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COVID-19 PAYMENT CODING

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Executive Summary

This memo sets forth a new Office of the Comptroller (CTR) policy for coding all COVID19-related payments, exclusive of payroll and compensation. As described in more detail below, all payments for COVID19-related expenditures must include the code **COVID19** in the “Reporting” field of the Detailed Accounting section of the payment document. This policy is effective immediately and applies to all payment transactions regardless of funding source. CTR is implementing this policy in anticipation of state and federal reporting requirements relative to costs associated with the COVID19 response.

Coding of original transactions will minimize the need to make corrections after the fact through Expenditure Correction (EX) transactions, which are problematic for both federal reporting and audit reliance purposes. CTR is testing a program to centrally add the Reporting Code to transactions that have already been processed thereby eliminating the need for corrections at the department level and will contact departments with further instructions if and when this process can be used. In any case, CTR will assist departments with any needed recoding of transactions. CTR will also issue revised guidance if federal legislation or regulations require reporting that cannot be met by the coding requirements set forth in this policy.

Legal Authority

This policy applies to all Commonwealth branches and departments. The Comptroller has broad authority to prescribe accounting rules and instructions for all state departments regarding 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](#), the Comptroller is required to implement a state accounting system (including a centralized payroll system) and issue instructions for the accounting practices to be used by all departments for supplies, materials, assets, liabilities, equity, debt, encumbrances, expenditures, revenues, expenses and obligations of all Commonwealth funds and accounts, including payroll, unless specifically exempted by general or special law.

The Comptroller has authority to prescribe, regulate and make changes in the method of keeping and rendering accounts and may direct state departments to implement changes in their systems to meet these statewide standards.

Unless otherwise specified in written directives or authorized by CTR, all current state finance law requirements, CTR policies, procedures, fiscal year memos, job aids, contract forms, and materials shall continue to apply.

Policy

MMARS is the primary reporting vehicle for financial information. As much as possible, CTR plans to leverage existing processes for tracking and reporting COVID19-related expenditures and revenue. Effective immediately, all payments for COVID19-related expenditures must include the code **COVID19** in the “Reporting” field of the Detailed Accounting section of the payment document. This policy applies to the following payment transaction documents: PRC, GAX, INP, EA, RPO, GX9 and GXM. Departments with COVID19-related P-Card payments should create a separate accounting line on the payment document with the COVID19 coding for the portion of the payment related to COVID19.

Process for coding documents:

Step 1 – Open the Detail Accounting section of the document.

Step 2 – Enter the code COVID19 in the Reporting field.

The screenshot displays the MMARS software interface. At the top, the 'Commodity' section shows 'Total Lines: 1', 'Commodity Line: 1', 'CL Description: Housing finance', and 'Commodity: 841219010000'. Below this, the 'Accounting' section shows 'Total Lines: 1', 'Accounting Line: 1', 'Total Line Amount: \$50.00', and 'Line Closed Amount: \$50.00'. The 'Detail Accounting' tab is selected, and the 'Reporting' field is highlighted in yellow and contains the code 'COVID19'. A red arrow labeled 'Step 1' points to the 'Detail Accounting' tab, and another red arrow labeled 'Step 2' points to the 'Reporting' field. Other fields include Location, Sub Location, Activity, Sub Activity, Function, Sub Function, Sub Reporting, Task, Sub Task, Task Order, Major Program (F79028), Program (F70049028P), Phase, and Program Period (EPP). The bottom bar shows 'Posting' with 'Total Lines: 2' and various action buttons like Edit, Copy, Copy Forward, Discard, Print, Processing, Workflow, File, and Close.

CTR is ready to assist your department with any questions related to this policy. If you have question about this policy, you can submit an inquiry on our [Solution Desk ServiceNow Portal](#). You can also go to macomptroller.org/solution-desk to log in. Reference this memo and policy in your request.

Attached for reference purposes is a recent communication from MEMA that provides guidance on identifying COVID 19 related costs.

Internal Controls and Audit Considerations

In assigning and tracking all COVID19-related expenditures, practicing good internal controls, following reasonable protocols, and retaining documentation to support expenditures are especially critical at this time. Due to the likelihood of future audits of this activity, departments should ensure that payments are coded correctly at the time of the expenditure and not through post period corrections. For expenditures that have already been made, departments should maintain supporting documentation that tracks expenditures as COVID19 until additional guidance is provided.

For departments that already use other accounting attributes for tracking expenditures (e.g. grants, etc.), the COVID19 reporting code requirement still applies and is in addition to other coding used by the department.