



# Commonwealth of Massachusetts

## OFFICE OF THE COMPTROLLER

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## ACCOUNTS PAYABLE PAYROLL

Effective: July 1, 2004

Last Updated: November 1, 2006

### Executive Summary

There are instances where Departments need to process prior fiscal year payroll in the current fiscal year accounts payable period. To accommodate that need, Accounts Payable payroll is available after the close of a fiscal year.

### Considerations

This policy applies to all Commonwealth Branches and Departments on HR/CMS.

### Policy

This is payroll charged against a Department's MMARS account in the previous fiscal year for services rendered prior to the end of that fiscal year (June 30<sup>th</sup>) for both State and Contracted employees. The Accounts Payable payroll occurs in the current fiscal year during the accounts payable period. A Payroll Hold (PH) encumbrance transaction must be entered on MMARS prior to June 30<sup>th</sup> of each fiscal year to encumber funds for Accounts Payable payroll. Departments are responsible to insure that the money encumbered in their Payroll Holds will cover the amount they have posted for Accounts Payable payrolls. Accounts Payable payroll is posted during the current pay period using specific earnings codes configured specifically for Account Payable posting. The Accounts Payable period runs through August 31<sup>st</sup> unless extended by the Fiscal Affairs Division (FAD) or by statute.

### Internal Controls

#### Information Sources

- Related Procedure – None
- Legal Authority
  - Massachusetts General Laws, Chapter 7A, Sections 3, 7 and 8
  - Massachusetts General Laws, Chapter 29, Section 13
- [Contacts – CTR Solution Desk](#)

### Revisions

- **November 1, 2006** – Removed language referencing Knowledge Center and updated relevant links to Mass.gov/osc portal. site.