

# **EXPENDITURE CLASSIFICATION HANDBOOK**

**OFFICE OF THE COMPTROLLER  
COMMONWEALTH OF MASSACHUSETTS**

**EXPENDITURE CLASSIFICATION HANDBOOK**  
OFFICE OF THE COMPTROLLER | COMMONWEALTH OF MASSACHUSETTS

**Note:** Please become familiar with the [Instructions Section](#) of the Expenditure Classification Handbook “ECH” before moving on to this section.

## **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](#).

**G01 SPACE RENTAL** – For the costs of rental of buildings, office space, modular units, land and garages. *Comments:* 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 [E22](#). See DCP’s “[The Manual for Leasing and State Office Planning](#)” for further guidance at: <https://www.mass.gov/files/documents/2018/04/25/manual-for-leasing-and-state-office-planning-18-04-09.pdf> and <https://www.mass.gov/orgs/division-of-capital-asset-management-and-maintenance>

<b>Legal Authority:</b>	<a href="#">M.G.L. c. 29A, § 4</a> ; <a href="#">815 CMR 6.00</a>
<b>Oversight Department:</b>	DCP, CTR
<b>Agreement Type:</b>	Lease
<b>Pre/Encumb/Payment Request:</b>	RQS (optional pre-encumbrance)/RPO/PRM/IE/ITI, ITA
<b>Incidental Purchase:</b>	N/A
<b>Tax Forms:</b>	1099(MISC)

**GG1 NATURAL GAS SUPPLY** – 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 G11. For bottled gas, see G06; for electricity, see G03 and GG3.

<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>	ANF, 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**  
OFFICE OF THE COMPTROLLER | COMMONWEALTH OF MASSACHUSETTS

**G03 ELECTRICITY** – 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 GG3. For natural gas, see G11 and GG1.

**Legal Authority:** Appropriation Act  
**Oversight Department:** OSD, CTR  
**Agreement Type:** Unit Pricing  
**Pre/Encumb/Payment Request:** GAP (optional pre-encumbrance)/GAE/GAX  
**Incidental Purchase:** N/A  
**Tax Forms:** None

**GG3 ELECTRICITY SUPPLY** – Electric power supply purchased from a Department of Telecommunication and Energy (DPU) licensed competitive electricity supplier/broker. For electric power supply and costs associated with electricity purchased from an investor-owned or municipal utility, see G03. For natural gas, see G11 and GG1.

**Legal Authority:** [M.G.L. c. 7, § 22](#); [M.G.L. c. 30, §§ 51-52](#); [801 CMR 21.00](#)  
**Oversight Department:** ANF, OSD, CTR  
**Agreement Type:** Standard Contract Form  
**Pre/Encumb/Payment Request:** RQS (optional pre-encumbrance)/PC/PRC  
**Incidental Purchase:** GAE/INP use restricted to Incidental Purchases  
**Tax Forms:** None

**G04 VEHICLE FUEL CHARGEBACK** – Payments to departments authorized to provide vehicle fuel or centralized billing for vehicle fuel.

**Legal Authority:** Authorizing Legislation; Appropriation Act; [815 CMR 6.00](#)  
**Oversight Department:** OSD, DOT, DCR CTR  
**Agreement Type:** Unit Pricing  
**Pre/Encumb/Payment Request:** IE/ITI, ITA  
**Incidental Purchase:** N/A  
**Tax Forms:** None

**G05 FUEL FOR VEHICLES** – Payments for gasoline and diesel fuel for vehicles, airplanes and ships. For vehicle fuel chargebacks, see G04.

**Legal Authority:** [M.G.L. c. 7, § 22](#); [M.G.L. c. 30, §§ 51-52](#); [801 CMR 21.00](#)  
**Oversight Department:** ANF, OSD, CTR  
**Agreement Type:** Standard Contract Form  
**Pre/Encumb/Payment Request:** RQS (optional pre-encumbrance)/PC/PRC  
**Incidental Purchase:** GAE/INP use restricted to Incidental Purchases  
**Tax Forms:** None

**G06 FUEL FOR BUILDINGS** – Fuel required to produce heat, light, steam and power. For fuel for vehicles, see G05 for electricity, see G03 and GG3; for natural gas, see G11 and GG1.

**Legal Authority:** [M.G.L. c. 7, § 22](#); [M.G.L. c. 30, §§ 51-52](#); [801 CMR 21.00](#)  
**Oversight Department:** ANF, OSD, CTR  
**Agreement Type:** Standard Contract Form  
**Pre/Encumb/Payment Request:** RQS (optional pre-encumbrance)/PC/PRC  
**Incidental Purchase:** GAE/INP use restricted to Incidental Purchases  
**Tax Forms:** None

**G08 SEWAGE DISPOSAL AND WATER** – Water use expenses and sewage disposal, including bills and services. For bottled water, see [E15](#).

**Legal Authority:** Appropriation Act  
**Oversight Department:** N/A  
**Agreement Type:** Unit Pricing  
**Pre/Encumb/Payment Request:** GAP (optional pre-encumbrance)/GAE/GAX

**EXPENDITURE CLASSIFICATION HANDBOOK**  
OFFICE OF THE COMPTROLLER | COMMONWEALTH OF MASSACHUSETTS

**Incidental Purchase:** N/A  
**Tax Forms:** None

**G10 ENERGY SAVINGS** - 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 [N62](#). 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.

**Legal Authority:** [M.G.L. c. 7, § 22](#); [M.G.L. c. 30, §§ 51-52](#); [801 CMR 21.00](#); [M.G.L. c. 25A, § 11C](#); [815 CMR 6.00](#)  
**Oversight Department:** ANF, DCP, ENE, OSD, CTR  
**Agreement Type:** Standard Contract Form, Construction Contract, Energy Services Agreement  
**Pre/Encumb/Payment Request:** RQS (optional pre-encumbrance document) /CT/PRC/RPO/PRM/IE/ITI, ITA  
**Incidental Purchase:** GAE/INP use restricted to Incidental Purchases  
**Tax Forms:** 1099-NEC

**G11 NATURAL GAS** – 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 GG1. For bottled gas, see G06; for electricity, see G03 and GG3.

**Legal Authority:** Appropriation Act  
**Oversight Department:** CTR, OSD  
**Agreement Type:** Unit Pricing  
**Pre/Encumb/Payment Request:** GAP (optional pre-encumbrance)/GAE/GAX  
**Incidental Purchase:** N/A  
**Tax Forms:** None

**G13 DISTRIBUTED GENERATION CONNECTION INSURANCE** - The cost of insurance to cover a third party which connects a state-owned distributed generation project to the electric grid. ANF 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 G03. For electric power supply purchased from a Department of Telecommunication and Energy (DPU) licensed, competitive electric supplier/broker, see GG3. For natural gas, see G11 and GG1.

**Legal Authority:** [M.G.L. c. 7, § 22](#); [M.G.L. c. 30, §§ 51-52](#); [801 CMR 21.00](#)  
**Oversight Department:** ANF, ENE, DPU, DCP, OSD, CTR  
**Agreement Type:** Standard Contract Form  
**Pre/Encumb/Payment Request:** RQS (optional pre-encumbrance)/CT/PRC, GAP (optional pre-encumbrance)/GAE/GAX  
**Incidental Purchase:** N/A  
**Tax Forms:** 1099(MISC)

**G87 CASH WITH CAMPUS** – 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).

**Legal Authority:** [M.G.L. c. 15A, § 15C](#) Authorizing Legislation  
**Oversight Department:** CTR  
**Agreement Type:** Relevant Supporting Detail on college and university accounting systems.  
**Payment/Receipt Request:** TV/RT (Use restricted to colleges and universities)  
**Incidental Purchase:** N/A  
**Tax Forms:** Forms 1099 and 1042 – Colleges and Universities Responsible for Compliance using local Tax Identification Number

**G90 OPERATING TRANSFER** – Energy Costs and Space Rental Expenses.

**Legal Authority:** Authorizing Legislation; [815 CMR 6.00](#)

**EXPENDITURE CLASSIFICATION HANDBOOK**  
OFFICE OF THE COMPTROLLER | COMMONWEALTH OF MASSACHUSETTS

**Oversight Department:** CTR  
**Agreement Type:** Copy of Authorizing Legislation; Relevant Supporting Documentation  
**Pre/Encumb/Payment Request:** OT (Use restricted to CTR)  
**Incidental Purchase:** N/A  
**Tax Forms:** None

**G97 LATE PENALTY INTEREST FOR UTILITIES** – Penalty interest for late payments.

**Legal Authority:** [M.G.L. c. 164, § 94D](#)  
**Oversight Department:** CTR  
**Agreement Type:** Valid Claim Under Contract  
**Pre/Encumb/Payment Request:** GAP (optional pre-encumbrance document)/GAE/GAX  
**Incidental Purchase:** N/A  
**Tax Forms:** 1099(INT)

**G99 LATE PENALTY INTEREST** – Penalty interest for late payments.

**Legal Authority:** [M.G.L. c. 29; §§ 20C, 29C; M.G.L. c. 7A, § 5A; 815 CMR 4.00](#)  
**Oversight Department:** CTR  
**Agreement Type:** Valid Claim Under Contract  
**Pre/Encumb/Payment Request:** GAP (optional pre-encumbrance document)/GAE/GAX  
**Incidental Purchase:** N/A  
**Tax Forms:** 1099(INT)