

**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 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.
- Department does not have sufficient available funds for outright purchase.
- ANF has approved the use of a TELP.
- Department must commit to ensuring sufficient operating or other non-capital funds are available for TELP payments.

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- 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.

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NN1 ENGINEERING, RESEARCH AND SCIENTIFIC SERVICES – Person 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 [CC](#) for contract employee consultants. See [HH2](#) or [HH4](#) for non-construction projects.

Legal Authority: [M.G.L. c. 7C, §§ 44-57](#) (designer section law) formerly M.G.L. c. 7, §§ 38A½-N; [M.G.L. c. 29, §. 29A](#); [M.G.L. c. 7, § 22](#); [M.G.L. c. 30, §§ 51-52](#); [M.G.L. c. 7C § 58](#); [801 CMR 21.00](#); [720 CMR 5.00](#)
Oversight Department: ANF, HRD, OSD, CTR
Agreement Type: DCAM Standard Contract for Final Design and Contract Administrative Services; Commonwealth Terms and Conditions/Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Commonwealth Terms and Conditions/Standard Contract Form and use a GAE/GAX)
Tax Forms: 1099-NEC

N02 ARTISTS – Persons who create works of art for construction projects.

Legal Authority: [M.G.L. c. 29, § 29A](#); [M.G.L. c. 7, § 22](#); [M.G.L. c. 30, §§ 51-52](#); [801 CMR 21.00](#)
Oversight Department: ANF, HRD, OSD, CTR
Agreement Type: Commonwealth Terms and Conditions/Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Commonwealth Terms and Conditions/Standard Contract Form and use a GAE/GAX)
Tax Forms: 1099-NEC

N03 ATTORNEYS/LEGAL SERVICES – 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 [H09](#). 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 [Attorney General Review Form for Attorneys Providing Legal Services](#) 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: [Attorney General Policy for Prior Review of Attorneys](#). Attorneys hired by Executive departments are also required to obtain prior approval of the Governor’s Chief Legal Counsel prior to posting or hire.

Legal Authority: [M.G.L. c. 12, § 3](#); [M.G.L. c. 29, § 29A](#); [M.G.L. c. 7, § 22](#); [M.G.L. c. 30, §§ 51-52, 65](#); [801 CMR 21.00](#)
Oversight Department: ANF, AGO, HRD, OSD, CTR
Agreement Type: Commonwealth Terms and Conditions/Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: N/A
Tax Forms: 1099-NEC

N04 APPRAISERS – Persons who set the value of a piece of land or other real property interests. See [HH1](#) for land appraisals not associated with construction projects and [JJ2](#) for non-land related appraisals of goods and/or services.

Legal Authority: [M.G.L. c. 29, § 29A](#); [M.G.L. c. 7, § 22](#); [M.G.L. c. 30, §§ 51-52](#); [801 CMR 21.00](#)
Oversight Department: ANF, HRD, OSD, CTR
Agreement Type: Commonwealth Terms and Conditions/Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC

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Incidental Purchase: GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Commonwealth Terms and Conditions/Standard Contract Form and use a GAE/GAX)
Tax Forms: 1099-NEC

N05 CONSTRUCTION MANAGEMENT – 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.

Legal Authority: [M.G.L. c. 29, § 29A](#); [M.G.L. c. 7, § 22](#); [M.G.L. c. 30, §§ 51-52](#); [801 CMR 21.00](#)
Oversight Department: ANF, DCP, HRD, OSD, CTR
Agreement Type: DCP CM-1 Construction Management Contract; Commonwealth Terms and Conditions/Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Commonwealth Terms and Conditions/Standard Contract Form and use a GAE/GAX)
Tax Forms: 1099-NEC

N06 COST ESTIMATORS – Persons who estimate the actual cost of a project.

Legal Authority: [M.G.L. c. 29, § 29A](#); [M.G.L. c. 7, § 22](#); [M.G.L. c. 30, §§ 51-52](#); [801 CMR 21.00](#)
Oversight Department: ANF, HRD, OSD, CTR
Agreement Type: Commonwealth Terms and Conditions/Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Commonwealth Terms and Conditions/Standard Contract Form and use a GAE/GAX)
Tax Forms: 1099-NEC

N11 CONSTRUCTION BONUS – Payments in excess of the construction fee for projects, which meet criteria, specified in the contract and which exceed the minimum contract standards.

Legal Authority: [M.G.L. c. 81](#); [M.G.L. c. 30, §§ 39A-39R](#); [M.G.L. c. 149, § 44A-44J](#)
Oversight Department: ANF, DCP, CTR
Agreement Type: Construction Contract, Commonwealth Terms and Conditions/Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: N/A
Tax Forms: 1099-NEC

N12 TESTING FIRMS – Firms that test concrete, soil or other items associated with a construction project.

Legal Authority: [M.G.L. c. 29, § 29A](#); [M.G.L. c. 7, § 22](#); [M.G.L. c. 30, §§ 51-52](#); [M.G.L. c.7C § 58](#); [801 CMR 21.00](#); [720 CMR 5.00](#)
Oversight Department: ANF, DCP, HRD, OSD, CTR
Agreement Type: Commonwealth Terms and Conditions/Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Commonwealth Terms and Conditions/Standard Contract Form and use a GAE/GAX)
Tax Forms: 1099-NEC

N13 HIGHWAY HORIZONTAL/LATERAL STRUCTURE PLANNING AND ENGINEERING – 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.

Legal Authority: [M.G.L. c. 29, § 9G, § 29A](#); [M.G.L. c. 140B, §§ 9-10](#); [M.G.L. c. 81](#); [M.G.L. c. 7, § 22](#);

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Oversight Department: [M.G.L. c. 30, §§ 51-52](#); [M.G.L. c.7C § 58](#); [801 CMR 21.00](#); [720 CMR 5.00](#)
ANF, HRD, OSD, CTR
Agreement Type: Commonwealth Terms and Conditions/Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Commonwealth Terms and Conditions/Standard Contract Form and use a GAE/GAX)
Tax Forms: 1099-NEC

N14 HAZARDOUS WASTE REMOVAL SERVICES – 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.

Legal Authority: [M.G.L. c. 21A-21I](#); [M.G.L. c. 81](#); [M.G.L. c. 16 § 18](#); [M.G.L. c. 29, § 29A](#);
[M.G.L. c. 7, § 22](#); [M.G.L. c. 30, §§ 51-52](#); [801 CMR 21.00](#)
Oversight Department: ANF, HRD, OSD, CTR
Agreement Type: Commonwealth Terms and Conditions/Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Commonwealth Terms and Conditions/Standard Contract Form and use a GAE/GAX)
Tax Forms: 1099-NEC

N15 MAJOR NEW BUILDING/VERTICAL STRUCTURE CONSTRUCTION – 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 [M.G.L. c. 7](#), where applicable. Use is restricted to DCP and those departments delegated by DCP. For major facility infrastructure repairs, see N17. For day-to-day facility infrastructure or system maintenance, see N50. For property management, see N51.

Legal Authority: [M.G.L. c. 149 §§ 44A-44J](#); [M.G.L. c. 30, § 39M](#)
Oversight Department: ANF, DCP, CTR
Agreement Type: Standard Vertical Construction Contract
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: N/A
Tax Forms: 1099-NEC

N16 MAJOR CONSTRUCTION, MAJOR RENOVATION, BUILDING ALTERATION AND LAND IMPROVEMENTS – 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 N17. For day-to-day facility infrastructure or system maintenance, see N50. For property management, see N51. For state parks, roads and recreation facilities see N41 and N74.

Legal Authority: [M.G.L. c. 30, §§ 39A-39R](#); [M.G.L. c. 149, § 44A-44J](#)
Oversight Department: ANF, DCP, CTR
Agreement Type: Standard Vertical Construction Contract
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: N/A
Tax Forms: 1099-NEC

N17 MAJOR BUILDING MAINTENANCE AND LAND IMPROVEMENTS – 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

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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 N50; property management, see N51; See N60 for lawn and grounds equipment maintenance and repair costs. N61 for outright purchase of lawn and grounds equipment for TELP-financed facility infrastructure equipment and work, see N62. For lease and rental of maintenance, repair and grounds equipment see N63.

Legal Authority: [M.G.L. c. 30, §§ 39A-39R](#); [M.G.L. c. 149, § 44A-44J](#);
[M.G.L. c. 25A § 11C](#)
Oversight Department: ANF, DCP, CTR
Agreement Type: Standard Vertical Construction Contract, Energy Services Agreement
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: N/A
Tax Forms: 1099-NEC

N18 INITIAL FURNISHINGS AND EQUIPMENT PURCHASES – Purchase of furnishings and equipment related to construction, renovations, or improvements.

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: Commonwealth Terms and Conditions/Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/PC/PRC
Incidental Purchase: GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Commonwealth Terms and Conditions/Standard Contract Form and use a GAE/GAX)
Tax Forms: None

N19 LAND ACQUISITION AND EMINENT DOMAIN – Acquisition of land and related expenditures, including eminent domain costs and real estate taxes. For relocation costs, see N30. For attorneys and appraisers, see N03 and N04. For interest on eminent domain payments, see N96.

Legal Authority: [M.G.L. c. 79](#); [M.G.L. c. 81, § 7](#); [M.G.L. c. 159, § 60](#); Authorizing Legislation
Oversight Department: ANF, DCP, DOT, CTR
Agreement Type: Deed; Eminent Domain Order; Relevant Supporting Documentation
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC; GAP (optional pre-encumbrance)/GAE/GAX
Incidental Purchase: N/A
Tax Forms: 1099(S)

N20 LEGISLATIVELY MANDATED PURCHASES OTHER THAN LAND – Purchases specifically mandated by the legislature or courts.

Legal Authority: Authorizing Legislation; Court Order; [M.G.L. c. 29, § 9G](#)
Oversight Department: ANF, CTR
Agreement Type: Copy of Authorizing Legislation; Relevant Supporting Documentation
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: N/A
Tax Forms: 1099-NEC

N21 HIGHWAY HORIZONTAL/LATERAL CONSTRUCTION – 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 N22 if the work is more closely associated with routine day-to-day maintenance activities. See N23 if materials only are purchased.

Legal Authority: [M.G.L. c. 81](#); [M.G.L. c. 161C](#); [M.G.L. c. 29, § 9G](#); [M.G.L. c. 140B, § 10](#);
[M.G.L. c. 30, § 39M](#); [M.G.L. c. 149A](#); [M.G.L. c. 7C § 58](#); [720 CMR 5.00](#)
Oversight Department: DOT, ENV, ANF, CTR

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Agreement Type: Construction Contract
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: N/A
Tax Forms: 1099-NEC

N22 Highway Horizontal/Lateral Maintenance and Improvements – 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 N21 if the work is included as part of the initial construction or rehabilitation activities. See N23 if materials only are purchased for department use.

Legal Authority: [M.G.L. c. 81](#); [M.G.L. c. 161C](#); [M.G.L. c. 29, § 9G](#); [M.G.L. c. 140B, § 10](#); [M.G.L. c. 30, § 39M](#)
Oversight Department: DOT, ENV, ANF, CTR
Agreement Type: Construction Contract; Commonwealth Terms and Conditions/Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: N/A
Tax Forms: 1099-NEC

N23 HIGHWAY HORIZONTAL/LATERAL MAINTENANCE MATERIALS – Costs of materials used to maintain highways, e.g., sand, salt, patch, etc.

Legal Authority: [M.G.L. c. 7, § 22](#); [M.G.L. c. 30, § 39M, §§ 51-52](#); [801 CMR 21.00](#)
Oversight Department: ANF, OSD, CTR
Agreement Type: Commonwealth Terms and Conditions/Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/PC/PRC
Incidental Purchase: GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Commonwealth Terms and Conditions/Standard Contract Form and use a GAE/GAX)
Tax Forms: None

N24 RAILROADS – Purchase of railroad land, rights of way and ties in conjunction with capital projects.

Legal Authority: [M.G.L. c. 161C](#); [M.G.L. c. 79, § 1](#)
Oversight Department: DOT, CTR
Agreement Type: Relevant Supporting Documentation
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PC/PRC
Incidental Purchase: GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Commonwealth Terms and Conditions/Standard Contract Form and use a GAE/GAX)
Tax Forms: 1099(S)

N25 RAILROADS: EASEMENTS AND INTERESTS IN LAND AND RIGHT OF WAY – Includes payments for temporary or permanent use of property for construction of bridges, highways and railroad rights of way.

Legal Authority: [M.G.L. c. 161C](#); [M.G.L. c. 79, § 1](#)
Oversight Department: DOT, CTR
Agreement Type: Relevant Supporting Documentation
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Commonwealth Terms and Conditions/Standard Contract Form and use a GAE/GAX)
Tax Forms: 1099(S)

N26 MANAGEMENT OF COMMONWEALTH OWNED RAILROAD RIGHT OF WAY – 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.

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Legal Authority: [M.G.L. c. 161C](#)
Oversight Department: DOT, CTR
Agreement Type: Relevant Supporting Documentation, Commonwealth Terms and Conditions/Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: N/A
Tax Forms: 1099-NEC

N27 TRANSPORTATION OPERATING AGREEMENTS – Transportation of passengers and freight by railroad, bus, boat and plane. For direct client transportation services, see [M04](#).

Legal Authority: [M.G.L. c. 161C](#); Authorizing Legislation
Oversight Department: DOT, CTR
Agreement Type: Commonwealth Terms and Conditions/Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: N/A
Tax Forms: 1099-NEC

N29 DRILLING CONTRACTS – Cost of drilling associated with preliminary engineering projects.

Legal Authority: [M.G.L. c. 81](#)
Oversight Department: DOT, CTR
Agreement Type: Commonwealth Terms and Conditions/Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: N/A
Tax Forms: 1099-NEC

N30 RELOCATION COSTS FOR LAND TAKING – 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.

Legal Authority: [M.G.L. c. 79A](#); [Federal Register, Vol. 5 No. 40, March 2, 1989, Section 24.208](#)
Oversight Department: ANF, DCP, CTR
Agreement Type: Relevant Supporting Documentation
Pre/Encumb/Payment Request: GAP (optional pre-encumbrance)/GAE/GAX
Incidental Purchase: N/A
Tax Forms: None

N41 STATE PARK AND RECREATION FACILITIES CONSTRUCTION – 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.

Legal Authority: [M.G.L. c. 81](#); [M.G.L. c. 161C](#); [M.G.L. c 29, § 9G](#); [M.G.L. 140B, § 10](#); [M.G.L. c.30, § 39M](#)
Oversight Department: DOT, ENV, ANF, CTR
Agreement Type: Construction Contract; Commonwealth Terms and Conditions/Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: N/A
Tax Forms: 1099-NEC

N50 NON-MAJOR FACILITY INFRASTRUCTURE MAINTENANCE AND REPAIR – 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 *does not* 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.

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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 N17. For property management, see N51. See N60 for lawn and grounds equipment maintenance and repair costs; N61 for outright purchase of lawn and grounds equipment. For TELP-financed facility infrastructure equipment and work, see N62. For facility infrastructure maintenance and repair equipment rentals or leases see [L63](#).

Legal Authority: [M.G.L. c. 30, §§ 39A-39R, 51-52](#); [M.G.L. c. 149, § 44A-44J](#);
[M.G.L. c. 7, § 22](#); [M.G.L. c.141, 142, 143, 146](#); [801 CMR 21.00](#)
Oversight Department: ANF, DCP, CTR, OSD
Agreement Type: Construction Contract, Commonwealth Terms and Conditions/Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/PC/CT/PRC
Incidental Purchase: GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Commonwealth Terms and Conditions/Standard Contract Form and use a GAE/GAX)
Tax Forms: 1099-NEC

N51 PROPERTY MANAGEMENT – Persons responsible for providing comprehensive management, maintenance, improvements and tenant services of Commonwealth property. For solely construction related building projects, see N16 and/or N17.

Legal Authority: [M.G.L. c. 149](#); [M.G.L. c. 7, § 22](#); [M.G.L. c. 30, §§ 51-52](#); [801 CMR 21.00](#)
Oversight Department: ANF, OSD, CTR, DCP
Agreement Type: Commonwealth Terms and Conditions/Standard Contract Form, Construction Contract
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Commonwealth Terms and Conditions/Standard Contract Form and use a GAE/GAX)
Tax Forms: 1099-NEC

N52 FACILITY INFRASTRUCTURE MAINTENANCE AND REPAIR TOOLS AND SUPPLIES – For example: hardware, plumbing, electrical supplies, small tools, grounds keeping tools, filters, boiler treatment chemicals, etc.

Legal Authority: [M.G.L. c. 7, § 22](#); [M.G.L. c. 30, §§ 51-52](#); [801 CMR 21.00](#)
Oversight Department: ANF, OSD, CTR, DCP
Agreement Type: Commonwealth Terms and Conditions/Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/PC/PRC
Incidental Purchase: GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Commonwealth Terms and Conditions/Standard Contract Form and use a GAE/GAX)
Tax Forms: None

N60 LAWN AND GROUNDS EQUIPMENT MAINTENANCE AND REPAIR – For example: compact tractors, snow throwers, chain saws, leaf blowers, lawn mowers up to 90 h.p., shredders and chippers, trimmers, tillers.

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: Commonwealth Terms and Conditions/Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Commonwealth Terms and Conditions/Standard Contract Form and use a GAE/GAX)
Tax Forms: 1099-NEC

N61 LAWN AND GROUNDS EQUIPMENT – 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. N60 for lawn and

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grounds equipment maintenance and repair costs. See N62 for TELP equipment lease-purchase; N63 for equipment rental or lease.

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: Commonwealth Terms and Conditions/Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/PC/PRC
Incidental Purchase: GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Commonwealth Terms and Conditions/Standard Contract Form and use a GAE/GAX)
Tax Forms: None

N62 TELP LEASE PURCHASE OF FACILITY INFRASTRUCTURE MAINTENANCE AND LAWN AND GROUNDS– 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 N50 for purchases for non-major facility infrastructure maintenance and repair: N60 for lawn and grounds equipment maintenance and repair costs; N61 for outright purchase of lawn and grounds equipment; N63 for lease or rental. TELP purchases must comply with TELP rules listed at beginning of object class.

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: Commonwealth Terms and Conditions/Standard Contract Form; TELP approvals and additional TELP Forms
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/RPO/PRM
Incidental Purchase: N/A
Tax Forms: None

N63 RENTAL OR LEASE OF FACILITY INFRASTRUCTURE MAINTENANCE AND LAWN AND GROUNDS EQUIPMENT– 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 [L30](#). See [G01](#) 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 N50 for purchases for non-major facility infrastructure maintenance and repair: N61 for outright purchase of lawn and grounds equipment. N60 for lawn and grounds equipment maintenance and repair costs; N61 for outright purchase of lawn and grounds equipment; N62 for TELP lease purchase of maintenance, lawn and grounds equipment.

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: Commonwealth Terms and Conditions/Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/RPO/PRM/CT/PRC
Incidental Purchase: GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Commonwealth Terms and Conditions/Standard Contract Form and use a GAE/GAX)
Tax Forms: 1099(MISC)

N64 GARDEN EXPENSES, TOOLS AND SUPPLIES – 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 [KK](#) or [LL](#).

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: Commonwealth Terms and Conditions/Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/PC/PRC
Incidental Purchase: GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Commonwealth Terms and Conditions/Standard Contract Form and use a GAE/GAX)
Tax Forms: None

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N70 CLEANERS/JANITORS – Services to clean or maintain offices or properties.

Legal Authority: [M.G.L. c. 149, § 27H](#); [M.G.L. c. 7, § 22](#); [M.G.L. c. 30, §§ 51-52](#); [801 CMR 21.00](#)
Oversight Department: ANF, OSD, CTR
Agreement Type: Commonwealth Terms and Conditions/Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Commonwealth Terms and Conditions/Standard Contract Form and use a GAE/GAX)
Tax Forms: 1099-NEC

N71 EXTERMINATORS/INTEGRATED PEST MANAGEMENT – 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.

Legal Authority: [M.G.L. c. 7, § 22](#); [M.G.L. c. 30, §§ 51-52](#); [801 CMR 21.00](#); [M.G.L. c.132, § 11](#); [M.G.L. c.128, M.G.L. c. 129](#)
Oversight Department: ANF, OSD, ENV, CTR
Agreement Type: Commonwealth Terms and Conditions/Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Commonwealth Terms and Conditions/Standard Contract Form and use a GAE/GAX)
Tax Forms: 1099-NEC

N72 HAZARDOUS WASTE REMOVAL SERVICES – 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 N73. For construction-related hazardous waste removal, see N14.

Legal Authority: [M.G.L. c. 7, § 22](#); [M.G.L. c. 30, §§ 51-52](#); [801 CMR 21.00](#); [M.G.L. c. 21E](#)
Oversight Department: ANF, OSD, CTR
Agreement Type: Commonwealth Terms and Conditions/Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Commonwealth Terms and Conditions/Standard Contract Form and use a GAE/GAX)
Tax Forms: 1099-NEC

N73 NON-HAZARDOUS WASTE REMOVAL SERVICES – Persons who remove and dispose of non-hazardous waste. For non-construction related hazardous waste removal, see N72. Also includes document-destruction services. For Medical Waste, see N72.

Legal Authority: [M.G.L. c. 7, § 22](#); [M.G.L. c. 30, §§ 51-52](#); [801 CMR 21.00](#); [M.G.L. c. 16, § 18](#) et.seq; [21C](#)
Oversight Department: ANF, OSD, CTR
Agreement Type: Commonwealth Terms and Conditions/Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Commonwealth Terms and Conditions/Standard Contract Form and use a GAE/GAX)
Tax Forms: 1099-NEC

N74 SNOW REMOVAL AND GROUNDSKEEPING SERVICES FOR BUILDINGS AND PARKS – Snow removal, park maintenance, recreational grounds and sidewalks and perform other related duties. For state park and facility construction and repairs, see N41. For the state highway snow removal programs, see N80. See [F23](#) for departments authorized to provide grounds keeping services. See [HH2](#) for landscape designers. For any projects triggering [M.G.L. c. 30, § 39M](#) see N41.

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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: Commonwealth Terms and Conditions/Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Commonwealth Terms and Conditions/Standard Contract Form and use a GAE/GAX)
Tax Forms: 1099-NEC

N78 HORIZONTAL AND VERTICAL CONSTRUCTION, IMPROVEMENTS, MAINTENANCE AND REPAIR COSTS AND LAND ACQUISITION: SUB-RECIPIENT – 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).

Legal Authority: [M.G.L. c. 29, § 9G, § 29A](#); [M.G.L. c. 140B, §§ 9-10](#); [M.G.L. c. 81](#); [M.G.L. c. 7, § 22](#); [M.G.L. c. 30, §§ 51-52](#); [801 CMR 21.00](#); [M.G.L. c. 30, §§ 39A-39R](#); [M.G.L. c. 149, § 44A-44J](#); [M.G.L. c. 25A section 11C](#); [Federal Single Audit Act](#), [OMB A-133](#); [the American Reinvestment and Recovery Act of 2009 \(ARRA\)](#)
Oversight Department: ANF, HRD, OSD, CTR
Sub-Recipient: Federal funds are reported as sub-recipient payments
Agreement Type: Commonwealth Terms and Conditions/Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Commonwealth Terms and Conditions/Standard Contract Form and use a GAE/GAX)
Tax Forms: 1099-NEC

N80 Snow and Ice Hired Equipment and Removal – Costs associated with snow and ice hired equipment and snow removal programs for state roads snow removal programs.

Legal Authority: [M.G.L. c. 81](#); [M.G.L. c. 161C](#); [M.G.L. c. 29, § 9G](#); [M.G.L. c. 140B, § 10](#); [M.G.L. c. 30, § 39M](#)
Oversight Department: DOT, ENV, ANF, CTR
Agreement Type: Construction Contract; Commonwealth Terms and Conditions/Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: N/A
Tax Forms: 1099-NEC

N87 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

N90 OPERATING TRANSFER – Construction and improvements of buildings and maintenance of infrastructure and land acquisition.

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 (Use restricted to CTR)
Incidental Purchase: N/A
Tax Forms: None

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N93 HORIZONTAL AND VERTICAL CONSTRUCTION RELATED SETTLEMENTS AND JUDGMENTS – TAX REPORTABLE TO CLAIMANT – CLAIMANT AND ATTORNEY JOINT PAYEES OR ATTORNEY SOLE PAYEE – 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 N95 and N99 for all interest payments that must be paid separately from damages.

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

N94 HORIZONTAL AND VERTICAL CONSTRUCTION RELATED SETTLEMENTS AND JUDGMENTS – TAX REPORTABLE TO CLAIMANT – CLAIMANT SOLE PAYEE – 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 3rd party address using an additional remittance address without the attorney or 3rd 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 N95 and N99 for interest payments.

Legal Authority: [815 CMR 5.00](#), Authorizing Legislation, [Settlement or Judgment](#)
Oversight Department: AGO, ANF, CTR
Agreement Type: Certified copy of Settlement or Judgment; Relevant Supporting Documentation
Pre/Encumb/Payment Request: GAP (optional pre-encumbrance)/GAE/GAX/RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: N/A
Tax Forms: 1099-MISC to Claimant or Insurer

N95 LATE PAYMENT INTEREST ON CONSTRUCTION AND IMPROVEMENT PROJECTS – 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 N96.

Legal Authority: [M.G.L. c. 30, § 39G-39K](#); [815 CMR 4.00](#)
Oversight Department: CTR, DOT, DCP
Agreement Type: Valid Claim Under Contract
Pre/Encumb/Payment Request: GAP (optional pre-encumbrance)/GAE/GAX/RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: N/A
Tax Forms: 1099(INT)

N96 LATE PAYMENT INTEREST ON EMINENT DOMAIN TAKING – Interest payments on eminent domain taking.

Legal Authority: [M.G.L. c. 79, § 37](#)
Oversight Department: CTR
Agreement Type: Valid Claim Under Contract
Pre/Encumb/Payment Request: GAP (optional pre-encumbrance)/GAE/GAX/RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: N/A
Tax Forms: 1099(INT)

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N98 REIMBURSEMENTS FOR TRAVEL AND OTHER EXPENSES FOR INFRASTRUCTURE PROJECTS –
Authorizations for reimbursements are included in the service contract. Reimbursements are not tax reportable because the recipient is required to account for expenditures.

Legal Authority: [M.G.L. c. 29, § 29A](#); [M.G.L. c. 7, § 22](#); [M.G.L. c. 30, §§ 51-52](#); [801 CMR 21.00](#)
Oversight Department: ANF, OSD, CTR
Agreement Type: Relevant Supporting Documentation, Commonwealth Terms and Conditions/Standard Contract Form
Pre/Encumb/Payment Request: RQS (optional pre-encumbrance)/CT/PRC
Incidental Purchase: GAE/INP use restricted to Incidental Purchases (Incidental Purchases >\$5,000 to \$10,000 require a Commonwealth Terms and Conditions/Standard Contract Form and use a GAE/GAX)
Tax Forms: None

N99 LATE PENALTY INTEREST – Interest penalty 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)/GAE/GAX
Incidental Purchase: N/A
Tax Forms: 1099(INT)