> ; <a href="#">M.G.L. c. 10</a>                       |
| Oversight Department:              | TRE, CTR  |
| <b>Agreement Type:</b>             | Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/CT/PRC   |
| Incidental Purchase:               | N/A   |
| Tax Forms:                         | None  |

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| <b>T07</b>                         | <b>REIMBURSEMENT</b><br>Reimbursements to the Commonwealth by insurance carriers for awardees' disbursements. |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 29, § 38</a> ; <a href="#">M.G.L. c. 10</a>   |
| Oversight Department:              | TRE   |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation   |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX  |
| Incidental Purchase:               | N/A   |
| Tax Forms:                         | None  |

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| <b>T08</b>                         | <b>BONUS ICENTIVE FOR LOTTERY AGENTS</b><br>Payments to lottery agents for commission compensation. |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 29, § 38</a> ; <a href="#">M.G.L. c. 10</a>                                   |
| Oversight Department:              | TRE   |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation   |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX  |
| Incidental Purchase:               | N/A   |
| <b>Tax Forms:</b>                  | 1099-NEC  |

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| <b>T09</b>   | <p><b>REVENUE MAXIMIZATION CONTINGENT FEES</b></p> <p>Payments resulting from increased revenue as a result of work performed that resulted in increased funding.</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 29, § 29E</a>; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a>; <a href="#">815 CMR 8.00</a></p> <p>Oversight Department: A&amp;F, OSD, CTR</p> <p><b>Agreement Type:</b> Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p>Incidental Purchase: N/A</p> <p><b>Tax Forms:</b> 1099-NEC</p> |   |

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| <b>T10</b>   | <p><b>DEBT COLLECTION – CONTINGENT FEES</b></p> <p>Payments to authorized debt collection agencies on a contingency basis for professional services, provided to departments, which promote the increased collection of debts owed to the Commonwealth.</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 29, § 29D</a>; <a href="#">M.G.L. c. 7A § 12</a>; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a>; <a href="#">815 CMR 9.00</a></p> <p>Oversight Department: A&amp;F, OSD, CTR</p> <p><b>Agreement Type:</b> Debt Collection Accounts Agreement Contract; Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p>Incidental Purchase: N/A</p> <p><b>Tax Forms:</b> 1099-NEC</p> |   |

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| <b>T11</b>   | <p><b>OUTLAY OF EMPLOYEE WITHHOLDINGS</b></p> <p>Payments of employee withholdings for federal and state withholding taxes, employee’s share of Medicare withholding, employees’ savings bond deduction and reimbursement of savings bond deduction when an employee ceases participation in the savings bond program.</p> |
| <p><b>Legal Authority:</b> <a href="#">IRS Publication 15 (Employer Tax Guide)</a>, <a href="#">M.G.L. c. 62B § 2</a>, <a href="#">M.G.L. c. 154 § 8</a></p> <p>Oversight Department: TRE</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> TD</p> <p><b>Tax Forms:</b> None</p> |  |

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| <b>T12</b>  | <p><b>PAYMENT OF ACCRUED INTEREST ON INVESTMENTS</b></p> <p>Payment Requests of accrued interest on investments by the department of the State Treasurer for short term investments purchased before interest due dates.</p> |
| <p><b>Legal Authority:</b> Accounting Principles (GAAP)</p> <p>Oversight Department: TRE</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> TD</p> <p>Incidental Purchase: N/A</p> <p><b>Tax Forms:</b> None</p> |  |



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| <b>T13</b>                         | <b>PAYMENT OF ABANDONED PROPERTY</b><br>Payments to claimants for principal amount. |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 200A</a>  |
| Oversight Department:              | TRE   |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation   |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX (Use restricted to TRE)                      |
| Incidental Purchase:               | N/A   |
| Tax Forms:                         | None  |

|                                    |   |
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| <b>T14</b>                         | <b>PAYMENT OF FUNDS DUE TO DEPOSITORS/CONSUMERS</b><br>Under <a href="#">M.G.L. c. 93A, § 2</a> , the Attorney General is mandated to hold money in escrow for certain interest groups until settlement is made. Funds are then paid in accordance with the term of the settlement. Includes reimbursements to consumers. |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 93A</a>   |
| Oversight Department:              | AGO, CTR  |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation   |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX  |
| Incidental Purchase:               | N/A   |
| Tax Forms:                         | None  |

|                                    |   |
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| <b>T15</b>                         | <b>PAYMENT OF UNCLAIMED FUNDS</b><br>Unclaimed funds deposited with the department of the State Treasurer until they are claimed or transferred to the Abandoned Property Fund. |
| <b>Legal Authority:</b>            | Authorizing Legislation   |
| Oversight Department:              | TRE   |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation   |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX  |
| Incidental Purchase:               | N/A   |
| Tax Forms:                         | None  |

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| <b>T16</b>                         | <b>PAYMENT OF DUES AND FEES</b><br>Payments of dues and fees collected from students to private organizations such as MASS PIRG. This object code is restricted to Higher Education departments only. |
| <b>Legal Authority:</b>            | Authorizing Legislation   |
| Oversight Department:              | CTR   |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation   |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX (Use restricted to Higher Education departments only)  |
| Incidental Purchase:               | N/A   |
| Tax Forms:                         | None  |

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| <b>T17</b>                         | <b>VOLUNTARY HEALTH INSURANCE</b><br>Payment of health insurance premiums collected from students to insurance carriers. This object code is restricted to Higher Education departments only. |
| <b>Legal Authority:</b>            | Authorizing Legislation   |
| Oversight Department:              | CTR   |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation   |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX (Use restricted to Higher Education departments only)  |
| Incidental Purchase:               | N/A   |
| Tax Forms:                         | None  |

|                                    |   |
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| <b>T18</b>                         | <b>PAYMENT OF ASSESSMENTS TO COLLEGE BUILDING AUTHORITIES</b><br>Payment of dormitory fees collected from students to the State College Building Authority and the University of Massachusetts Building Authority. This object code is restricted to Higher Education departments only. |
| <b>Legal Authority:</b>            | Authorizing Legislation   |
| Oversight Department:              | CTR   |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation   |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX (Use restricted to Higher Education departments only)  |
| Incidental Purchase:               | N/A   |
| Tax Forms:                         | None  |

# EXPENDITURE CLASSIFICATION HANDBOOK

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| <b>T19</b>                         | <p><b>COST SAVING CONTINGENT PAYMENTS</b></p> <p>Payments resulting from cost saving initiatives as a result of work performed that resulted in cost savings.</p> |
| <b>Legal Authority:</b>            | Authorizing Legislation   |
| Oversight Department:              | CTR, A&F  |
| <b>Agreement Type:</b>             | Contingency Contract; Standard Contract Form  |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/CT/PRC   |
| Incidental Purchase:               | N/A   |
| <b>Tax Forms:</b>                  | 1099-NEC  |

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| <b>T22</b>                         | <p><b>PAYMENT FROM TRACK ESCROW FUNDS</b></p> <p>Under <a href="#">M.G.L. c. 23K</a>, the Mass Gaming Commission is mandated to hold money in escrow for certain capital improvements and promotional activities at racetracks. The reimbursement is then paid in accordance with the business plans that describe the specific promotions and capital improvements that were approved by the Commission.</p> |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 23K</a>   |
| Oversight Department:              | MGC, CTR  |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation   |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX (Use restricted to MGC)  |
| Incidental Purchase:               | N/A   |
| Tax Forms:                         | None  |

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| <b>T23</b>                         | <p><b>PAYMENT FOR PRIOR YEAR REFUNDS FOR COLLECTED FEES</b></p> <p>Miscellaneous fee refunds for revenues and other amounts paid in prior fiscal years. This object code is limited to student refunds in Higher Education and fee reimbursements processed by CTR for revenue refunds for a prior fiscal year.</p> |
| <b>Legal Authority:</b>            | <a href="#">815 CMR 9.00 Debt Collection</a>  |
| <b>Oversight Department:</b>       | Higher Education departments, CTR   |
| <b>Agreement Type:</b>             | Contingent Upon Intercepted Funds   |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX  |
| Incidental Purchase:               | N/A   |
| Tax Forms:                         | None  |

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| <b>T25</b>                         | <p><b>HIGHER EDUCATION INTERNAL PAYMENTS FOR INTERCEPTED FUNDS</b></p> <p>These payments are the result of money intercepted on behalf of non-tax debt from Higher Education Institutions. Such debt may include tuition, loans, and student fees owed to Institutions of Higher Education.</p> |
| <b>Legal Authority:</b>            | Authorizing Legislation   |
| <b>Oversight Department:</b>       | Higher Education departments, CTR   |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation   |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX (Restricted to Fund 901); (Use restricted to Higher Education departments only)  |
| Incidental Purchase:               | N/A   |
| Tax Forms:                         | None  |

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# EXPENDITURE CLASSIFICATION HANDBOOK

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| <b>T30</b>   | <p><b>INMATE FUNDS</b></p> <p>For the purposes of expenditures of inmate funds (from inmate wages and other sources) for the personal use and other payments to be made at the request of an inmate. In addition, expenditures under this object code will be made on behalf of inmates from inmate funds for the payment of sentence fees and other court assessments, ordered restitution, issuance of release funds, transfer of unclaimed funds and payment of various authorized fees in accordance with statute. Inmate funds are considered private funds of the inmate and not Commonwealth funds.</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c.124, § 1</a>; <a href="#">M.G.L. c. 127, § 3, § 48A, § 96A, 103 CMR 405</a></p> <p>Oversight Department: DOC, CTR</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> EAV/RA/AR (use restricted to Department of Correction)</p> <p>Incidental Purchase: N/A</p> <p><b>Tax Forms:</b> Manual Reporting by DOC as appropriate</p> |  |

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| <b>T87</b>   | <p><b>CASH WITH CAMPUS</b></p> <p>Pursuant to Massachusetts General Law requiring Commonwealth Colleges and Universities to report the activity of campus-based funds by subsidiary to the Comptroller of the Commonwealth on the Commonwealth’s Statewide Accounting System, MMARS (Fund 0901).</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 15A, § 15C</a> Authorizing Legislation</p> <p>Oversight Department: CTR</p> <p><b>Agreement Type:</b> Relevant Supporting Detail on college and university accounting systems.</p> <p><b>Payment/Receipt Request:</b> TV/RT (Use restricted to colleges and universities)</p> <p>Incidental Purchase: N/A</p> <p><b>Tax Forms:</b> Forms 1099 and 1042 – Colleges and Universities Responsible for Compliance using local Tax Identification Number</p> |  |

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| <b>T90</b>   | <p><b>OPERATING TRANSFER</b></p> <p>Loans and Special Payments.</p> |
| <p><b>Legal Authority:</b> Authorizing Legislation; <a href="#">815 CMR 6.00</a></p> <p>Oversight Department: CTR</p> <p><b>Agreement Type:</b> Copy of Authorizing Legislation; Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> OT (Use restricted to CTR)</p> <p>Incidental Purchase: N/A</p> <p>Tax Forms: None</p> |   |

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| <b>T96</b>   | <p><b>INTEREST – ABANDONED PROPERTY</b></p> <p>Interest payments on abandoned property. See T13 for payments of abandoned property to claimants.</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 200A</a></p> <p>Oversight Department: TRE</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Pre/Encumb/Payment Request:</b> GAP (optional pre-encumbrance)/GAE/GAX (Use restricted to TRE)</p> <p>Incidental Purchase: N/A</p> <p>Tax Forms: 1099-INT</p> |  |

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| <b>T99</b>                         | <b>LATE PENALTY INTEREST</b><br>Penalty interest for late payments. |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 29, §§ 20C, 29C; 815 CMR 4.00</a>             |
| Oversight Department:              | CTR   |
| <b>Agreement Type:</b>             | Relevant Supporting Documentation/Valid Claim Under Contract        |
| <b>Pre/Encumb/Payment Request:</b> | GAP (optional pre-encumbrance)/GAE/GAX                              |
| Incidental Purchase:               | N/A   |
| Tax Forms:                         | 1099-INT  |

# EXPENDITURE CLASSIFICATION HANDBOOK

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## OBJECT CLASS UU

### INFORMATION TECHNOLOGY (IT) EXPENSES

#### Covered Expenditures

This object class includes information technology expenditures associated with departmental operations.

#### Requirements

All Commonwealth departments are responsible for making contract obligations and expenditures in compliance with applicable laws and [CTR Fiscal Policies](#). All departments that take advantage of incidental purchases must comply with incidental purchase requirements identified by CTR and OSD. In addition:

- Executive departments “Level III” must comply with [M.G.L. c. 7, § 22](#), [801 CMR 21.00](#) and the “[Conducting Best Value Procurements Handbook](#)” for [801 CMR 21.00](#) covered goods and services, and must purchase from available Statewide Contracts, and use specified Commonwealth contract forms. Exceptions from using Statewide Contracts 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 [Conducting Best Value Procurements Handbook](#);
- Individuals must be determined to be “Independent Contractors” by conducting the Commonwealth Three-Part Test in the [Employment Status Form](#) and attaching it to the Standard Contract Form in compliance with the CTR/OSC/HRD policy on contract employees: [Payroll and Labor Cost Management \(LCM\)](#).
- Non-Executive departments “Level II” must comply with [M.G.L. c. 7, § 22](#), internal procurement policies and procedures and use specified Commonwealth contract forms.
- Exempt departments “Level I” must comply with internal procurement policies and procedures and if the department takes advantage of MMARS document processing delegation, the department must use specified Commonwealth contract forms.

#### Expenditures Not Covered

State or contract employees may not be reimbursed through this object class.

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| <h2>U01</h2>                       | <b>TELECOMMUNICATIONS SERVICES DATA</b><br>Payments to a telecommunications company for data lines or leased lines. For telephone chargebacks, see <a href="#">E07</a> . For telecommunications services voice, see <a href="#">U02</a> . For Information Technology (IT) Equipment acquisition and leases, see Object Codes <a href="#">U08</a> or <a href="#">U09</a> . |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c. 7, § 4A</a> , <a href="#">801 CMR 21.00</a>   |
| <b>Oversight Department:</b>       | A&F, EOTSS, OSD, CTR  |
| <b>Agreement Type:</b>             | IT Terms and Conditions /Standard Contract Form   |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/CT/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)   |
| <b>Tax Forms:</b>                  | None  |

  

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| <h2>U02</h2>                       | <b>TELECOMMUNICATIONS SERVICES VOICE</b><br>Payments to a telecommunications company for voice communications, includes local, cellular, Centrex, paging, Internet and long-distance services. For telephone chargebacks, see <a href="#">E07</a> . For telecommunications data services, see <a href="#">U01</a> . For Information Technology (IT) Equipment acquisition and leases, see Object Codes <a href="#">U07</a> or <a href="#">U08</a> . |
| <b>Legal Authority:</b>            | <a href="#">M.G.L. c 7, § 4A</a> , <a href="#">801 CMR 21.00</a>  |
| <b>Oversight Department:</b>       | A&F, EOTSS, OSD, CTR  |
| <b>Agreement Type:</b>             | IT Terms and Conditions /Standard Contract Form   |
| <b>Pre/Encumb/Payment Request:</b> | RQS (optional pre-encumbrance)/CT/PRC   |
| <b>Incidental Purchase:</b>        | GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)   |
| <b>Tax Forms:</b>                  | None  |



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| <h2>U03</h2> | <b>SOFTWARE AND INFORMATION TECHNOLOGY (IT) LICENSES</b><br>IT software (personal computer to mainframe) and requisite licenses, annual fees and upgrades to current software. For separate software maintenance costs, see <a href="#">U10</a> .  |
|              | <b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a><br><b>Oversight Department:</b> A&F, OSD, EOTSS, CTR<br><b>Agreement Type:</b> IT Terms and Conditions /Standard Contract Form<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/PC/PRC<br><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)<br><b>Tax Forms:</b> None |

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| <h2>U04</h2> | <b>INFORMATION TECHNOLOGY (IT) CHARGEBACK</b><br>Payments to a department legislatively authorized to provide data processing services.   |
|              | <b>Legal Authority:</b> Authorizing Legislation; <a href="#">M.G.L. c 7, § 4A</a> ; <a href="#">815 CMR 6.00</a><br><b>Oversight Department:</b> EOTSS, CTR<br><b>Agreement Type:</b> Unit Pricing<br><b>Pre/Encumb/Payment Request:</b> IE/ITI, ITA<br><b>Incidental Purchase:</b> N/A<br><b>Tax Forms:</b> None |

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| <h2>U05</h2> | <b>INFORMATION TECHNOLOGY (IT) TEMPORARY STAFF AUGMENTATION PROFESSIONALS</b><br>Payments to approved staff placement contractors for temporary placements of information technology staff augmentation professionals who develop computer systems programs or who instruct, advise, or train persons in the application of computer programs. This object code may not be used to contract directly with an Individual for services. (See <a href="#">U11</a> ). Typically paid on an hourly “time and materials basis” with special subject matter expertise in the field of Information Technology Management, including but not limited to project management, planning, systems analysis, business process analysis, computer programming, application and infrastructure design, development, architecture, networking, telecom, systems security, systems expertise networking, telecom and service delivery. See <a href="#">J46</a> for data processing entry. See <a href="#">C23</a> for direct contracts with individual contract employees. See <a href="#">U11</a> for Information Technology Services under contract to provide a suite of IT consulting, integration, and implementation services. |
|              | <b>Legal Authority:</b> <a href="#">M.G.L. c. 29, § 29A</a> ; <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a><br><b>Oversight Department:</b> A&F, OSD, HRD, EOTSS, CTR<br><b>Agreement Type:</b> IT Terms and Conditions /Standard Contract Form<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC<br><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)<br><b>Tax Forms:</b> 1099-NEC  |

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| <h2>U06</h2> | <b>INFORMATION TECHNOLOGY (IT) CABLING</b><br>Cost of installing and maintaining IT and telecommunication cabling. Departments are strongly encouraged to consult with EOTSS and OSD prior to contracting.   |
|              | <b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a> ; <a href="#">M.G.L. c. 30, §§ 51-52</a> ; <a href="#">801 CMR 21.00</a><br><b>Oversight Department:</b> A&F, OSD, EOTSS, CTR<br><b>Agreement Type:</b> IT Terms and Conditions /Standard Contract Form<br><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC<br><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases >\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)<br><b>Tax Forms:</b> 1099-NEC |

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| <h2>U07</h2> | <p><b>INFORMATION TECHNOLOGY (IT) EQUIPMENT PURCHASE</b></p> <p>Outright purchase of computer and other information technology hardware, software, systems, peripherals, paging devices and telecommunication equipment. See <a href="#">U08</a> for TELP lease-purchase; <a href="#">U09</a> for rental or lease; <a href="#">U10</a> for maintenance and repair costs.</p>   |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, §§ 4A, 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, OSD, EOTSS, CTR</p> <p><b>Agreement Type:</b> IT Terms and Conditions Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/PC/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> None</p> |

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| <h2>U08</h2> | <p><b>INFORMATION TECHNOLOGY (IT) TELP LEASE-PURCHASE</b></p> <p>For the purchase of computer or other information technology hardware, software, systems, peripherals and telecommunication equipment. Purchase of IT equipment is accomplished with Third Party Financing with goal of ultimate ownership. See <a href="#">U07</a> for outright purchase. See <a href="#">U09</a> for rental or lease; <a href="#">U10</a> for maintenance and repair costs. The following conditions are required to use this object code:</p> <ul style="list-style-type: none"> <li>• Department has a definite long term need for the Commodity.</li> <li>• Commodity is not likely to be quickly outdated by advances in technology, or the durability of the Commodity will provide a long-term useful life.</li> <li>• Department wants to “own” equipment.</li> <li>• Department does not have sufficient available funds for outright purchase.</li> <li>• A&amp;F has approved the use of a TELP.</li> <li>• Department must commit to ensuring sufficient operating or other non-capital funds are available for TELP payments.</li> <li>• TELPS paid (in full or in part) with Commonwealth funds (appropriated) MUST use either the Tax-Exempt Financing by Commonwealth TELP, Statewide TELP Contracts or an approved Contractor TELP; Universities, Non-Executive and Exempt departments that plan to use appropriated funds to pay for a TELP MUST use the approved TELP contractors since use of appropriated funds potentially impacts the Commonwealth’s bond rating and must be carefully monitored.</li> <li>• Department builds equity in equipment and title passes to the department at end of Lease-Purchase payments.</li> <li>• Procuring departments are required to service/maintain equipment. Service/Maintenance contracts should be executed with an appropriate service vendor and recorded on MMARS as a CT or RPO.</li> <li>• Departments must follow requirements in the “<b>Tax Exempt Lease Purchase (TELP) Financing Handbook</b>” and “<b>Commonwealth Procurement Policies and Procedures Handbook.</b>”</li> <li>• TELPS require recurring payment mechanism to ensure timely payments (RPO).</li> <li>• TELPS may not be terminated without prior approval of the Comptroller.</li> </ul> |
|              | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, OSD, EOTSS, CTR</p> <p><b>Agreement Type:</b> IT Terms and Conditions /Standard Contract Form; TELP approvals and additional TELP Forms</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/RPO/PRM</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p>  |

# EXPENDITURE CLASSIFICATION HANDBOOK

OFFICE OF THE COMPTROLLER

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| U09 | <p><b>INFORMATION TECHNOLOGY (IT) EQUIPMENT RENTAL OR LEASE</b></p> <p>Short-term rental (less than 6 months) or longer-term use of computer or other information technology hardware, software, systems, peripherals and telecommunication equipment with no intention to own. See <a href="#">U07</a> for outright purchase. See <a href="#">U08</a> for TELP lease-purchase; <a href="#">U10</a> for maintenance and repair costs. The following requirements apply to rentals and leases in this object code:</p> <p><b>Short Term Equipment Use Without Ownership (Less than 6 months) – Rental</b></p> <ul style="list-style-type: none"> <li>• Short Term “use” Department does not wish to own.</li> <li>• Rental payments are usually significantly more than Term Lease or Lease Purchase (TELP) payments.</li> <li>• Maintenance/insurance is provided by the contractor.</li> <li>• Departments will not build equity in the equipment and will not own or buy out the equipment as an option of the Rental.</li> <li>• Title and ownership and risk of loss remain with the contractor and will NOT be transferred to the department as part of the Rental.</li> </ul> <p><b>Long Term Equipment Use Without Ownership (Longer than 6 months) – Term Lease</b></p> <ul style="list-style-type: none"> <li>• Lease gives the department only the “use” of the Commodity for a specified period.</li> <li>• Lease payments are usually less than a rental for the same period of time.</li> <li>• Procuring departments are usually required to maintain and service the Commodity, either as part of the Lease payment or under a separate maintenance Contract.</li> </ul> <p>Procuring departments will not build equity in the equipment and will not own or buy out the equipment as an option of the Lease.</p> <ul style="list-style-type: none"> <li>• Leases may offer automatic upgrades or replacement with new models during or at the end of the term of the Lease.</li> <li>• Title and ownership and risk of loss remain with the Contractor and will NOT be transferred to the department as part of the Lease.</li> </ul> <p><b>A Term Lease</b> must be evaluated to determine if it should be categorized as capital or operating. <b>The key points are as follows:</b></p> <ul style="list-style-type: none"> <li>• Is there are transfer of ownership at the end of the lease?</li> <li>• Is there a “bargain purchase option?” In other words, can the asset be purchased at the end of the lease for <u>less</u> than its fair market value at the end of the lease?</li> <li>• Is the term of the lease GREATER THAN OR EQUAL TO 75% of the asset’s <b>USEFUL LIFE</b>?</li> <li>• Is the present value of the lease payments GREATER THAN OR EQUAL TO 90% of the asset’s <b>FAIR MARKET VALUE</b> at the time of signing of the contract?</li> </ul> <p>If the answer to <b>ANY</b> of the above is <b>YES</b>, the lease type is a <b>CAPITAL</b> lease. All others are <b>OPERATING LEASES</b>.</p> |
|     | <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, OSD, EOTSS, CTR</p> <p><b>Agreement Type:</b> IT Terms and Conditions /Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> 1099-MISC</p>  |

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| U10  | <p><b>INFORMATION TECHNOLOGY (IT) EQUIPMENT MAINTENANCE AND REPAIR</b></p> <p>Maintenance of computer hardware, software, systems, peripherals, paging devices and telecommunication equipment.</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, OSD, EOTSS, CTR</p> <p><b>Agreement Type:</b> IT Terms and Conditions /Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC/IE/ITI, ITA</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> 1099-NEC</p> |   |

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| U11   | <p><b>INFORMATION TECHNOLOGY (IT) CONTRACT SERVICES</b></p> <p>Contract Services typically offered by major organizations such as Systems Integrators and Solution Providers rather than individual staff augmentation resources. Includes contractor that provide programmatic, application, business process, and systems analysis and expertise and who assist departments in system and application design or development, project management, Independent Validation &amp; Verification, or consultative services with special expertise in networking, architecture, telecom, planning, design, systems integration, application development, security, infrastructure design, computer programming, and service delivery (including cloud services). IT Professional Services are typically paid on a “per deliverable and/or Task Order basis” rather than a “time and materials basis”. Individual Contractors paid under this object code must pass the independent contractor requirements as posted in the Individual Contractors: Contract Employees vs. Independent Contractors and remain in compliance for duration of all performance for the Department or be transitioned to the appropriate employee classification. See <a href="#">C23</a> for contract employees. See <a href="#">U05</a> for payments for temporary staff augmentation placements for IT services.</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 29, § 29A</a>; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, OSD, HRD, EOTSS, CTR</p> <p><b>Agreement Type:</b> IT Terms and Conditions Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/CT/PRC</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> 1099-NEC</p> |  |

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| U12   | <p><b>CLOUD BASED SUBSCRIPTIONS, MEMBERSHIPS, AND LICENSING FEES</b></p> <p>Payments for Software as a Service, (SaaS), Platforms as a Service (PaaS), and Infrastructure as a Service (IaaS) through memberships or subscription-based contracts and other network or on-line services including licensing fees.</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">801 CMR 21.00</a></p> <p><b>Oversight Department:</b> A&amp;F, OSD, EOTSS, CTR</p> <p><b>Agreement Type:</b> IT Terms and Conditions/Standard Contract Form</p> <p><b>Pre/Encumb/Payment Request:</b> RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC/IE/ITI, ITA</p> <p><b>Incidental Purchase:</b> GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p><b>Tax Forms:</b> 1099-NEC</p> |   |

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| U75  | <p><b>ADVANCES ADMINISTRATIVE EXPENSES</b></p> <p>Used to encumber advances in the UU Object Class.</p> |
| <p><b>Legal Authority:</b> <a href="#">M.G.L. c. 29, §§ 23, 24, 25</a></p> <p><b>Oversight Department:</b> TRE, HRD, CTR</p> <p><b>Agreement Type:</b> Relevant Supporting Documentation</p> <p><b>Payment Request:</b> EAV/RA/AR</p> <p><b>Incidental Purchase:</b> N/A</p> <p><b>Tax Forms:</b> None</p> |   |

# EXPENDITURE CLASSIFICATION HANDBOOK

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| <h2>U78</h2>  | <h3>INFORMATION TECHNOLOGY (IT) EXPENSES: SUB-RECIPIENT</h3> <p>Encumbrance and payment activity involving sub-recipients of federal funds. Federal funds are reported as sub-recipient payments. Vendor services must use other appropriate object codes. (Use required object codes for vendor services).</p>  |
| <p><b>Legal Authority:</b><br/><b>Oversight Department:</b><br/><b>Sub-Recipient:</b><br/><b>Agreement Type:</b><br/><b>Pre/Encumb/Payment Request:</b><br/><b>Incidental Purchase:</b><br/><b>Tax Forms:</b></p> | <p><a href="#">M.G.L. c. 29, § 29A</a>; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a>; <a href="#">Federal Single Audit Act, OMB A-133</a>; <a href="#">the American Reinvestment and Recovery Act of 2009 (ARRA)</a></p> <p>A&amp;F, HRD, OSD, CTR</p> <p>Federal funds are reported as sub-recipient payments</p> <p>IT Terms and Conditions /Standard Contract Form</p> <p>RQS (optional pre-encumbrance)/CT/PRC</p> <p>GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p>1099-NEC</p> |
| <h2>U87</h2>  | <h3>CASH WITH CAMPUS</h3> <p>Pursuant to Massachusetts General Law requiring Commonwealth Colleges and Universities to report the activity of campus-based funds by subsidiary to the Comptroller of the Commonwealth on the Commonwealth's Statewide Accounting System, MMARS (Fund 0901).</p>  |
| <p><b>Legal Authority:</b><br/><b>Oversight Department:</b><br/><b>Agreement Type:</b><br/><b>Payment/Receipt Request:</b><br/><b>Incidental Purchase:</b><br/><b>Tax Forms:</b></p>                              | <p><a href="#">M.G.L. c. 15A, § 15C</a> Authorizing Legislation</p> <p>CTR</p> <p>Relevant Supporting Detail on college and university accounting systems.</p> <p>TV/RT (Use restricted to colleges and universities)</p> <p>N/A</p> <p>Forms 1099 and 1042 – Colleges and Universities Responsible for Compliance using local Tax Identification Number</p>   |
| <h2>U90</h2>  | <h3>OPERATING TRANSFER</h3> <p>Information Technology (IT) Expenses.</p>   |
| <p><b>Legal Authority:</b><br/><b>Oversight Department:</b><br/><b>Agreement Type:</b><br/><b>Pre/Encumb/Payment Request:</b><br/><b>Incidental Purchase:</b><br/><b>Tax Forms:</b></p>                           | <p>Authorizing Legislation; <a href="#">815 CMR 6.00</a></p> <p>CTR</p> <p>Copy of Authorizing Legislation; Relevant Supporting Documentation</p> <p>OT/IET (Use restricted to CTR)</p> <p>N/A</p> <p>None</p>   |
| <h2>U98</h2>  | <h3>REIMBURSEMENT FOR TRAVEL AND EXPENSES FOR INFORMATION TECHNOLOGY PROFESSIONALS</h3> <p>Authorizations for reimbursements are included in the service contract. Reimbursements are not tax reportable because the recipient is required to account for expenditures.</p>  |
| <p><b>Legal Authority:</b><br/><b>Oversight Department:</b><br/><b>Agreement Type:</b><br/><b>Pre/Encumb/Payment Request:</b><br/><b>Incidental Purchase:</b><br/><b>Tax Forms:</b></p>                           | <p><a href="#">M.G.L. c. 29, § 29A</a>; <a href="#">M.G.L. c. 7, § 22</a>; <a href="#">M.G.L. c. 30, §§ 51-52</a>; <a href="#">801 CMR 21.00</a></p> <p>A&amp;F, HRD, OSD, CTR</p> <p>Relevant Supporting Documentation, IT Terms and Conditions /Standard Contract Form</p> <p>RQS (optional pre-encumbrance)/CT/PRC</p> <p>GAE/INP use restricted to <a href="#">Incidental Purchases</a> (Incidental Purchases &gt;\$5,000 to \$10,000 require a Standard Contract Form and use a GAE/GAX)</p> <p>None</p>  |

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| <b>U99</b>                          | <b>LATE PENALTY INTEREST</b>  |
| Penalty interest for late payments. |   |
| <b>Legal Authority:</b>             | <a href="#">M.G.L. c. 29, §§ 20C, 29C</a> ; <a href="#">M.G.L. c. 7A, § 5A</a> ; <a href="#">815 CMR 4.00</a> |
| <b>Oversight Department:</b>        | CTR   |
| <b>Agreement Type:</b>              | Relevant Supporting Documentation/Valid Claim under Contract  |
| <b>Pre/Encumb/Payment Request:</b>  | GAP (optional pre-encumbrance)/GAE/GAX  |
| <b>Incidental Purchase:</b>         | N/A   |
| <b>Tax Forms:</b>                   | 1099-INT  |

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| <a href="#">A10</a>                      | HOLIDAY PAY  |
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| <a href="#">B02</a>                      | IN-STATE TRAVEL  |
| <a href="#">B03</a>                      | OVERTIME MEALS   |
| <a href="#">B04</a>                      | JOB RELATED TUITION: INCLUSIVE: UNDERGRADUATE AND GRADUATE   |
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| <a href="#">B90</a>                      | OPERATING TRANSFER   |
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| <a href="#">E53</a> | NON-EMPLOYEE SETTLEMENTS AND JUDGMENTS: NOT TAX REPORTABLE TO CLAIMANT - CLAIMANT SOLE PAYEE                                      |
| <a href="#">E54</a> | NON-EMPLOYEE SETTLEMENTS AND JUDGMENTS: NOT TAX REPORTABLE TO CLAIMANT - CLAIMANT AND ATTORNEY CO-PAYEES OR ATTORNEY SOLE PAYEE   |
| <a href="#">E55</a> | NON-EMPLOYEE SETTLEMENTS AND JUDGMENTS: NOT TAX REPORTABLE TO CLAIMANT - CLAIMANT AND 3RD PARTY CO-PAYEES OR 3RD PARTY SOLE PAYEE |
| <a href="#">E56</a> | SECRETARIAT CENTRAL SERVICES CHARGEBACK   |
| <a href="#">E75</a> | ADVANCES - ADMINISTRATIVE EXPENSES  |
| <a href="#">E87</a> | CASH WITH CAMPUS  |
| <a href="#">E90</a> | OPERATING TRANSFER  |
| <a href="#">E98</a> | REIMBURSEMENT FOR TRAVEL AND OTHER EXPENSES FOR BOARD MEMBER SERVICES   |
| <a href="#">E99</a> | LATE PENALTY INTEREST   |
| <a href="#">F01</a> | FOOD, BEVERAGES, AND PRESERVATION   |
| <a href="#">F03</a> | KITCHEN AND DINING SUPPLIES   |
| <a href="#">F04</a> | DRUGS (MEDICINES/PHARMACEUTICALS)   |
| <a href="#">F05</a> | LABORATORY SUPPLIES   |
| <a href="#">F06</a> | MEDICAL AND SURGICAL SUPPLIES   |
| <a href="#">F07</a> | PERSONAL MEDICAL ITEMS AND PROSTHETICS  |
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| <a href="#">F09</a> | CLOTHING AND FOOTWEAR   |
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| <a href="#">F16</a> | LIBRARY AND TEACHING SUPPLIES AND MATERIALS   |
| <a href="#">F18</a> | RECREATION, RELIGIOUS, AND & SOCIAL SUPPLIES AND MATERIALS  |
| <a href="#">F19</a> | MANUFACTURING SUPPLY MATERIALS AND RAW MATERIALS  |
| <a href="#">F21</a> | NAVIGATIONAL AND NAUTICAL SUPPLIES  |
| <a href="#">F22</a> | MUNICIPAL TAXES   |
| <a href="#">F23</a> | MAINTENANCE OF STATE OFFICE BUILDING CHARGEBACK   |
| <a href="#">F24</a> | MOTOR VEHICLE MAINTENANCE AND REPAIR PARTS  |
| <a href="#">F27</a> | LAW ENFORCEMENT & SECURITY SUPPLIES   |
| <a href="#">F28</a> | WHOLESALE SUPPLIES  |
| <a href="#">F75</a> | ADVANCES FACILITY OPERATIONAL SUPPLIES AND RELATED EXPENSES   |
| <a href="#">F87</a> | CASH WITH CAMPUS  |
| <a href="#">F90</a> | OPERATING TRANSFER - PROGRAMMATIC FACILITY OPERATIONAL SUPPLIES AND RELATED EXPENSES  |
| <a href="#">F99</a> | LATE PENALTY INTEREST   |
| <a href="#">G01</a> | SPACE RENTAL  |
| <a href="#">GG1</a> | NATURAL GAS – SUPPLY  |
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| <a href="#">G04</a> | VEHICLE FUEL CHARGEBACK   |
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| <a href="#">G08</a> | SEWAGE DISPOSAL AND WATER   |
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| <a href="#">G11</a> | NATURAL GAS   |
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| <a href="#">G90</a> | OPERATING TRANSFER  |
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| <a href="#">HH1</a> | FINANCIAL SERVICES  |
| <a href="#">HH2</a> | ENGINEERING, RESEARCH, AND SCIENTIFIC SERVICES  |
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| <a href="#">H13</a> | EXAM DEVELOPERS  |
| <a href="#">H15</a> | HONORARIA FOR VISITING SPEAKERS/LECTURERS                                      |
| <a href="#">H17</a> | LABOR NEGOTIATORS  |
| <a href="#">H19</a> | MANAGEMENT CONSULTANTS   |
| <a href="#">H21</a> | PERSONNEL PLACEMENT CONSULTANTS (RECRUITERS)                                   |
| <a href="#">H22</a> | PLANNERS   |
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| <a href="#">H78</a> | CONSULTANT SERVICE CONTRACTS: SUB-RECIPIENT                                    |
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| <a href="#">JJ1</a> | LEGAL SUPPORT SERVICES   |
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| <a href="#">JJ3</a> | NATIONAL DEFENSE AND PUBLIC ORDER AND SECURITY AND NON-MEDICAL SAFETY SERVICES |
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| <a href="#">J16</a> | EXAMINERS/MONITORS/GRADERS   |
| <a href="#">J19</a> | GUARDIANS AD LITEM   |
| <a href="#">J24</a> | JURY AND WITNESS FEES  |
| <a href="#">J25</a> | LABORATORY AND PHARMACEUTICAL SERVICES   |
| <a href="#">J27</a> | LAUNDRY SERVICES   |
| <a href="#">J28</a> | LAW ENFORCEMENT  |
| <a href="#">J33</a> | PHOTOGRAPHIC AND MICROGRAPHIC SERVICES   |
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| <a href="#">J44</a> | SURVEYORS  |
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| <a href="#">J50</a> | INSTRUCTORS/LECTURERS/TRAINERS   |
| <a href="#">J54</a> | WEATHER REPORTING SERVICES   |
| <a href="#">J56</a> | FOOD SERVICES  |
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| <a href="#">J75</a> | ADVANCES PROGRAMMATIC OPERATIONAL SERVICES                                     |
| <a href="#">J87</a> | CASH WITH CAMPUS   |
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| <a href="#">K03</a> | PROGRAMMATIC FACILITY EQUIPMENT  |
| <a href="#">K04</a> | MOTORIZED VEHICLE EQUIPMENT  |
| <a href="#">K05</a> | OFFICE EQUIPMENT   |
| <a href="#">K06</a> | PRINTING, PHOTOCOPYING, AND MICROGRAPHICS EQUIPMENT                            |
| <a href="#">K07</a> | OFFICE FURNISHINGS   |
| <a href="#">K09</a> | MEDICAL EQUIPMENT  |
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| <a href="#">K11</a> | HEAVY EQUIPMENT  |
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| <a href="#">K87</a> | CASH WITH CAMPUS   |
| <a href="#">K90</a> | OPERATING TRANSFER - PROGRAMMATIC EQUIPMENT PURCHASE                           |
| <a href="#">K99</a> | LATE PENALTY INTEREST - INTEREST PENALTY FOR LATE PAYMENTS                     |
| <a href="#">L02</a> | EDUCATIONAL EQUIPMENT TELP LEASE-PURCHASE                                      |
| <a href="#">L03</a> | PROGRAMMATIC FACILITY EQUIPMENT TELP LEASE-PURCHASE                            |

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| <a href="#">L04</a> | MOTORIZED VEHICLE TELP LEASE-PURCHASE  |
| <a href="#">L05</a> | OFFICE EQUIPMENT TELP LEASE-PURCHASE   |
| <a href="#">L06</a> | PRINT, PHOTOCOPYING/MICROGRAPHICS EQUIPMENT TELP LEASE-PURCHASE  |
| <a href="#">L07</a> | OFFICE FURNISHINGS TELP LEASE-PURCHASE   |
| <a href="#">L09</a> | MEDICAL EQUIPMENT TELP LEASE-PURCHASE  |
| <a href="#">L10</a> | LAW ENFORCE. /SECURITY EQUIP TELP LEASE-PURCHASE   |
| <a href="#">L11</a> | HEAVY EQUIPMENT TELP LEASE-PURCHASE  |
| <a href="#">L12</a> | TELEVISION BROADCASTING EQUIPMENT TELP LEASE-PURCHASE  |
| <a href="#">L22</a> | EDUCATION EQUIPMENT RENT OR LEASE  |
| <a href="#">L23</a> | PROGRAMMATIC FACILITY EQUIPMENT RENTAL OR LEASE  |
| <a href="#">L24</a> | MOTORIZED VEHICLE EQUIPMENT RENTAL OR LEASE  |
| <a href="#">L25</a> | OFFICE EQUIPMENT RENTAL OR LEASE   |
| <a href="#">L26</a> | PRINTING/PHOTOCOPY AND MICROGRAPHICS EQUIPMENT RENTAL OR LEASE   |
| <a href="#">L27</a> | OFFICE FURNISHINGS RENTAL OR LEASE   |
| <a href="#">L29</a> | MEDICAL EQUIPMENT RENTAL OR LEASE  |
| <a href="#">L30</a> | LAW ENFORCEMENT/SECURITY EQUIP RENTAL OR LEASE   |
| <a href="#">L31</a> | HEAVY EQUIPMENT RENTAL OR LEASE  |
| <a href="#">L32</a> | TELEVISION BROADCASTING EQUIPMENT RENTAL OR LEASE  |
| <a href="#">L42</a> | EDUCATIONAL EQUIPMENT MAINTENANCE AND REPAIR   |
| <a href="#">L44</a> | MOTORIZED VEHICLE EQUIPMENT MAINTENANCE AND REPAIR   |
| <a href="#">L45</a> | OFFICE EQUIPMENT MAINTENANCE AND REPAIR  |
| <a href="#">L46</a> | PRINT, PHOTOCOPYING, AND MICROGRAPH EQUIPMENT MAINTENANCE AND REPAIR   |
| <a href="#">L47</a> | OFFICE FURNISHINGS MAINTENANCE AND REPAIR  |
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| <a href="#">L50</a> | LAW ENFORCEMENT/SECURITY EQUIPMENT MAINTENANCE AND REPAIR  |
| <a href="#">L51</a> | HEAVY EQUIPMENT MAINTENANCE AND REPAIR   |
| <a href="#">L52</a> | TELEVISION BROADCAST EQUIPMENT MAINTENANCE AND REPAIR  |
| <a href="#">L63</a> | PROGRAMMATIC EQUIPMENT MAINTENANCE AND REPAIR  |
| <a href="#">L87</a> | CASH WITH CAMPUS   |
| <a href="#">L90</a> | OPERATING TRANSFER   |
| <a href="#">L99</a> | LATE PENALTY INTEREST  |
| <a href="#">M01</a> | NON-MEDICAL OR NON-HEALTH CARE RELATED CLIENT SERVICES PROVIDED BY INDIVIDUALS   |
| <a href="#">MM1</a> | MEDICAL OR HEALTH CARE RELATED INDIVIDUAL SERVICES RENDERED EITHER DIRECTLY TO OR ON BEHALF OF A CLIENT BY INDIVIDUALS |
| <a href="#">M1M</a> | NON-MEDICAL/HEALTH SERVICES PROVIDED BY INDIVIDUALS WITHIN ORGANIZATIONS   |
| <a href="#">M02</a> | REIMBURSEMENTS   |
| <a href="#">MM2</a> | TAX REPORTABLE REIMBURSEMENTS  |
| <a href="#">M2M</a> | MEDICAL/HEALTH SERVICES PROVIDED BY INDIVIDUALS WITHIN ORGANIZATIONS   |
| <a href="#">M03</a> | PURCHASED HUMAN & SOCIAL SERVICES FOR CLIENTS/NON-MEDICAL  |
| <a href="#">MM3</a> | PURCHASED HUMAN AND SOCIAL SERVICES FOR CLIENTS MEDICAL OR HEALTH CARE RELATED SERVICES                                |
| <a href="#">M04</a> | SERVICES PURCHASED IN SUPPORT OF HUMAN/SOCIAL SERVICES FOR CLIENTS   |
| <a href="#">M07</a> | TUITION AND EDUCATIONAL FEES   |
| <a href="#">M10</a> | NON-HUMAN SERVICE COOPERATION FUNDING CONTRACTS  |
| <a href="#">M11</a> | HUMAN & SOCIAL SERVICES PROGRAM EQUIPMENT  |
| <a href="#">M75</a> | ADVANCES PURCHASED CLIENT HUMAN & SOCIAL SERVICES & NON-HUMAN SERVICES PROGRAM   |
| <a href="#">M78</a> | PURCHASED CLIENT SOCIAL SERVICES: SUB-RECIPIENT  |
| <a href="#">M87</a> | CASH WITH CAMPUS   |
| <a href="#">M90</a> | OPERATING TRANSFER   |
| <a href="#">M98</a> | REIMBURSEMENT FOR TRAVEL & OTHER EXPENSES FOR INDIVIDUALS PAID FROM M01 OR MM1   |
| <a href="#">M99</a> | LATE PENALTY INTEREST PURCHASES CLIENT HUMAN AND SOCIAL SERVICES AND NON-HUMAN SERVICES PROGRAMS                       |
| <a href="#">NN1</a> | ENGINEERING, RESEARCH AND SCIENTIFIC SERVICES  |
| <a href="#">N02</a> | ARTISTS  |
| <a href="#">N03</a> | ATTORNEYS/LEGAL SERVICES   |
| <a href="#">N04</a> | APPRAISERS   |
| <a href="#">N05</a> | CONSTRUCTION MANAGEMENT  |

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| <a href="#">N06</a> | COST ESTIMATORS  |
| <a href="#">N11</a> | CONSTRUCTION BONUS   |
| <a href="#">N12</a> | TESTING FIRMS  |
| <a href="#">N13</a> | HIGHWAY/LATERAL STRUCTURE PLANNING/ENGINEERING   |
| <a href="#">N14</a> | HAZARDOUS WASTE REMOVAL SERVICES   |
| <a href="#">N15</a> | MAJOR NEW BUILDING/VERTICAL STRUCTURE CONSTRUCTION   |
| <a href="#">N16</a> | MAJOR CONSTRUCTION, RENOVATION, BUILDING ALTERATION & LAND IMPROVEMENTS  |
| <a href="#">N17</a> | MAJOR BUILDING MAINTENANCE AND LAND IMPROVEMENTS   |
| <a href="#">N18</a> | INITIAL FURNISHINGS & EQUIPMENT PURCHASES  |
| <a href="#">N19</a> | LAND ACQUISITION AND EMINENT DOMAIN  |
| <a href="#">N20</a> | LEGISLATIVELY MANDATED PURCHASES OTHER THAN LAND   |
| <a href="#">N21</a> | HIGHWAY HORIZONTAL/LATERAL CONSTRUCTION  |
| <a href="#">N22</a> | HIGHWAY HORIZONTAL/LATERAL MAINTENANCE & IMPROVEMENTS  |
| <a href="#">N23</a> | HIGHWAY HORIZONTAL/LATERAL MAINTENANCE MATERIALS   |
| <a href="#">N24</a> | RAILROADS  |
| <a href="#">N25</a> | RAILROADS: EASEMENT/INTERESTS IN LAND & RIGHT OF WAY   |
| <a href="#">N26</a> | MANAGE OF COMMONWEALTH OWNED RAILROAD RIGHT OF WAY   |
| <a href="#">N27</a> | TRANSPORTATION OPERATING AGREEMENTS  |
| <a href="#">N29</a> | DRILLING CONTRACTS   |
| <a href="#">N30</a> | RELOCATION COSTS LAND TAKING   |
| <a href="#">N41</a> | STATE PARK & RECREATION FACILITIES CONSTRUCTION  |
| <a href="#">N50</a> | NON-MAJOR FACILITY INFRASTRUCTURE MAINTENANCE AND REPAIR   |
| <a href="#">N51</a> | PROPERTY MANAGEMENT  |
| <a href="#">N52</a> | FACILITY INFRASTRUCTURE MAINTENANCE & REPAIR TOOLS & SUPPLIE   |
| <a href="#">N60</a> | LAWN AND GROUNDS EQUIPMENT MAINTENANCE AND REPAIR  |
| <a href="#">N61</a> | LAWN AND GROUNDS EQUIPMENT   |
| <a href="#">N62</a> | TELP LEASE PURCHASE OF FACILITY INFRASTRUCTURE MAINTENANCE & LAWN AND GROUNDS  |
| <a href="#">N63</a> | RENTAL OR LEASE OF FACILITY INFRASTRUCTURE MAINTENANCE   |
| <a href="#">N64</a> | GARDEN EXPENSES, TOOLS AND SUPPLIES  |
| <a href="#">N70</a> | CLEANERS/JANITORS  |
| <a href="#">N71</a> | EXTERMINATORS/INTEGRATED PEST MANAGEMENT   |
| <a href="#">N72</a> | HAZARDOUS WASTE REMOVAL SERVICES   |
| <a href="#">N73</a> | NON-HAZARDOUS WASTE REMOVAL SERVICES   |
| <a href="#">N74</a> | SNOW REMOVAL AND GROUNDSKEEPING SERVICES   |
| <a href="#">N78</a> | HORIZONTAL AND VERTICAL CONSTRUCTION: SUB-RECIPIENT  |
| <a href="#">N80</a> | SNOW AND ICE HIRED EQUIPMENT AND REMOVAL   |
| <a href="#">N87</a> | CASH WITH CAMPUS   |
| <a href="#">N90</a> | OPERATING TRANSFER   |
| <a href="#">N93</a> | HORIZONTAL & VERTICAL CONSTRUCTION RELATED SETTLEMENT & JUDGMENT - TAX REPORTABLE TO CLAIMANT- CLAIMANT & ATTORNEY JOINT PAYEES OR ATTORNEY SOLE PAYEE |
| <a href="#">N94</a> | HORIZONTAL AND VERTICAL CONSTRUCTION RELATED SETTLEMENT & JUDGMENT - TAX REPORTABLE TO CLAIMANT - CLAIMANT SOLE PAYEE                                  |
| <a href="#">N95</a> | LATE PAYMENT INTEREST ON CONSTRUCTION AND IMPROVEMENT PROJECTS   |
| <a href="#">N96</a> | LATE PAYMENT INTEREST ON EMINENT DOMAIN TAKING   |
| <a href="#">N98</a> | REIMBURSEMENT FOR TRAVEL/OTHER EXPENSE INFRAS PROJECTS   |
| <a href="#">N99</a> | LATE PENALTY INTEREST  |
| <a href="#">P01</a> | GRANTS TO PUBLIC ENTITIES  |
| <a href="#">PP1</a> | GRANTS TO NON-PUBLIC ENTITIES  |
| <a href="#">P02</a> | SUBSIDIES  |
| <a href="#">P04</a> | "CHERRY SHEET" DISTRIBUTIONS   |
| <a href="#">P05</a> | STATE COLLECTED TAXES, FINES, FEES DISTRIB TO LOCAL GOVERNMENT   |
| <a href="#">P06</a> | OTHER FINANCIAL ASSISTANCE TO STATE AUTHORITIES  |
| <a href="#">P07</a> | FINANCIAL ASSISTANCE FOR WITNESS PROTECTION SERVICES   |
| <a href="#">P75</a> | ADVANCES GRANT AND SUBSIDIES   |
| <a href="#">P87</a> | CASH WITH CAMPUS   |
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| <a href="#">RR1</a> | NUTRITIONAL ASSISTANCE   |
| <a href="#">R02</a> | EMERGENCY ASSISTANCE   |
| <a href="#">R03</a> | FUEL ASSISTANCE: SUB-RECIPIENT REPORTABLE  |
| <a href="#">R04</a> | SUPPLEMENTAL SECURITY INCOME (SSI)   |
| <a href="#">R05</a> | REFUGEE ASSISTANCE   |
| <a href="#">R06</a> | EMERGENCY AID TO ELDERLY, DISABLED, AND CHILDREN   |
| <a href="#">R07</a> | MEDICAL ASSISTANCE   |
| <a href="#">R08</a> | CHILD SUPPORT  |
| <a href="#">R09</a> | EDUCATIONAL ASSISTANCE   |
| <a href="#">R10</a> | MEDICAID   |
| <a href="#">R11</a> | MANDATED SHARED COSTS  |
| <a href="#">R12</a> | INMATE RELEASE   |
| <a href="#">R13</a> | VETERANS ASSISTANCE  |
| <a href="#">R14</a> | ENVIRONMENTAL CONSERVATION PROGRAMS: SUB-RECIPIENT REPORTABLE                                  |
| <a href="#">R15</a> | VOUCHER TYPE PROGRAMS: SUB-RECIPIENT REPORTABLE  |
| <a href="#">R16</a> | INDIVIDUAL EMPLOYMENT ASSIST   |
| <a href="#">R17</a> | UNEMPLOYMENT BENEFITS  |
| <a href="#">R18</a> | EMPLOYMENT ASSISTANCE  |
| <a href="#">R19</a> | COMPENSATION TO VICTIMS OF VIOLENCE  |
| <a href="#">R20</a> | WORKERS' COMPENSATION  |
| <a href="#">R21</a> | CLIENT MEDICAL SERVICES: SUB-RECIPIENT REPORTABLE  |
| <a href="#">R22</a> | HEALTH INSURANCE PROGRAMS  |
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| <a href="#">R24</a> | PUBLIC COUNSEL   |
| <a href="#">R25</a> | CLIENT LEGAL SERVICES  |
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| <a href="#">R27</a> | MEDICAID PERSONAL NEEDS ALLOWANCE (PNA)  |
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| <a href="#">R29</a> | TEACHER INCENTIVE PAYMENTS   |
| <a href="#">R40</a> | PAID FAMILY MEDICAL LEAVE BENEFITS   |
| <a href="#">R75</a> | ADVANCES BENEFIT ENTITLEMENT PROGRAMS FOR R01,R02, R04, R06, R08,R22                           |
| <a href="#">R76</a> | ADVANCES BENEFIT ENTITLEMENT PROGRAMS FOR R08- DOR ONLY  |
| <a href="#">R77</a> | ADVANCES BENEFIT ENTITLEMENT PROGRAMS FOR R07 - WEL ONLY                                       |
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| <a href="#">R90</a> | OPERATING TRANSFER   |
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| <a href="#">S01</a> | BOND REDEMPTION (PRINCIPAL)  |
| <a href="#">S02</a> | BOND REDEMPTION (INTEREST)   |
| <a href="#">S03</a> | BOND REDEMPTION (DISCOUNT)   |
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| <a href="#">S09</a> | OTHER DEBT SERVICES  |
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| <a href="#">S13</a> | PRINCIPAL ON CURRENT REFUNDINGS  |
| <a href="#">S87</a> | CASH WITH CAMPUS   |
| <a href="#">S90</a> | OPERATING TRANSFER DEBT SERVICE-PRINCIPAL  |
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| <a href="#">S92</a> | OPERATING TRANSFER DEBT SERVICE DISCOUNT   |
| <a href="#">T01</a> | LOANS TO GOVERNMENTAL ENTITIES   |
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| <a href="#">T05</a> | INITIAL PAYMENT OF PRIZES TO AWARDEES  |
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| <a href="#">T07</a> | REIMBURSEMENT  |
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| NON-EMPLOYEE SETTLEMENTS AND JUDGMENTS:TAX REPORTABLE TO CLAIMANT - CLAIMANT AND ATTORNEY COPAYEE                                 | <a href="#">E51</a> |
| NON-HAZARDOUS WASTE REMOVAL SERVICES  | <a href="#">N73</a> |
| NON-HUMAN SERVICE COOPERATION FUNDING CONTRACTS   | <a href="#">M10</a> |
| NON-MAJOR FACILITY INFRASTRUCTURE MAINTENANCE AND REPAIR  | <a href="#">N50</a> |
| NON-MED/HEALTH SERVICES PROVIDED BY INDIVIDUALS WITHIN ORGANIZATIONS  | <a href="#">M1M</a> |
| NON-MEDICAL OR NON-HEALTH CARE RELATED CLIENT SERVICES PROVIDED BY INDIVIDUALS  | <a href="#">M01</a> |
| NOTE REDEMPTION (INTEREST)  | <a href="#">S05</a> |
| NOTE REDEMPTION (PRINCIPAL)   | <a href="#">S04</a> |
| NUTRITIONAL ASSISTANCE  | <a href="#">RR1</a> |
| OFFICE AND ADMINISTRATIVE SUPPLIES  | <a href="#">E01</a> |
| OFFICE EQUIPMENT  | <a href="#">K05</a> |
| OFFICE EQUIPMENT MAINTENANCE & REPAIR   | <a href="#">L45</a> |
| OFFICE EQUIPMENT RENTAL OR LEASE  | <a href="#">L25</a> |
| OFFICE EQUIPMENT TELP LEASE-PURCHASE  | <a href="#">L05</a> |
| OFFICE FURNISHINGS  | <a href="#">K07</a> |
| OFFICE FURNISHINGS MAINTENANCE AND REPAIR   | <a href="#">L47</a> |
| OFFICE FURNISHINGS RENTAL OR LEASE  | <a href="#">L27</a> |

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| OFFICE FURNISHINGS TELP LEASE-PURCHASE   | <a href="#">L07</a> |
| OPERATING TRANSFER   | <a href="#">A90</a> |
| OPERATING TRANSFER   | <a href="#">B90</a> |
| OPERATING TRANSFER   | <a href="#">C90</a> |
| OPERATING TRANSFER   | <a href="#">D90</a> |
| OPERATING TRANSFER   | <a href="#">E90</a> |
| OPERATING TRANSFER   | <a href="#">G90</a> |
| OPERATING TRANSFER   | <a href="#">H90</a> |
| OPERATING TRANSFER   | <a href="#">J90</a> |
| OPERATING TRANSFER   | <a href="#">L90</a> |
| OPERATING TRANSFER   | <a href="#">M90</a> |
| OPERATING TRANSFER   | <a href="#">N90</a> |
| OPERATING TRANSFER   | <a href="#">P90</a> |
| OPERATING TRANSFER   | <a href="#">R90</a> |
| OPERATING TRANSFER   | <a href="#">T90</a> |
| OPERATING TRANSFER   | <a href="#">U90</a> |
| OPERATING TRANSFER - PROGRAMMATIC EQUIPMENT PURCHASE                                 | <a href="#">K90</a> |
| OPERATING TRANSFER - PROGRAMMATIC FACILITY OPERATIONAL SUPPLIES AND RELATED EXPENSES | <a href="#">F90</a> |
| OPERATING TRANSFER DEBT SERVICE DISCOUNT   | <a href="#">S92</a> |
| OPERATING TRANSFER DEBT SERVICE INTEREST   | <a href="#">S91</a> |
| OPERATING TRANSFER DEBT SERVICE PRINCIPAL  | <a href="#">S90</a> |
| OTHER DEBT SERVICES  | <a href="#">S09</a> |
| OTHER FINANCIAL ASSISTANCE TO STATE AUTHORITIES                                      | <a href="#">P06</a> |
| OUT OF STATE TRAVEL - INCLUSIVE: AIRFARE, HOTEL/LODGING, OTHER                       | <a href="#">B01</a> |
| OUT OF STATE TRAVEL EXPENSES ON BEHALF OF STATE EMPLOYEES                            | <a href="#">E41</a> |
| OUTLAY OF EMPLOYEE WITHHOLDING   | <a href="#">T11</a> |
| OVERTIME MEALS   | <a href="#">B03</a> |
| OVERTIME PAY   | <a href="#">A08</a> |
| PAID FAMILY MEDICAL LEAVE BENEFITS   | <a href="#">R40</a> |
| PAYMENT FROM TRACK ESCROW FUNDS  | <a href="#">T22</a> |
| PAYMENT OF ABANDONED PROPERTY  | <a href="#">T13</a> |
| PAYMENT OF ACCRUED INTEREST ON INVESTMENTS   | <a href="#">T12</a> |
| PAYMENT OF FUNDS DUE TO DEPOSITORS/CONSUMERS   | <a href="#">T14</a> |
| PAYMENT OF UNCLAIMED FUNDS   | <a href="#">T15</a> |
| PAYMENT TO REFUND BOND ESCROW AGENT  | <a href="#">S11</a> |
| PAYMENTS AND REFUNDS   | <a href="#">T04</a> |
| PAYMENTS FOR DECEASED EMPLOYEES  | <a href="#">A21</a> |
| PAYMENTS FOR PRIOR YEAR REFUND FOR COLLECTED FEES                                    | <a href="#">T23</a> |
| PAYMENTS OF ASSESSMENTS TO COLLEGE BUILDING AUTHORITIES                              | <a href="#">T18</a> |
| PAYMENTS OF DUES AND FEES  | <a href="#">T16</a> |
| PENSION AND INSURANCE RELATED EXPENDITURES   | <a href="#">D20</a> |
| PERFORMERS/ACTORS  | <a href="#">H30</a> |
| PERSONAL MEDICAL ITEMS AND PROSTHETICS   | <a href="#">F07</a> |
| PERSONNEL PLACEMENT CONSULTANTS (RECRUITERS)   | <a href="#">H21</a> |
| PHOTOGRAPHIC AND MICROGRAPHIC SERVICES   | <a href="#">J33</a> |
| PLANNERS   | <a href="#">H22</a> |
| POLICE DETAIL  | <a href="#">A20</a> |
| POSTAGE  | <a href="#">E06</a> |
| POSTAGE CHARGEBACK   | <a href="#">E05</a> |
| POSTMORTEM EXPENSES  | <a href="#">R23</a> |
| PRINCIPAL ON CURRENT REFUNDINGS  | <a href="#">S13</a> |
| PRINT, PHOTOCOPYING, AND MICROGRAPHICS EQUIPMENT MAINTENANCE AND REPAIR              | <a href="#">L46</a> |
| PRINT, PHOTOCOPYING, AND MICROGRAPHICS EQUIPMENT TELP LEASE-PURCHASE                 | <a href="#">L06</a> |
| PRINTING EXPENSES AND SUPPLIES   | <a href="#">E02</a> |
| PRINTING, PHOTOCOPYING, AND MICROGRAPHICS EQUIPMENT                                  | <a href="#">K06</a> |
| PRINTING, PHOTOCOPYING, AND MICROGRAPHICS EQUIPMENT RENTAL OR LEASE                  | <a href="#">L26</a> |

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| PRIOR YEAR DEFICIENCY CHARGEBACK   | <a href="#">E27</a> |
| PROFESSIONAL DEVELOPMENT FOR HIGHER EDUCATION PERSONNEL  | <a href="#">A16</a> |
| PROGRAM COORDINATORS   | <a href="#">H23</a> |
| PROGRAMMATIC EQUIPMENT MAINTENANCE AND REPAIR  | <a href="#">L63</a> |
| PROGRAMMATIC FACILITY EQUIPMENT  | <a href="#">K03</a> |
| PROGRAMMATIC FACILITY EQUIPMENT RENTAL OR LEASE  | <a href="#">L23</a> |
| PROGRAMMATIC FACILITY EQUIPMENT TELP LEASE-PURCHASE  | <a href="#">L03</a> |
| PROPERTY MANAGEMENT  | <a href="#">N51</a> |
| PUBLIC COUNSEL   | <a href="#">R24</a> |
| PURCHASED CLIENT SOCIAL SERVICES: SUB-RECIPIENT  | <a href="#">M78</a> |
| PURCHASED HUMAN AND SOCIAL SERVICES FOR CLIENTS/NON MEDICAL  | <a href="#">M03</a> |
| PURCHASED HUMAN AND SOCIAL SERVICES FOR CLIENTS MEDICAL OR HEALTH CARE RELATED SERVICES  | <a href="#">MM3</a> |
| RAILROADS  | <a href="#">N24</a> |
| RAILROADS: EASEMENT/INTERESTS IN LAND AND RIGHT OF WAY   | <a href="#">N25</a> |
| RECREATION, RELIGIOUS, AND SOCIAL SUPPLIES AND MATERIALS   | <a href="#">F18</a> |
| REFUGEE ASSISTANCE   | <a href="#">R05</a> |
| REIMBURSEMENT FOR TRAVEL AND OTHER EXPENSES FOR OPERATIONAL SERVICES   | <a href="#">J98</a> |
| REIMBURSEMENT  | <a href="#">T07</a> |
| REIMBURSEMENT FOR TRAVEL AND OTHER EXPENSES FOR BOARD MEMBER SERVICES  | <a href="#">E98</a> |
| REIMBURSEMENT FOR TRAVEL AND OTHER EXPENSES FOR INDIVIDUALS PAID FROM M01 OR MM1   | <a href="#">M98</a> |
| REIMBURSEMENT FOR TRAVEL AND EXPENSES FOR INFORMATION TECHNOLOGY PROFESSIONALS   | <a href="#">U98</a> |
| REIMBURSEMENT FOR TRAVEL AND OTHER EXPENSES FOR SPECIAL EMPLOYEES/CONTRACTED SERVICES  | <a href="#">C98</a> |
| REIMBURSEMENT FOR TRAVEL EXPENSES FOR CONSULTANT SERVICES  | <a href="#">H98</a> |
| REIMBURSEMENT FOR TRAVEL/OTHER EXPENSE INFRASTRUCTURE PROJECTS   | <a href="#">N98</a> |
| REIMBURSEMENTS   | <a href="#">M02</a> |
| RELOCATION COSTS LAND TAKING   | <a href="#">N30</a> |
| RENTAL OR LEASE OF FACILITY INFRASTRUCTURE MAINTENANCE   | <a href="#">N63</a> |
| RESEARCH ACTIVITY/SUMMER SALARY COMPENSATION   | <a href="#">A15</a> |
| RETIREMENT ALLOWANCES  | <a href="#">D01</a> |
| RETIREMENT ALLOWANCE-STATE EMPLOYEES   | <a href="#">D05</a> |
| RETIREMENT ALLOWANCE-TEACHERS  | <a href="#">D04</a> |
| RETIREMENT SETTLEMENT-STATE EMPLOYEES  | <a href="#">D03</a> |
| RETIREMENT SETTLEMENT-TEACHERS   | <a href="#">D02</a> |
| REVENUE MAXIMUM CONTINGENT FEES  | <a href="#">T09</a> |
| ROLL CALL PAY  | <a href="#">A09</a> |
| SALARIES PAID TO HIGHER EDUCATION CONTRACT EMPLOYEES PAID FROM FUND 900 (CASH WITH CAMPUS) THAT ARE NOT CATEGORIZED IN ANY OTHER CC OBJECT CLASS | <a href="#">C09</a> |
| SALARIES: INCLUSIVE  | <a href="#">A01</a> |
| SALARIES: SUPPLEMENTAL   | <a href="#">AA1</a> |
| SALES TAX  | <a href="#">E23</a> |
| SECRETARIAT CENTRAL SERVICES CHARGEBACK  | <a href="#">E56</a> |
| SERVICES PURCHASED IN SUPPORT OF HUMAN/SOCIAL SERVICES FOR CLIENTS   | <a href="#">M04</a> |
| SETTLEMENTS AND JUDGMENTS: TAX REPORTABLE DAMAGES TO CLAIMANT - CLAIMANT AND ATTORNEY CO-PAYEEES, OR ATTORNEY SOLE PAYEE                         | <a href="#">E52</a> |
| SETTLEMENTS AND JUDGMENTS: TAX REPORTABLE TO NON-EMPLOYEE CLAIMANT - CLAIMANT SOLE PAYEE   | <a href="#">E50</a> |
| SEWAGE DISPOSAL AND WATER  | <a href="#">G08</a> |
| SHERIFFS, CONSTABLES, AND PROCESS SERVERS  | <a href="#">J41</a> |
| SHIFT DIFFERENTIAL PAY   | <a href="#">A07</a> |
| SICK-LEAVE BUY BACK  | <a href="#">A12</a> |
| SNOW AND ICE HIRED EQUIPMENT AND REMOVAL   | <a href="#">N80</a> |
| SNOW REMOVAL AND GROUNDSKEEPING SERVICES   | <a href="#">N74</a> |
| SOFTWARE AND INFORMATION TECHNOLOGY (IT) LICENSES  | <a href="#">U03</a> |
| SPACE RENTAL   | <a href="#">G01</a> |
| SPECIAL EMPLOYEES/CONTRACTED SERVICES EMPLOYMENT RELATED SETTLEMENTS AND JUDGMENTS   | <a href="#">C11</a> |
| STAND-BY PAY   | <a href="#">A06</a> |
| STATE COLLECTED TAXES, FINES, AND FEES DISTRIBUTED TO LOCAL GOVERNMENT   | <a href="#">P05</a> |



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|---|---------------------|
| STATE PARK & RECREATION FACILITIES CONSTRUCTION   | <a href="#">N41</a> |
| STATE SINGLE AUDIT CHARGEBACK   | <a href="#">E18</a> |
| STIPENDS, BONUS PAY & AWARDS  | <a href="#">A14</a> |
| SUBSCRIPTIONS, MEMBERSHIPS & LICENSING FEES   | <a href="#">E12</a> |
| SUBSIDIES   | <a href="#">P02</a> |
| SUPPLEMENTAL SECURITY INCOME (SSI)  | <a href="#">R04</a> |
| SURETY OF EMPLOYEES   | <a href="#">D10</a> |
| SURVEYORS   | <a href="#">J44</a> |
| TAX REPORTABLE REIMBURSEMENTS   | <a href="#">MM2</a> |
| TEACHER INCENTIVE PAYMENTS  | <a href="#">R29</a> |
| TELECOMMUNICATIONS SERVICES – VOICE   | <a href="#">U02</a> |
| TELECOMMUNICATIONS SERVICES – DATA  | <a href="#">U01</a> |
| TELEPHONE CHARGEBACK  | <a href="#">E07</a> |
| TELEVISION BROADCAST EQUIPMENT MAINTENANCE AND REPAIR                                       | <a href="#">L52</a> |
| TELEVISION BROADCASTING EQUIPMENT   | <a href="#">K12</a> |
| TELEVISION BROADCASTING EQUIPMENT RENTAL OR LEASE   | <a href="#">L32</a> |
| TELEVISION BROADCASTING EQUIPMENT TELP LEASE-PURCHASE                                       | <a href="#">L12</a> |
| TELP LEASE PURCHASE OF FACILITY INFRASTRUCTURE MAINTENANCE AND LAWN AND GROUNDS             | <a href="#">N62</a> |
| TEMPORARY HELP SERVICES   | <a href="#">J46</a> |
| TEMPORARY USE OF SPACE, CONFERENCES, AND CONFERENCE INCIDENTALS (INCLUDES RESERVATION FEES) | <a href="#">E22</a> |
| TESTING FIRMS   | <a href="#">N12</a> |
| TOILETRIES & PERSONAL SUPPLIES  | <a href="#">F08</a> |
| TRANSITIONAL AID FOR NEEDY FAMILIES (TA&F)  | <a href="#">R01</a> |
| TRANSPORTATION OPERATING AGREEMENTS   | <a href="#">N27</a> |
| TUITION AND EDUCATIONAL FEES  | <a href="#">M07</a> |
| UNCOMPENSATED CARE PROGRAMS   | <a href="#">R26</a> |
| UNEMPLOYMENT BENEFITS   | <a href="#">R17</a> |
| UNEMPLOYMENT COMPENSATION INSURANCE PREMIUM PAYMENT   | <a href="#">D12</a> |
| UNIVERSAL HEALTH INSURANCE PAYMENTS   | <a href="#">D19</a> |
| VACATION-IN-LIEU  | <a href="#">A13</a> |
| VEHICLE FUEL CHARGEBACK   | <a href="#">G04</a> |
| VETERANS ASSISTANCE   | <a href="#">R13</a> |
| VOLUNTARY HEALTH INSURANCE  | <a href="#">T17</a> |
| VOLUNTEER SERVICES  | <a href="#">C27</a> |
| VOUCHER TYPE PROGRAMS: SUB-RECIPIENT REPORTABLE   | <a href="#">R15</a> |
| WEATHER REPORTING SERVICES  | <a href="#">J54</a> |
| WHOLESALE SUPPLIES  | <a href="#">F28</a> |
| "WORK STUDY"  | <a href="#">J57</a> |
| WORKERS' COMPENSATION   | <a href="#">D16</a> |
| WORKERS' COMPENSATION   | <a href="#">R20</a> |
| WORKERS' COMPENSATION CHARGEBACKS   | <a href="#">D15</a> |
| WORKERS' COMPENSATION PAYMENTS OR INJURED BY A PATIENT OR PRISONER (IPP)                    | <a href="#">D24</a> |

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## APPENDIX

### OBJECT CODE REVISIONS TRACKING LOG

This chart illustrates any changes - New (N), Modified (M), or Inactivated (I) - made to object codes between 2007 and the latest update of the Expenditure Classification Handbook. A brief description of the update is included.

| OBJECT CODE         | TITLE   | ACTION | DESCRIPTION   | DATE     |
|---------------------|---|--------|---|----------|
| <a href="#">A01</a> | SALARIES: INCLUSIVE   | M      |   | 2007     |
| A02                 | SALARIES: EXCESS QUOTA POSITIONS  | I      | Replaced by Object Code A01   | 2007     |
| A03                 | SALARIES: SEASONAL POSITIONS  | I      | Replaced by Object Code A01   | 2007     |
| A04                 | SALARIES: SICK LEAVE POSITIONS  | I      | Replaced by Object Code A01   | 2007     |
| A05                 | SALARIES: COMMISSION AND/OR BOARD MEMBER POSITIONS                        | I      | Replaced by Object Code A01   | 2007     |
| <a href="#">A14</a> | STIPENDS, BONUS PAY, AND AWARDS   | M      | Added: stipends, legislative office expenses, retroactive pay associated with sick and vacation Buy Backs   | Jul 2010 |
| <a href="#">A20</a> | POLICE DETAIL   | M      | Clarification: Description (Includes: Any law enforcement detail)   | 2009     |
| <a href="#">AA1</a> | SALARIES: SUPPLEMENTAL  | N      |   | Jun 2008 |
| <a href="#">B01</a> | OUT-OF-STATE TRAVEL – INCLUSIVE: AIRFARE, HOTEL/LODGING, OTHER            | M      |   | 2007     |
| <a href="#">B04</a> | JOB-RELATED TUITION: INCLUSIVE: UNDERGRADUATE AND GRADUATE                | M      |   | 2007     |
| <a href="#">B05</a> | CONFERENCE, TRAINING, REGISTRATION AND MEMBERSHIP DUES AND LICENSING FEES | M      |   | 2007     |
| B06                 | MEMBERSHIP DUES AND LICENSING   | I      | Replaced by Object Code B05   | 2007     |
| <a href="#">B11</a> | EMPLOYER REFUND OF NON-TAX BENEFITS                                       | N      | Reimbursements to eligible employees for out-of-pocket costs of co-pays and deductibles of insurance carriers contracted by Group Insurance Commission or Qualified Transportation fees. Eligibility determined by Human Resource Division. | Jul 2010 |
| B1B                 | OUT-OF-STATE TRAVEL – HOTEL LODGING                                       | I      | Replaced by Object Code B01   | 2007     |
| BB1                 | OUT-OF-STATE TRAVEL – AIRFARE   | I      | Replaced by Object Code B01   | 2007     |
| BB4                 | JOB-RELATED TUITION, GRADUATE EDUCATION                                   | I      | Replaced by Object Code B04   | 2007     |
| <a href="#">C05</a> | CONTRACTED STUDENT INTERNS  | M      | Salary posted to this object code is subject to payroll taxes, e.g., UI/UHI and MTX   | 2008     |

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| OBJECT CODE         | TITLE   | ACTION | DESCRIPTION  | DATE     |
|---------------------|---|--------|--|----------|
| <a href="#">C28</a> | EDUCATION, TRAINING, AND BOARD MEMBERSHIP SERVICES              | M      | Clarification: Description (Includes: Task Force Members)  | 2009     |
| <a href="#">C33</a> | CLIENT/PATIENT/RESIDENT WAGES – CONSCRIPT SERVICES              | M      | Agreement Type: Rehabilitation, Treatment or other Authorized Work Plan documenting work and wages | 2008     |
| <a href="#">CC5</a> | CONTRACTED STUDENT INTERNS (CAMPUS EMPLOYMENT)                  | N      |  | 2008     |
| <a href="#">D09</a> | FRINGE BENEFIT COST RECOUPMENT                                  | M      |  | 2007     |
| D11                 | UNEMPLOYMENT COMPENSATION INSURANCE PREMIUM CHARGEBACK          | I      | Replaced by Object Code D09  | 2007     |
| D13                 | MEDICARE CHARGEBACK   | I      | Replaced by Object Code D09  | 2007     |
| <a href="#">D17</a> | MEDICAL EXPENSES  | M      | Updated: Pre/Encumb/Payment Request Added: CT/PRC for inclusion of Discount Processing             | Feb 2009 |
| D18                 | UNIVERSAL HEALTH INSURANCE CHARGEBACK                           | I      | Replaced by Object Code D09  | 2007     |
| <a href="#">E12</a> | SUBSCRIPTIONS, MEMBERSHIPS, AND LICENSING FEES                  | M      | Clarification: Description (Includes: Cable-Direct TV)   | 2009     |
| <a href="#">E12</a> | SUBSCRIPTIONS, MEMBERSHIPS, AND LICENSING FEES                  | M      | Added language pointing to UU for IT related items   | 2020     |
| <a href="#">E16</a> | INDIRECT COST RECOUPMENT  | M      | Added GAE/GAX for campuses only  | 2020     |
| <a href="#">E19</a> | FEES, FINES, LICENSES, PERMITS, AND CHARGEBACKS                 | M      | Updated: Pre/Encumb/Payment Request Added: PC for inclusion of Discount Processing                 | Jul 2008 |
| <a href="#">E22</a> | TEMPORARY USE OF SPACE, CONFERENCES, AND CONFERENCE INCIDENTALS | M      | Clarification: Description (Includes: Trade Booth Fees)  | 2009     |
| <a href="#">E56</a> | SECRETARIAT CENTRAL SERVICES CHARGEBACK                         | N      |  | 2007     |
| <a href="#">E87</a> | CASH WITH CAMPUS  | N      |  | Nov 2014 |
| <a href="#">EE2</a> | CONFERENCE, TRAINING, AND REGISTRATION FEES                     | M      | Clarification: Description (Includes: or departments)  | 2009     |
| <a href="#">F01</a> | FOOD, BEVERAGES, AND PRESERVATION                               | M      | Added: IE/ITI/ITA documents  | 2020     |
| <a href="#">F10</a> | FACILITY FURNISHINGS  | M      |  | 2007     |
| <a href="#">F13</a> | LIVE ANIMALS AND RELATED SUPPLIES                               | M      |  | 2007     |
| <a href="#">F19</a> | MANUFACTURING SUPPLIES AND MATERIALS AND RAW MATERIALS          | M      |  | 2007     |
| F20                 | RAW MATERIALS FOR MANUFACTURE                                   | I      | Replaced by Object Code F19  | 2007     |
| <a href="#">F24</a> | MOTOR VEHICLE MAINTENANCE AND REPAIR PARTS                      | N      |  | 2007     |
| F25                 | MAINTENANCE AND REPAIR TOOLS AND SUPPLIES                       | I      | Replaced by Object Code F24 And N52  | 2007     |

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| OBJECT CODE         | TITLE  | ACTION | DESCRIPTION   | DATE     |
|---------------------|--|--------|---|----------|
| F26                 | FLOOR COVERINGS  | I      | Replaced by Object Code N50   | 2007     |
| <a href="#">F87</a> | CASH WITH CAMPUS   | N      |   | Nov 2014 |
| G07                 | HEATING AND AIR CONDITIONING, WATER TREATMENT, CHEMICALS, AND SUPPLIES | I      | Replaced by Object Code N52   | 2007     |
| <a href="#">G10</a> | ENERGY SAVINGS   | M      | Updated: Pre/Encumb/Payment Request Added: RPO/PRM                  | Dec-2008 |
| <a href="#">G10</a> | ENERGY SAVINGS   | M      |   | 2007     |
| <a href="#">G13</a> | DISTRIBUTED GENERATION CONNECTION INSURANCE                            | N      |   | 2008     |
| <a href="#">G87</a> | CASH WITH CAMPUS   | N      |   | Nov 2014 |
| H01                 | ACCOUNTANTS  | I      | Replaced by Object Code HH1   | 2007     |
| H02                 | ACTUARIES/STATISTICIANS  | I      | Replaced by Object Code HH1   | 2007     |
| H04                 | ADVERTISING AGENCY/MEDIA CONSULTANTS                                   | I      | Replaced by Object Code HH3   | 2007     |
| H05                 | ARBITRATORS/MEDIATORS/DISPUTE RESOLUTION SERVICES                      | I      | Replaced by Object Code JJ1   | 2007     |
| H06                 | ARCHITECTS/LANDSCAPE DESIGNERS/SPACE PLANNERS                          | I      | Replaced by Object Code HH2   | 2007     |
| H08                 | ARTISTS/GRAPHIC DESIGNERS  | I      | Replaced by Object Code HH3   | 2007     |
| H10                 | AUDITORS/AUDIT SERVICES  | I      | Replaced by Object Code HH1   | 2007     |
| H11                 | ECONOMISTS   | I      | Replaced by Object Code HH1   | 2007     |
| H12                 | ENGINEERS  | I      | Replaced by Object Code HH2   | 2007     |
| H14                 | HEALTH AND SAFETY EXPERTS  | I      | Replaced by Object Code HH4   | 2007     |
| H16                 | RESEARCHERS  | I      | Replaced by Object Code HH2   | 2007     |
| H20                 | HEALTH/MEDICAL CONSULTANTS   | I      | Replaced by Object Code HH4   | 2007     |
| H25                 | SCIENTIST  | I      | Replaced by Object Code HH2   | 2007     |
| H28                 | WRITERS  | I      | Replaced by Object Code HH3   | 2007     |
| H32                 | LAND APPRAISERS  | I      | Replaced by Object Code HH1   | 2007     |
| <a href="#">H78</a> | CONSULTANT SERVICE CONTRACTS: SUB-RECIPIENT                            | N      | Sub-Recipient: Federal funds are reported as sub-recipient payments | Jul-2009 |
| <a href="#">H87</a> | CASH WITH CAMPUS   | N      |   | Nov 2014 |
| <a href="#">HH1</a> | FINANCIAL SERVICES   | N      |   | 2007     |
| <a href="#">HH2</a> | ENGINEERING, RESEARCH, AND SCIENTIFIC SERVICES                         | N      |   | 2007     |
| <a href="#">HH3</a> | MEDIA DESIGN, EDITORIAL, AND COMMUNICATION SERVICES                    | N      |   | 2007     |
| <a href="#">HH4</a> | HEALTH AND SAFETY SERVICES   | N      |   | 2007     |
| J01                 | ACCREDITATION REVIEW COSTS   | I      | Replaced by Object Code JJ2   | 2007     |
| J04                 | ART MODELS/ARTWORK   | I      | Replaced by Object Code JJ2   | 2007     |
| J05                 | ATHLETIC SERVICES  | I      | Replaced by Object Code JJ2   | 2007     |

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| OBJECT CODE         | TITLE   | ACTION | DESCRIPTION   | DATE     |
|---------------------|---|--------|---|----------|
| J09                 | CLEANERS/JANITORS                                       | I      | Replaced by Object Code N70                                     | 2007     |
| <a href="#">J10</a> | AUXILIARY FINANCIAL SERVICES                            | M      | Also includes merchant banking, credit card processing services | 2008     |
| J12                 | CORONERS AND PATHOLOGISTS                               | I      | Replaced by Object Code HH4                                     | 2007     |
| J14                 | COURT REPORTERS/STENOGRAPHIC AND TRANSCRIPTION SERVICES | I      | Replaced by Object Code JJ1                                     | 2007     |
| J17                 | EXPERT WITNESSES  | I      | Replaced by Object Code JJ1                                     | 2007     |
| J18                 | EXTERMINATORS/INTEGRATED PEST MANAGEMENT                | I      | Replaced by Object Code N71                                     | 2007     |
| J20                 | GUIDES  | I      | Replaced by Object Code JJ2                                     | 2007     |
| J21                 | HAZARDOUS WASTE REMOVAL SERVICES                        | I      | Replaced by Object Code N72                                     | 2007     |
| J23                 | INVESTIGATORS/INSPECTORS/REVIEWERS                      | I      | Replaced by Object Code JJ3                                     | 2007     |
| J29                 | MESSENGER/MAIL SERVICES                                 | I      | Replaced by Object Code JJ2                                     | 2007     |
| J31                 | NOTARY PUBLIC   | I      | Replaced by Object Code JJ1                                     | 2007     |
| J32                 | PARALEGALS  | I      | Replaced by Object Code JJ1                                     | 2007     |
| J36                 | PROCURING EVIDENCE/POLYGRAPH EXAMINERS                  | I      | Replaced by Object Code JJ1                                     | 2007     |
| J38                 | RELIGIOUS SERVICES                                      | I      | Replaced by Object Code JJ2                                     | 2007     |
| J39                 | NON-HAZARDOUS WASTE REMOVAL SERVICES                    | I      | Replaced by Object Code N73                                     | 2007     |
| J40                 | SECURITY SERVICES                                       | I      | Replaced by Object Code JJ3                                     | 2007     |
| J42                 | COMMUNICATION ACCESS PROVIDERS FOR THE DEAF             | I      | Replaced by Object Code JJ2                                     | 2007     |
| J43                 | SNOW REMOVAL AND GROUNDSKEEPING SERVICES                | I      | Replaced by Object Code N74                                     | 2007     |
| J47                 | TITLE EXAMINERS   | I      | Replaced by Object Code JJ1                                     | 2007     |
| J51                 | TRANSLATORS/INTERPRETERS, FOREIGN LANGUAGE              | I      | Replaced by Object Code JJ2                                     | 2007     |
| J52                 | VETERINARY SERVICES                                     | I      | Replaced by Object Code JJ2                                     | 2007     |
| J59                 | MOVERS  | I      | Replaced by Object Code JJ2                                     | 2007     |
| J60                 | LICENSED OR PROFESSIONAL TRADESPEOPLE                   | I      | Replaced by Object Code N50                                     | 2007     |
| J61                 | PROPERTY MANAGEMENT                                     | I      | Replaced by Object Code N51                                     | 2007     |
| <a href="#">J62</a> | CONTRACTED ADVISORY BOARD/COMMISSION MEMBERS            | M      | Clarification: Description (Includes: Task Forces)              | 2009     |
| <a href="#">J87</a> | CASH WITH CAMPUS  | N      |   | Nov 2014 |
| <a href="#">JJ1</a> | LEGAL SUPPORT SERVICES                                  | N      |   | 2007     |
| <a href="#">JJ2</a> | AUXILIARY SERVICES                                      | N      |   | 2007     |

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| OBJECT CODE         | TITLE   | ACTION | DESCRIPTION  | DATE     |
|---------------------|---|--------|--|----------|
| <a href="#">JJ3</a> | NATIONAL DEFENSE AND PUBLIC ORDER AND SECURITY AND NON-MEDICAL SAFETY SERVICES                      | N      |  | 2007     |
| <a href="#">K03</a> | PROGRAMMATIC FACILITY EQUIPMENT   | M      |  | 2007     |
| K13                 | LAWN AND GROUNDS EQUIPMENT  | I      | Replaced by Object Code N61  | 2007     |
| <a href="#">K87</a> | CASH WITH CAMPUS  | N      |  | Nov 2014 |
| <a href="#">L03</a> | PROGRAMMATIC FACILITY EQUIPMENT TELP LEASE-PURCHASE   | M      |  | 2007     |
| <a href="#">L04</a> | MOTORIZED VEHICLE EQUIPMENT TELP LEASE-PURCHASE   | M      |  | 2007     |
| L13                 | LAWN AND GROUNDS EQUIPMENT TELP LEASE-PURCHASE  | I      | Replaced by Object Code N62  | 2007     |
| <a href="#">L23</a> | PROGRAMMATIC FACILITY EQUIPMENT RENTAL OR LEASE   | M      |  | 2007     |
| <a href="#">L24</a> | MOTORIZED VEHICLE EQUIPMENT RENTAL OR LEASE   | M      |  | 2007     |
| L33                 | LAWN AND GROUNDS EQUIPMENT RENTAL OR LEASE  | I      | Replaced by Object Code N63  | 2007     |
| L43                 | FACILITY EQUIPMENT MAINTENANCE AND REPAIR   | I      | Replaced by Object Code L63 And N50  | 2007     |
| L53                 | LAWN AND GROUNDS EQUIPMENT MAINTENANCE AND REPAIR   | I      | Replaced by Object Code N60  | 2007     |
| <a href="#">L63</a> | PROGRAMMATIC EQUIPMENT MAINTENANCE AND REPAIR   | N      |  | 2007     |
| <a href="#">L87</a> | CASH WITH CAMPUS  | N      |  | Nov 2014 |
| <a href="#">M03</a> | PURCHASED HUMAN AND SOCIAL SERVICES FOR CLIENTS-NON-MEDICAL: SUB-RECIPIENT                          | M      | Added: Sub-Recipient Federal funds are reported as sub-recipient payments                                  | Jul-2009 |
| <a href="#">M1M</a> | NON-MEDICAL OR NON-HEALTH CARE RELATED CLIENT SERVICES PROVIDED BY INDIVIDUALS WITHIN ORGANIZATIONS | M      | Clarification: Description (Includes: adult, child and or family before or involved in the justice system) | 2010     |
| <a href="#">M78</a> | PURCHASED CLIENT HUMAN AND SOCIAL SERVICES AND NON-HUMAN SERVICES PROGRAMS: SUB-RECIPIENT           | N      | Sub-Recipient: Federal funds are reported as sub-recipient payments  | Jul-2009 |
| <a href="#">M87</a> | CASH WITH CAMPUS  | N      |  | Nov 2014 |
| <a href="#">MM3</a> | PURCHASED HUMAN AND SOCIAL SERVICES FOR CLIENTS MEDICAL OR HEALTH CARE RELATED: SUB-RECIPIENT       | M      | Added: Sub-Recipient: Federal funds are reported as sub-recipient payments                                 | Jul-2009 |
| N01                 | ARCHITECTS/DESIGNERS  | I      | Replaced by Object Code NN1  | 2007     |
| N08                 | ENGINEERS, RESIDENT ENGINEERS, PROJECT MANAGERS   | I      | Replaced by Object Code NN1  | 2007     |

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| OBJECT CODE         | TITLE   | ACTION | DESCRIPTION   | DATE |
|---------------------|---|--------|---|------|
| <a href="#">N11</a> | CONSTRUCTION BONUS  | N      | Formerly N17 in the August 12, 2005 HANDBOOK  | 2007 |
| <a href="#">N13</a> | HIGHWAY HORIZONTAL/LATERAL STRUCTURE PLANNING AND ENGINEERING                   | M      | Clarification: Description (Includes: construction-phase engineering on highways, bridges, tunnels, bikeways, sidewalks and other horizontal structures)      | 2009 |
| <a href="#">N14</a> | HAZARDOUS WASTE REMOVAL SERVICES  | M      |   | 2007 |
| <a href="#">N15</a> | MAJOR NEW BUILDING/VERTICAL STRUCTURE CONSTRUCTION                              | M      | Rewritten – new Standard Vertical Construction Contract   | 2008 |
| <a href="#">N16</a> | MAJOR CONSTRUCTION, MAJOR RENOVATION, BUILDING ALTERATION AND LAND IMPROVEMENTS | M      | Rewritten – new Standard Vertical Construction Contract   | 2008 |
| <a href="#">N16</a> | NEW CONSTRUCTION, MAJOR RENOVATION, BUILDING ALTERATION, AND LAND IMPROVEMENTS  | M      |   | 2007 |
| <a href="#">N17</a> | MAJOR BUILDING MAINTENANCE AND LAND IMPROVEMENTS                                | M      | Rewritten – new Standard Vertical Construction Contract   | 2008 |
| N17                 | MAJOR BUILDING MAINTENANCE AND LAND IMPROVEMENTS                                | M      | Completely Changed - New Title and Description  | 2007 |
| <a href="#">N21</a> | HIGHWAY HORIZONTAL/LATERAL CONSTRUCTION   | M      | Clarification: Description (Includes: bikeways, sidewalks). Legal Authority: Added: M.G.L. c. 149A Oversight Department: Added: ENV                           | 2009 |
| <a href="#">N22</a> | HIGHWAY HORIZONTAL/LATERAL MAINTENANCE AND IMPROVEMENTS                         | M      | Clarification: Description (Includes: Added: Routine day-to-day- bikeways, sidewalks/Deleted: cosmetic maintenance). Oversight Department: Added: ENV and A&F | 2009 |
| <a href="#">N22</a> | HIGHWAY HORIZONTAL/LATERAL MAINTENANCE AND IMPROVEMENTS                         | M      | Clarification: Description  | 2008 |
| <a href="#">N24</a> | RAILROADS   | M      | Added PC for goods  | 2020 |
| <a href="#">N50</a> | NON-MAJOR FACILITY INFRASTRUCTURE MAINTENANCE AND REPAIR                        | N      |   | 2007 |
| <a href="#">N51</a> | PROPERTY MANAGEMENT   | N      |   | 2007 |
| <a href="#">N52</a> | FACILITY INFRASTRUCTURE, MAINTENANCE, AND REPAIR TOOLS AND SUPPLIES             | N      |   | 2007 |



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| OBJECT CODE         | TITLE   | ACTION | DESCRIPTION  | DATE     |
|---------------------|---|--------|--|----------|
| <a href="#">N60</a> | LAWN AND GROUNDS EQUIPMENT MAINTENANCE AND REPAIR   | N      |  | 2007     |
| <a href="#">N61</a> | LAWN AND GROUNDS EQUIPMENT  | N      |  | 2007     |
| <a href="#">N62</a> | TELP LEASE PURCHASE OF FACILITY INFRASTRUCTURE MAINTENANCE AND LAWN AND GROUNDS                                       | N      |  | 2007     |
| <a href="#">N63</a> | RENTAL OR LEASE OF FACILITY INFRASTRUCTURE MAINTENANCE AND LAWN AND GROUNDS EQUIPMENT                                 | N      |  | 2007     |
| <a href="#">N64</a> | GARDEN EXPENSES, TOOLS, AND SUPPLIES  | N      |  | 2007     |
| <a href="#">N70</a> | CLEANERS/JANITORS   | N      |  | 2007     |
| <a href="#">N71</a> | EXTERMINATORS/INTEGRATED PEST MANAGEMENT  | N      |  | 2007     |
| <a href="#">N72</a> | HAZARDOUS WASTE REMOVAL SERVICES  | N      |  | 2007     |
| <a href="#">N73</a> | NON-HAZARDOUS WASTE REMOVAL SERVICES  | N      |  | 2007     |
| <a href="#">N74</a> | SNOW REMOVAL AND GROUNDSKEEPING SERVICES  | N      |  | 2007     |
| <a href="#">N78</a> | HORIZONTAL AND VERTICAL CONSTRUCTION, IMPROVEMENTS, MAINTENANCE AND REPAIR COSTS, AND LAND ACQUISITION: SUB-RECIPIENT | N      | Sub-Recipient: Federal funds are reported as sub-recipient payments                                      | Jul-2009 |
| <a href="#">N80</a> | SNOW AND ICE HIRED EQUIPMENT AND REMOVAL  | N      |  | Nov 2014 |
| <a href="#">N87</a> | CASH WITH CAMPUS  | N      |  | Nov 2014 |
| <a href="#">NN1</a> | ENGINEERING, RESEARCH, AND SCIENTIFIC SERVICES  | N      |  | 2007     |
| <a href="#">P01</a> | GRANTS TO PUBLIC ENTITIES: SUB-RECIPIENT  | M      | Added: Sub-Recipient: Federal funds are reported as sub-recipient payments. Updated: Tax Forms: 1099 (G) | Feb-2009 |
| <a href="#">P02</a> | SUBSIDIES   | M      | Updated: Tax Forms: 1099 (G)   | Feb-2009 |
| <a href="#">P07</a> | FINANCIAL ASSISTANCE FOR WITNESS PROTECTION SERVICES  | N      |  | 2007     |
| <a href="#">P87</a> | CASH WITH CAMPUS  | N      |  | Oct-2014 |
| <a href="#">PP1</a> | GRANTS TO NON-PUBLIC ENTITIES: SUB-RECIPIENT  | M      | Added: Sub-Recipient: Federal funds are reported as sub-recipient payments. Updated: Tax Forms: 1099 (G) | Feb-2009 |

# EXPENDITURE CLASSIFICATION HANDBOOK

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| OBJECT CODE         | TITLE   | ACTION | DESCRIPTION  | DATE      |
|---------------------|---|--------|--|-----------|
| <a href="#">PP1</a> | GRANTS TO NON-PUBLIC ENTITIES   | M      | Clarification: – Grants to non-public entities in budgetary and capital funds are prohibited unless otherwise specified by legislation or unless the department has publicly posted the grant(s) in accordance with the CTR Grants Policy. | 2008      |
| <a href="#">R03</a> | FUEL ASSISTANCE: SUB-RECIPIENTS   | M      | Added: Sub-Recipient: Federal funds are reported as sub-recipient payments   | Jul-2009  |
| <a href="#">R06</a> | EMERGENCY AID TO THE ELDERLY, DISABLED, AND CHILDREN (EAEDC)            | M      | Clarification: Organ Transplant (non-reportable) Program   | 2008      |
| <a href="#">R07</a> | MEDICAL ASSISTANCE  | M      | Clarification: Organ Transplant (reportable) Program   | 2008      |
| <a href="#">R09</a> | EDUCATIONAL ASSISTANCE: SUB-RECIPIENTS                                  | M      | Added: Sub-Recipient: Federal funds are reported as sub-recipient payments   | Jul-2009  |
| <a href="#">R11</a> | MANDATED SHARED COSTS: SUB-RECIPIENTS                                   | M      | Added: Sub-Recipient: Federal funds are reported as sub-recipient payments   | Jul-2009  |
| <a href="#">R13</a> | VETERANS ASSISTANCE   | M      | Added Payment Type - PREXP   | Sep-09    |
| <a href="#">R14</a> | ENVIRONMENTAL CONSERVATION PROGRAMS: SUB-RECIPIENT                      | M      | Added: Sub-Recipient: Federal funds are reported as sub-recipient payments   | Jul-2009  |
| <a href="#">R15</a> | VOUCHER TYPE PROGRAMS: SUB-RECIPIENT                                    | M      | Added: Sub-Recipient: Federal funds are reported as sub-recipient payments   | Jul-2009  |
| <a href="#">R21</a> | CLIENT MEDICAL SERVICES: SUB-RECIPIENT                                  | M      | Added: Sub-Recipient: Federal funds are reported as sub-recipient payments   | Jul-2009  |
| <a href="#">R87</a> | CASH WITH CAMPUS  | N      |  | Oct-2014  |
| <a href="#">S13</a> | PRINCIPAL ON CURRENT REFUNDINGS   | N      |  | Jun -2020 |
| <a href="#">S87</a> | CASH WITH CAMPUS  | N      |  | Oct-2014  |
| <a href="#">T03</a> | INTERSTATE COMPACT DISTRIBUTIONS  | M      | Agreement Type Modification: Interstate Compact Document or Legislative Authorization  | 2008      |
| <a href="#">T30</a> | INMATE FUNDS  | N      |  | 2007      |
| <a href="#">T87</a> | CASH WITH CAMPUS  | N      |  | Nov-2014  |
| <a href="#">U05</a> | INFORMATION TECHNOLOGY (IT) INDIVIDUAL STAFF AUGMENTATION PROFESSIONALS | M      |  | Nov 2014  |
| <a href="#">U11</a> | INFORMATION TECHNOLOGY (IT) VENDOR SERVICES                             | N      |  | Nov-2014  |
| <a href="#">U12</a> | CLOUD BASED SUBSCRIPTIONS, MEMBERSHIPS AND LICENSING                    | N      |  | Jun-2020  |
| <a href="#">U78</a> | INFORMATION TECHNOLOGY (IT) EXPENSES: SUB-RECIPIENT                     | N      | Sub-Recipient: Federal funds are reported as sub-recipient payments  | Jul-2009  |
| <a href="#">U87</a> | CASH WITH CAMPUS  | N      |  | Oct-2014  |