

**EXPENDITURE  
CLASSIFICATION  
HANDBOOK**

**OFFICE OF THE COMPTROLLER  
COMMONWEALTH OF MASSACHUSETTS**

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

## **OBJECT CLASS TT - LOANS AND SPECIAL PAYMENTS**

**T01 LOANS TO GOVERNMENTAL ENTITIES** – Loans to political sub-divisions or other governmental entities of the Commonwealth. These funds are distributed pursuant to an agreement that stipulates repayment.

**Legal Authority:** Authorizing Legislation  
**Oversight Department:** ANF, CTR  
**Agreement Type:** Loan Agreement  
**Pre/Encumb/Payment Request:** RQS (optional pre-encumbrance)/CT/PRC/TD  
**Incidental Purchase:** N/A  
**Tax Forms:** None

**T02 LOANS TO OTHER THAN POLITICAL SUB-DIVISIONS AND OTHER GOVERNMENTAL ENTITIES OF THE COMMONWEALTH** – These funds are distributed pursuant to an agreement that stipulates repayment.  
*Comments:* Reportable on 1099(MISC) only if loans are forgiven.

**Legal Authority:** Authorizing Legislation  
**Oversight Department:** ANF, CTR  
**Agreement Type:** Loan Agreement  
**Pre/Encumb/Payment Request:** RQS (optional pre-encumbrance)/CT/PRC/TD  
**Incidental Purchase:** N/A  
**Tax Forms:** None

**T03 INTERSTATE COMPACT DISTRIBUTIONS** – Distributions to other states where the Commonwealth is the administrative lead in Interstate Compacts.

**Legal Authority:** [815 CMR 2.00](#); Special Laws or Compact Agreement  
**Oversight Department:** CTR  
**Agreement Type:** Interstate Compact Document or Legislative Authorization  
**Pre/Encumb/Payment Request:** RQS (optional pre-encumbrance)/CT/PRC  
**Incidental Purchase:** N/A  
**Tax Forms:** None

**T04 PAYMENTS AND REFUNDS** – Payments and refunds to the federal government pursuant to an agreement and refund payments to state governments. Also, payments in lieu of taxes (PILOT) to local governments and refunds for cash received in a prior fiscal year.

**Legal Authority:** U.S. Government, Authorizing Legislation  
**Oversight Department:** CTR  
**Agreement Type:** Legislative Authorization or Relevant Supporting Documentation  
**Pre/Encumb/Payment Request:** GAP/RQS (optional pre-encumbrance)/GAE/GAX/RPO/PRM/CT/PRC  
**Incidental Purchase:** N/A  
**Tax Forms:** None

**T05 INITIAL PAYMENT OF PRIZES TO AWARDEES** – For example: Megabucks winners, etc.

**Legal Authority:** [M.G.L. c. 29, § 38](#); [M.G.L. c. 10](#)  
**Oversight Department:** TRE  
**Agreement Type:** Relevant Supporting Documentation  
**Pre/Encumb/Payment Request:** GAE/GAX/TD  
**Incidental Purchase:** N/A  
**Tax Forms:** W-2G

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**T06 ANNUITIES** – Annuities purchased from insurance carriers for award disbursement.

**Legal Authority:** [M.G.L. c. 29, § 38](#); [M.G.L. c. 10](#)  
**Oversight Department:** TRE, CTR  
**Agreement Type:** Standard Contract Form  
**Pre/Encumb/Payment Request:** RQS (optional pre-encumbrance)/CT/PRC  
**Incidental Purchase:** N/A  
**Tax Forms:** None

**T07 REIMBURSEMENT** – Reimbursements to the Commonwealth by insurance carriers for awardees’ disbursements.

**Legal Authority:** [M.G.L. c. 29, § 38](#); [M.G.L. c. 10](#)  
**Oversight Department:** TRE  
**Agreement Type:** Relevant Supporting Documentation  
**Pre/Encumb/Payment Request:** GAP (optional pre-encumbrance)/GAE/GAX  
**Incidental Purchase:** N/A  
**Tax Forms:** None

**T08 BONUS INCENTIVE FOR LOTTERY AGENTS** – Payments to lottery agents for commission compensation.

**Legal Authority:** [M.G.L. c. 29, § 38](#); [M.G.L. c. 10](#)  
**Oversight Department:** TRE  
**Agreement Type:** Relevant Supporting Documentation  
**Pre/Encumb/Payment Request:** GAP (optional pre-encumbrance)/GAE/GAX  
**Incidental Purchase:** N/A  
**Tax Forms:** 1099-NEC

**T09 REVENUE MAXIMIZATION CONTINGENT FEES** – Payments resulting from increased revenue as a result of work performed that resulted in increased funding.

**Legal Authority:** [M.G.L. c. 29, § 29E](#); [M.G.L. c. 7, § 22](#); [M.G.L. c. 30, §§ 51-52](#); [801 CMR 21.00](#); [815 CMR 8.00](#)  
**Oversight Department:** ANF, OSD, CTR  
**Agreement Type:** Standard Contract Form  
**Pre/Encumb/Payment Request:** RQS (optional pre-encumbrance)/CT/PRC  
**Incidental Purchase:** N/A  
**Tax Forms:** 1099-NEC

**T10 DEBT COLLECTION – CONTINGENT FEES** – Payments to authorized debt collection agencies on a contingency basis for professional services, provided to departments, which promote the increased collection of debts owed to the Commonwealth.

**Legal Authority:** [M.G.L. c. 29, § 29D](#); [M.G.L. c. 7A § 12](#); [M.G.L. c. 7, § 22](#); [M.G.L. c. 30, §§ 51-52](#); [801 CMR 21.00](#); [815 CMR 9.00](#)  
**Oversight Department:** ANF, OSD, CTR  
**Agreement Type:** Debt Collection Accounts Agreement Contract; Standard Contract Form  
**Pre/Encumb/Payment Request:** RQS (optional pre-encumbrance)/CT/PRC  
**Incidental Purchase:** N/A  
**Tax Forms:** 1099-NEC

**T11 OUTLAY OF EMPLOYEE WITHHOLDINGS** – Payments of employee withholdings for federal and state withholding taxes, employee’s share of Medicare withholding, employees’ savings bond deduction and reimbursement of savings bond deduction when an employee ceases participation in the savings bond program.

**Legal Authority:** [IRS Publication 15 \(Employer Tax Guide\)](#), [M.G.L. c. 62B § 2](#), [M.G.L. c. 154 § 8](#)  
**Oversight Department:** TRE  
**Agreement Type:** Relevant Supporting Documentation  
**Pre/Encumb/Payment Request:** TD  
**Tax Forms:** None

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**T12 PAYMENT OF ACCRUED INTEREST ON INVESTMENTS** – Payment Requests of accrued interest on investments by the department of the State Treasurer for short term investments purchased before interest due dates.

**Legal Authority:** Accounting Principles (GAAP)  
**Oversight Department:** TRE  
**Agreement Type:** Relevant Supporting Documentation  
**Pre/Encumb/Payment Request:** TD  
**Incidental Purchase:** N/A  
**Tax Forms:** None

**T13 PAYMENT OF ABANDONED PROPERTY** – Payments to claimants for principal amount.

**Legal Authority:** [M.G.L. c. 200A](#)  
**Oversight Department:** TRE  
**Agreement Type:** Relevant Supporting Documentation  
**Pre/Encumb/Payment Request:** GAP (optional pre-encumbrance)/GAE/GAX (Use restricted to TRE)  
**Incidental Purchase:** N/A  
**Tax Forms:** None

**T14 PAYMENT OF FUNDS DUE TO DEPOSITORS/CONSUMERS** – Under [M.G.L. c. 93A, § 2](#), the Attorney General is mandated to hold money in escrow for certain interest groups until settlement is made. Funds are then paid in accordance with the term of the settlement. Includes reimbursements to consumers.

**Legal Authority:** [M.G.L. c. 93A](#)  
**Oversight Department:** AGO, CTR  
**Agreement Type:** Relevant Supporting Documentation  
**Pre/Encumb/Payment Request:** GAP (optional pre-encumbrance)/GAE/GAX  
**Incidental Purchase:** N/A  
**Tax Forms:** None

**T15 PAYMENT OF UNCLAIMED FUNDS** – Unclaimed funds deposited with the department of the State Treasurer until they are claimed or transferred to the Abandoned Property Fund.

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

**T16 PAYMENTS OF DUES AND FEES** – Payments of dues and fees collected from students to private organizations such as MASS PIRG. This object code is restricted to Higher Education departments only.

**Legal Authority:** Authorizing Legislation  
**Oversight Department:** CTR  
**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

**T17 VOLUNTARY HEALTH INSURANCE** – Payment of health insurance premiums collected from students to insurance carriers. This object code is restricted to Higher Education departments only.

**Legal Authority:** Authorizing Legislation  
**Oversight Department:** CTR  
**Agreement Type:** Relevant Supporting Documentation

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**Pre/Encumb/Payment Request:** GAP (optional pre-encumbrance)/GAE/GAX (Use restricted to Higher Education departments only)  
**Incidental Purchase:** N/A  
**Tax Forms:** None

**T18 PAYMENTS OF ASSESSMENTS TO COLLEGE BUILDING AUTHORITIES** – Payment of dormitory fees collected from students to the State College Building Authority and the University of Massachusetts Building Authority. This object code is restricted to Higher Education departments only.

**Legal Authority:** Authorizing Legislation  
**Oversight Department:** CTR  
**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

**T19 COST SAVING CONTINGENT PAYMENTS** – Payments resulting from cost saving initiatives as a result of work performed that resulted in cost savings.

**Legal Authority:** Authorizing Legislation  
**Oversight Department:** CTR, ANF  
**Agreement Type:** Contingency Contract; Standard Contract Form  
**Pre/Encumb/Payment Request:** RQS (optional pre-encumbrance)/CT/PRC  
**Incidental Purchase:** N/A  
**Tax Forms:** 1099-NEC

**T22 PAYMENT FROM TRACK ESCROW FUNDS** – Under [M.G.L. c. 23K](#), the Mass Gaming Commission is mandated to hold money in escrow for certain capital improvements and promotional activities at racetracks. The reimbursement is then paid in accordance with the business plans that describe the specific promotions and capital improvements that were approved by the Commission.

**Legal Authority:** [M.G.L. c. 23K](#)  
**Oversight Department:** MGC, CTR  
**Agreement Type:** Relevant Supporting Documentation  
**Pre/Encumb/Payment Request:** GAP (optional pre-encumbrance)/GAE/GAX (Use restricted to MGC)  
**Incidental Purchase:** N/A  
**Tax Forms:** None

**T23 PAYMENT FOR PRIOR YEAR REFUNDS FOR COLLECTED FEES** – Miscellaneous fee refunds for revenues and other amounts paid in prior fiscal years. This object code is limited to student refunds in Higher Education and fee reimbursements processed by CTR for revenue refunds for a prior fiscal year.

**Legal Authority:** [815 CMR 9.00 Debt Collection](#)  
**Oversight Department:** Higher Education departments, CTR  
**Agreement Type:** Contingent Upon Intercepted Funds  
**Pre/Encumb/Payment Request:** GAP (optional pre-encumbrance)/GAE/GAX  
**Incidental Purchase:** N/A  
**Tax Forms:** None

**T25 HIGHER EDUCATION INTERNAL PAYMENTS FOR INTERCEPTED FUNDS** – These payments are the result of money intercepted on behalf of non-tax debt from Higher Education Institutions. Such debt may include tuition, loans, and student fees owed to Institutions of Higher Education.

**Legal Authority:** Authorizing Legislation  
**Oversight Department:** Higher Education departments, CTR  
**Agreement Type:** Relevant Supporting Documentation  
**Pre/Encumb/Payment Request:** GAP (optional pre-encumbrance)/GAE/GAX (Restricted to Fund 901); (Use restricted to Higher Education departments only)

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

**T30 INMATE FUNDS** – For the purposes of expenditures of inmate funds (from inmate wages and other sources) for the personal use and other payments to be made at the request of an inmate. In addition, expenditures under this object code will be made on behalf of inmates from inmate funds for the payment of sentence fees and other court assessments, ordered restitution, issuance of release funds, transfer of unclaimed funds and payment of various authorized fees in accordance with statute. Inmate funds are considered private funds of the inmate and not Commonwealth funds.

**Legal Authority:** [M.G.L. c.124, § 1](#); [M.G.L. c. 127, § 3, § 48A, § 96A](#). [103 CMR 405](#)  
**Oversight Department:** DOC, CTR  
**Agreement Type:** Relevant Supporting Documentation  
**Pre/Encumb/Payment Request:** EAV/RA/AR (use restricted to Department of Correction)  
**Incidental Purchase:** N/A  
**Tax Forms:** Manual Reporting by DOC as appropriate

**T87 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

**T90 OPERATING TRANSFER** – Loans and Special Payments.

**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

**T96 INTEREST – ABANDONED PROPERTY** – Interest payments on abandoned property. See T13 for payments of abandoned property to claimants.

**Legal Authority:** [M.G.L. c. 200A](#)  
**Oversight Department:** TRE  
**Agreement Type:** Relevant Supporting Documentation  
**Pre/Encumb/Payment Request:** GAP (optional pre-encumbrance)/GAE/GAX (Use restricted to TRE)  
**Incidental Purchase:** N/A  
**Tax Forms:** 1099(INT)

**T99 LATE PENALTY INTEREST** – Penalty interest for late payments.

**Legal Authority:** [M.G.L. c. 29, §§ 20C, 29C](#); [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)