

**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 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.

E01 OFFICE AND ADMINISTRATIVE SUPPLIES – 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 [FE](#), [KK](#) or [UU](#) for equipment purchase, TELP Lease-Purchase, lease and rental see Object Classes: [KK](#), [LL](#), [NN](#) and [UU](#). For Micrographic Services, see Object Class [JJ](#).

Legal Authority: [M.G.L. c. 7, § 22](#); [M.G.L. c. 30, §§ 51, 52](#); [801 CMR 21.00](#); [815 CMR 6.00](#)
Oversight Department: ANF, OSD, EOTSS, CTR
Agreement Type: Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/PC/PRC, IE/ITI, ITA
Incidental Purchase: GAE/INP use restricted to Incidental Purchases
Tax Forms: None

E02 PRINTING EXPENSES AND SUPPLIES – 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.

Legal Authority: [M.G.L. c. 7, § 22](#); [M.G.L. c. 30, §§ 51, 52](#); [801 CMR 21.00](#); [M.G.L. c.29, § 28](#)
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

EXPENDITURE CLASSIFICATION HANDBOOK
OFFICE OF THE COMPTROLLER | COMMONWEALTH OF MASSACHUSETTS

EE2 CONFERENCE, TRAINING AND REGISTRATION FEES - 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 [BB](#) Object Class through payroll. See E22 for conference space rentals and expenses. See [B05](#) for reimbursements to employees for reservation and registration fees. See E41 and E42 for in and out of state travel expenses to vendors on behalf of state employees. See E43 for job related tuition on behalf of state employees.

Legal Authority: [Collective Bargaining Agreements, 930 CMR 5.08 \(2\); 815 CMR 6.00](#)
Oversight Department: ANF, HRD, CTR
Agreement Type: Relevant Supporting Documentation
Pre/Encumb/Payment Request: GAP (optional pre-encumbrance)/GAE/GAX; IE/ITI, ITA
Incidental Purchase: N/A
Tax Forms: 1099(MISC)

E04 CENTRAL REPROGRAPHIC CHARGEBACK – Payments to a department legislatively authorized to provide copying, printing, binding services, etc.

Legal Authority: Authorizing Legislation; [M.G.L. c. 7, § 22; M.G.L. c. 30, §§ 51, 52; 815 CMR 6.00](#)
Oversight Department: OSD, CTR
Agreement Type: Price Quotes
Pre/Encumb/Payment Request: IE/ITI, ITA
Incidental Purchase: N/A
Tax Forms: None

E05 POSTAGE CHARGEBACK – Payments to a department legislatively authorized to provide postal services.

Legal Authority: Authorizing Legislation; [M.G.L. c. 30, §§ 51, 52; 815 CMR 6.00](#)
Oversight Department: EOTSS, CTR
Agreement Type: Unit Pricing
Pre/Encumb/Payment Request: IE/ITI, ITA
Incidental Purchase: N/A
Tax Forms: None

E06 POSTAGE – 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 [JJ2](#).

Legal Authority: Appropriation Act
Oversight Department: CTR
Agreement Type: Relevant Supporting Documentation
Pre/Encumb/Payment Request: GAP (optional pre-encumbrance)/GAE/GAX
Incidental Purchase: N/A
Tax Forms: None

E07 TELEPHONE CHARGEBACK – Payments to a department legislatively authorized to collect Centrex charges, WATS or other telephone charges, including Wide Area Network (WAN) Charges.

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

EXPENDITURE CLASSIFICATION HANDBOOK
OFFICE OF THE COMPTROLLER | COMMONWEALTH OF MASSACHUSETTS

EE9 EMPLOYEE RECOGNITION CHARGEBACK - Chargebacks borne by departments to cover employee performance recognition and appreciation related expenses. For direct payments to employees, see [A14](#). **Comments:** Includes interdepartmental chargeback expenses related to the annual Pride and Performance ceremony.

Legal Authority: [M.G.L. c. 7, §4J, §28](#); Authorizing Legislation; [Collective Bargaining Agreements](#); [815 CMR 6.00](#)
Oversight Dept.: ANF, HRD, CTR
Agreement Type: Relevant Supporting Documentation
Pre/Encumb/Payment: IE/ITI, ITA
Tax Forms: None

E12 SUBSCRIPTIONS, MEMBERSHIPS AND LICENSING FEES – 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 [M.G.L. c. 64H, § 6](#), and [M.G.L. c. 64I, §7](#), 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 [UU](#). For Cloud based subscriptions, memberships and fees see [U12](#). A department must incur payments for memberships only. 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 [B05](#).

Legal Authority: Authorizing Legislation; Appropriation Act; [815 CMR 6.00](#)
Oversight Department: CTR
Agreement Type: Relevant Supporting Documentation
Pre/Encumb/Payment Request: GAP (optional pre-encumbrance)/GAE/GAX/EA/IE/ITI, ITA
Incidental Purchase: N/A
Tax Forms: 1099(MISC)

E13 ADVERTISING EXPENSES – Costs of advertising in newspapers or on radio and television. For the services of advertising agencies, see [HH3](#).

Legal Authority: Appropriation Act
Oversight Department: CTR
Agreement Type: Relevant Supporting Documentation
Pre/Encumb/Payment Request: GAP (optional pre-encumbrance)/GAE/GAX
Incidental Purchase: N/A
Tax Forms: 1099(MISC)

E14 EXHIBITS/DISPLAYS – 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 [HH3](#).

Legal Authority: [M.G.L. c. 7, § 22](#); [M.G.L. c. 30, §§ 51, 52](#); [801 CMR 21.00](#); [815 CMR 6.00](#)
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

E15 BOTTLED WATER – Includes the purchase of bottled water and the incidental rental costs of the equipment. For water use charges, see [G08](#).

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

EXPENDITURE CLASSIFICATION HANDBOOK
OFFICE OF THE COMPTROLLER | COMMONWEALTH OF MASSACHUSETTS

E16 INDIRECT COST RECOUPMENT – 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.

Legal Authority: [M.G.L. c. 29, § 6B](#), [5D](#); [ANF-5](#); [815 CMR 6.00](#)
Oversight Department: ANF, CTR
Agreement Type: Approved Rate
Pre/Encumb/Payment Request: CA, (Use restricted to CTR; system-generated CA at the close of an accounting period)
GAE/GAX (for sure by college campuses only)
Incidental Purchase: N/A
Tax Forms: None

E18 STATE SINGLE AUDIT CHARGEBACK – Payments to a department legislatively authorized to provide single audit services.

Legal Authority: Authorizing Legislation; [M.G.L. c. 7A, § 12](#); [815 CMR 6.00](#)
Oversight Department: CTR
Agreement Type: Relevant Supporting Documentation
Pre/Encumb/Payment Request: IE/ITI, ITA
Incidental Purchase: N/A
Tax Forms: None

E19 FEES, FINES, LICENSES, PERMITS AND CHARGEBACKS – Payments for charges incurred by a department only, 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, [B10](#).

Legal Authority: Authorizing Legislation; [815 CMR 6.00](#)
Oversight Department: Authorized departments, CTR
Agreement Type: Relevant Supporting Documentation
Pre/Encumb/Payment Request: IE/ITI, ITA/IET/GAP (optional pre-encumbrance)/GAE/GAX/RQS (optional pre-encumbrance)/PC/PRC
Incidental Purchase: N/A
Tax Forms: None

E20 MOTOR VEHICLE CHARGEBACK – Payments to a department legislatively authorized to provide or rent motorized vehicles to departments.

Legal Authority: Authorizing Legislation; [M.G.L. c. 7, § 22](#); [M.G.L. c. 30, §§ 51-52](#); [815 CMR 6.00](#)
Oversight Department: OSD, CTR
Agreement Type: Relevant Supporting Documentation
Pre/Encumb/Payment Request: IE/ITI, ITA
Incidental Purchase: N/A
Tax Forms: None

E21 CONFIDENTIAL INVESTIGATIONS EXPENSES – Payments or reimbursements for expenses incurred while performing confidential investigations. See [JJ3](#) for Investigator Services.

Legal Authority: Authorizing Legislation; [M.G.L. c. 12](#); [M.G.L. c. 22C](#)
Oversight Department: AGO, District Attorneys, POL, CTR
Agreement Type: Relevant Supporting Documentation
Pre/Encumb/Payment Request: EA/GAP (optional pre-encumbrance)/GAE/GAX/IE/ITI, ITA (Use restricted to AGO, District Attorneys and POL)
Incidental Purchase: N/A
Tax Forms: None

EXPENDITURE CLASSIFICATION HANDBOOK
OFFICE OF THE COMPTROLLER | COMMONWEALTH OF MASSACHUSETTS

E22 TEMPORARY USE OF SPACE, CONFERENCES AND CONFERENCE INCIDENTALS – 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 E12. For out-of-state travel expenses on behalf of state employees, see E41. 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. For other expenses relating to a conference, see the appropriate object class. See [B05](#) for reservation and registration fees for conference(s) reimbursements and payments to employees for job related expenses.

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

E23 SALES TAX – 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 [F22](#). *Comments:* Departments must have statutory authority for the use of this object code.

Legal Authority: Authorizing Legislation
Oversight Department: RGT, DOR
Agreement Type: Relevant Supporting Documentation
Pre/Encumb/Payment Request: GAP (optional pre-encumbrance)/GAE/GAX (Use restricted to Higher Education departments only)
Incidental Purchase: N/A
Tax Forms: None

E24 DONATIONS/MEMORIALS – Payments for donations or memorials. This object code is restricted to Higher Education departments using non-appropriated trust funds only.

Legal Authority: Authorizing Trusts
Oversight Department: RGT
Agreement Type: Relevant Supporting Documentation
Pre/Encumb/Payment Request: GAP (optional Pre-encumbrance)/GAE/GAX (Use restricted to Higher Education departments only)
Incidental Purchase: N/A
Tax Forms: None

E25 FREIGHT/SHIPPING CHARGES FOR SURPLUS PROPERTY – Payments for the Commonwealth federal surplus property program and other federal programs.

Legal Authority: Appropriation Act
Oversight Department: OSD
Agreement Type: Relevant Supporting Documentation
Pre/Encumb/Payment Request: GAP (optional pre-encumbrance)/GAE/GAX
Incidental Purchase: N/A
Tax Forms: None

EXPENDITURE CLASSIFICATION HANDBOOK
OFFICE OF THE COMPTROLLER | COMMONWEALTH OF MASSACHUSETTS

E27 PRIOR YEAR DEFICIENCY CHARGEBACK – Payment to a department legislatively authorized to provide central payment of prior year deficiency in certain appropriations.

Legal Authority: Authorizing Legislation; [815 CMR 6.00](#)
Oversight Department: CTR
Agreement Type: Relevant Supporting Documentation
Pre/Encumb/Payment Request: IE/ITI, ITA/IET
Incidental Purchase: N/A
Tax Forms: None

E29 LATE PAYMENT INTEREST ON SETTLEMENTS OR JUDGMENTS – Statutorily mandated or other interest payments on settlements or judgments. Department must follow [815 CMR 5.00](#) 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 [N93-N99](#) for claims related to Horizontal/Lateral and vertical construction projects or eminent domain takings.

Legal Authority: Judgment/Court Order; Approved Settlement Agreement, [M.G.L. c. 231, s. 6I](#)
Oversight Department: CTR
Agreement Type: Relevant Supporting Documentation
Pre/Encumb/Payment Request: GAP (optional pre-encumbrance)/GAE/GAX
Incidental Purchase: N/A
Tax Forms: 1099(INT)

E30 CREDIT CARD PURCHASES – 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).

Legal Authority: [M.G.L. c. 7, § 22](#); [M.G.L. c. 30, §§ 51-52](#); [801 CMR 21.00](#)
Oversight Department: OSD, CTR
Agreement Type: Credit Card application and approval as eligible department
Pre/Encumb/Payment Request: GAP (optional pre-encumbrance)/GAE/GAX
Incidental Purchase: N/A
Tax Forms: None

E31 CREDIT CARD PURCHASES FINANCE CHARGES – For finance charges associated with the use of approved Commonwealth credit card contractor payments only.

Legal Authority: [M.G.L. c. 7, § 22](#); [M.G.L. c. 30, §§ 51-52](#); [801 CMR 21.00](#)
Oversight Department: OSD, CTR
Agreement Type: Relevant Supporting Documentation
Pre/Encumb/Payment Request: GAP (optional pre-encumbrance)/GAE/GAX
Incidental Purchase: N/A
Tax Forms: None

EXPENDITURE CLASSIFICATION HANDBOOK
OFFICE OF THE COMPTROLLER | COMMONWEALTH OF MASSACHUSETTS

E41 OUT-OF-STATE TRAVEL EXPENSES ON BEHALF OF STATE EMPLOYEES – Payments to vendors for approved travel expenses incurred outside the Commonwealth on behalf of state employees. For conference, training and registration see [B05](#). 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.

Legal Authority: [M.G.L. c. 7, § 4J, § 27A, § 28](#); [M.G.L. c. 30, § 25, § 25B](#); [930 CMR 5.08 \(2\)](#); [ANF-8](#); [Collective Bargaining Agreements](#)
Oversight Department: OSD, ANF, HRD, CTR
Agreement Type: Relevant Supporting Documentation
Pre/Encumb/Payment Request: GAP (optional pre-encumbrance)/GAE/GAX
Incidental Purchase: N/A
Tax Forms: None

E42 IN-STATE TRAVEL AND RELATED EXPENSES ON BEHALF OF STATE EMPLOYEES – 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 [B05](#). 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 E43.

Legal Authority: [M.G.L. c. 7, § 4J, § 27A, § 28](#); [M.G.L. c. 30, § 25, § 25B](#); [930 CMR 5.08 \(2\)](#); [ANF-8](#); [Collective Bargaining Agreements](#)
Oversight Department: OSD, ANF, HRD, CTR
Agreement Type: Relevant Supporting Documentation
Pre/Encumb/Payment Request: GAP (optional pre-encumbrance)/GAE/GAX
Incidental Purchase: N/A
Tax Forms: None

E43 JOB-RELATED TUITION ON BEHALF OF STATE EMPLOYEES – 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 ANF Memorandum, a Human Resource Division Policy or a Non-Executive Educational Policy. For conference, training and registration for employee reimbursement see [B05](#). For conference, training and registration fees, see EE2. For out-of-state travel expenses on behalf of state employees, see E41. For in-state travel and related expenses on behalf of state employees, see E42.

Legal Authority: [M.G.L. c.30, § 46H](#); [M.G.L. c. 7, § 4J, § 28](#); [Collective Bargaining Agreements](#)
Oversight Department: HRD, CTR
Agreement Type: Relevant Supporting Documentation
Pre/Encumb/Payment Request: GAP (optional pre-encumbrance)/GAE/GAX
Incidental Purchase: N/A
Tax Forms: None

EXPENDITURE CLASSIFICATION HANDBOOK
OFFICE OF THE COMPTROLLER | COMMONWEALTH OF MASSACHUSETTS

E50 SETTLEMENTS AND JUDGMENTS – TAX REPORTABLE TO NON-EMPLOYEE CLAIMANT – CLAIMANT SOLE PAYEE – No payments may be made using this object code without prior approval of CTR Legal Unit of use of object code. Departments must follow [815 CMR 5.00](#) 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 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. [M.G.L. c. 258](#) 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 [A11](#) for Settlement and Judgment payments to current and former state employees. See E29 for all interest payments that must be paid separately from damages. See [N95-98](#) for claims related to Horizontal/Lateral and vertical construction projects or eminent domain takings.

Legal Authority: [M.G.L. c. 258](#); [815 CMR 5.00](#), Authorizing Legislation, [Settlement or Judgment](#)
Oversight Department: AGO, ANF, CTR
Agreement Type: Certified copy of Settlement or Judgment; LMRF or Settlement and Judgment Authorization Form; Relevant Supporting Documentation
Pre/Encumb/Payment Request: GAP (optional pre-encumbrance)/GAE/GAX
Incidental Purchase: N/A
Tax Forms: 1099-MISC

E51 NON-EMPLOYEE SETTLEMENTS AND JUDGMENTS – TAX REPORTABLE TO CLAIMANT – CLAIMANT AND ATTORNEY CO-PAYEES – No payments may be made using this object code without prior approval of CTR Legal Unit of use of object code. Departments must follow [815 CMR 5.00](#) 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. [M.G.L. c. 258](#) 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 [A11](#) for Settlement and Judgment payments to current and former state employees. See E29 for all interest payments that must be paid separately from damages. See [N93-98](#) for claims related to Horizontal/Lateral and vertical construction projects or eminent domain takings.

Legal Authority: [M.G.L. c. 258](#); [815 CMR 5.00](#), Authorizing Legislation, [Settlement or Judgment](#)
Oversight Department: AGO, ANF, CTR
Agreement Type: Certified copy of Settlement or Judgment; LMRF or Settlement and Judgment Authorization Form; Relevant Supporting Documentation

EXPENDITURE CLASSIFICATION HANDBOOK
OFFICE OF THE COMPTROLLER | COMMONWEALTH OF MASSACHUSETTS

Pre/Encumb/Payment Request: GAP (optional pre-encumbrance)/GAE/GAX
Incidental Purchase: N/A
Tax Forms: 1099-MISC to Claimant; CTR issues manual 1099-MISC to Attorney

E52 TAX REPORTABLE DAMAGES TO CLAIMANT -- CLAIMANT AND ATTORNEY CO-PAYEES, OR ATTORNEY SOLE PAYEE – 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 [815 CMR 5.00](#) 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 E29 for all interest payments that must be paid separately from damages. See [A11](#) for Tax Reportable Settlement and Judgment payments to current and former state employees.

Legal Authority: [M.G.L. c. 258](#); [815 CMR 5.00](#), Authorizing Legislation, [Settlement or Judgment](#)
Oversight Department: AGO, ANF, CTR
Agreement Type: Certified copy of Settlement or Judgment; LMRF or Settlement and Judgment Authorization Form; Relevant Supporting Documentation
Pre/Encumb/Payment Request: GAP (optional pre-encumbrance)/GAE/GAX
Incidental Purchase: N/A
Tax Forms: 1099-MISC to Attorney; CTR issues manual 1099-MISC to Claimant

E53 NON-EMPLOYEE SETTLEMENTS AND JUDGMENTS – NOT TAX REPORTABLE TO CLAIMANT – CLAIMANT SOLE PAYEE – No payments may be made using this object code without prior approval by CTR Legal Unit of use of object code. Departments must follow [815 CMR 5.00](#) 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 *solely to the claimant*. 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. [M.G.L. c. 258](#) 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 [A11](#) for Settlement and Judgment payments to current and former state employees. See E29 for all interest payments, which must be paid separately from damages. See [N93-98](#) for claims related to Horizontal/Lateral and vertical construction projects or eminent domain takings.

Legal Authority: [815 CMR 5.00](#), [M.G.L. c. 258](#), Authorizing Legislation, [Settlement or Judgment](#)
Oversight Department: AGO, ANF, CTR
Agreement Type: Certified copy of Settlement or Judgment; LMRF or Settlement and Judgment Authorization Form; Relevant Supporting Documentation
Pre/Encumb/Payment Request: GAP (optional pre-encumbrance)/GAE/GAX, IE/ITI/ITA (CTR Only)
Incidental Purchase: N/A
Tax Forms: None

E54 NON-EMPLOYEE SETTLEMENTS AND JUDGMENTS – NOT TAX REPORTABLE TO CLAIMANT – CLAIMANT AND ATTORNEY CO-PAYEES, OR ATTORNEY SOLE PAYEE – No payments may be made using this object code without prior approval of CTR Legal Unit of use of object code. Departments must follow [815 CMR 5.00](#) 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

EXPENDITURE CLASSIFICATION HANDBOOK
OFFICE OF THE COMPTROLLER | COMMONWEALTH OF MASSACHUSETTS

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. [M.G.L. c. 258](#) 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 [Massachusetts Rules of Criminal Procedure 15\(d\) and 30\(c\)\(8\)](#) 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 [MRCP 15\(d\) or 30\(c\)\(8\)](#) 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 [A11](#) for Tax Reportable Settlement and Judgment payments to current and former state employees. See E29 for all interest payments, which must be paid separately from damages. See [N93-98](#) for claims related to Horizontal/Lateral and vertical construction projects or eminent domain takings.

Legal Authority: [M.G.L. c. 258](#); [815 CMR 5.00](#), Authorizing Legislation, [Settlement or Judgment](#)
Oversight Department: AGO, ANF, CTR
Agreement Type: Certified copy of Settlement or Judgment; LMRF or Settlement and Judgment Authorization Form; Relevant Supporting Documentation
Pre/Encumb/Payment Request: GAP (optional pre-encumbrance)/GAE/GAX
Incidental Purchase: N/A
Tax Forms: 1099-MISC to attorney, None for Claimant

E55 NON-EMPLOYEE SETTLEMENTS AND JUDGMENTS – NOT TAX REPORTABLE TO CLAIMANT – CLAIMANT AND 3rd PARTY CO-PAYEES, OR 3rd PARTY SOLE PAYEE – 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 [815 CMR 5.00](#) 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 3rd party (such as an insurer) or solely to the 3rd party. No payments may be made to an attorney under this object code. All payments must be made using the 3rd party’s TIN with payee name “Claimant name and 3rd party” or just “3rd 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. [M.G.L. c. 258](#) 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 [A11](#) for Tax Reportable Settlement and Judgment payments to current and former state employees. See E29 for all interest payments, which must be paid separately from damages. See [N93-98](#) for claims related to Horizontal/Lateral and vertical construction projects or eminent domain takings.

Legal Authority: [M.G.L. c. 258](#); [815 CMR 5.00](#), Authorizing Legislation, [Settlement or Judgment](#)
Oversight Department: AGO, ANF, CTR
Agreement Type: Certified copy of Settlement or Judgment; LMRF or Settlement and Judgment Authorization Form; Relevant Supporting Documentation
Pre/Encumb/Payment Request: GAP (optional pre-encumbrance)/GAE/GAX
Incidental Purchase: N/A
Tax Forms: 1099-MISC to 3rd party, None for Claimant

E56 SECRETARIAT CENTRAL SERVICES CHARGEBACK – Payments to a department legislatively authorized to provide central services, such as finance, payroll, human resources, client transportation and other.

Legal Authority: Authorizing Legislation; [M.G.L. c. 7A, § 12](#); [815 CMR 6.00](#)
Oversight Department: CTR
Agreement Type: Relevant Supporting Documentation
Pre/Encumb/Payment Request: IE/ITI, ITA
Incidental Purchase: N/A
Tax Forms: None

EXPENDITURE CLASSIFICATION HANDBOOK
OFFICE OF THE COMPTROLLER | COMMONWEALTH OF MASSACHUSETTS

E75 ADVANCES ADMINISTRATIVE EXPENSES – Used to encumber advances in the EE Object Class.

Legal Authority: [M.G.L.c. 29, §§ 23, 24, 25](#)
Oversight Department: TRE, HRD, CTR
Agreement Type: Relevant Supporting Documentation
Payment Request: EAV/RA/AR
Incidental Purchase: N/A
Tax Forms: None

E87 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

E90 OPERATING TRANSFER – Administrative Expenses.

Legal Authority: Authorizing Legislation; [815 CMR 6.00](#)
Oversight Department: CTR
Agreement Type: Copy of Authorizing Legislation; Relevant Supporting Documentation
Pre/Encumb/Payment Request: OT/IET (Use restricted to CTR)
Incidental Purchase: N/A
Tax Forms: None

E98 REIMBURSEMENT FOR TRAVEL AND OTHER EXPENSES FOR BOARD MEMBER SERVICES – 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 [A01](#). See [C28](#) for contracted board memberships and [J62](#) for contracted advisory board/commission members. See [U98](#) for Information technology (IT) expenses.

Legal Authority: Relevant Statutory Authorization for Board Reimbursements
Oversight Department: ANF, HRD, OSD, CTR
Agreement Type: Relevant Supporting Documentation
Pre/Encumb/Payment Request: GAE/GAX
Incidental Purchase: N/A
Tax Forms: None

E99 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: Relevant Supporting Documentation/Valid Claim under Contract
Pre/Encumb/Payment Request: GAP (optional pre-encumbrance)/GAE/GAX
Incidental Purchase: N/A
Tax Forms: 1099(INT)