



CTR JOB AID

Close/Open Job Aid

Encumbrance Management: Opening Contract Roll, Closing Contract Roll, and Lapse

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Overview

In order to begin new FY2026 encumbering and conclude the encumbrance process for the FY2025 closing, three system updates are executed in MMARS during the Accounts Payable period. The three updates are the Opening Contract Roll, the Closing Contract Roll, and the Encumbrance Lapse.

Timeline for the 2025/2026 Opening and Closing Fiscal Year Updates*

The following chart notes the activity that takes place and the date that the action is expected to occur. Detailed explanations of these Fiscal Year Opening and Closing encumbrance activities are provided below.

When	Activity
5/29 and 5/30	Encumbrance Suspension will be in effect prior to the Opening Contract Roll
5/31 and 6/01	The Opening Contract Roll takes place. MMARS is unavailable for all activities
6/2/2025	FY2026 is open for encumbering as a current FY
June - July 2025	Departments must correct any encumbrances rejected in the Opening Contract Roll
8/27	Final Day for all Encumbrance Activity
8/28 and 8/29	Encumbrance Suspension will be in effect prior to the Closing Contract Roll
8/29/2025	Final day for all other (non-encumbrance related) FY25 activity
8/30 and 8/31	The Closing Contract Roll and Lapse for FY2025 take place. MMARS is unavailable for all activities

*Departments should either subscribe to the CTR Weekly Updates or view every Wednesday at <https://intranet.macomptroller.org/ctr-weekly-update/>. Any changes to the dates above or other Accounts Payable Period information will be communicated through the Weekly Updates.

Contract Processing Suspension

Due to CTR preparation time needed for both the Opening and Closing Contract Rolls, encumbrance processing suspension is in effect from the Thursday preceding the Roll until the Roll is completed. Departments will not be able to enter, edit, validate, or submit RQS, RPO, PC, CT transactions until the Roll has been completed – see the calendar for specific dates.

CT and RPO pending transactions received by the CTR Contracts Unit by the Wednesday prior to the Roll will be processed if the required paperwork sent to CTR is completed properly and the encumbrance is in Pend status. Pending transactions will be rejected from CTR worklists if the paperwork is not received in time or if what has been received cannot be processed.

1. Opening Contract Roll

The Opening Contract Roll takes place on or about June 1. This is the process by which existing FY2026 CT, PC and RPO accounting lines are activated in the new FY. FY2026 accounting lines on encumbrances that go to Final in the Opening Contract Roll process become current year lines and will show/record as Encumbered against the BF2026 BQ budget tables.

- For the CT, RPO, PC Encumbrance, the Opening Contract Roll:
 - a. Modifies BFY2026 accounting lines from event type PR08 to PR05, and PR56 to PR51 (Open order CT)
 - b. Changes Reserved Funding from 'Yes' to 'No'
 - c. Changes the FY field from 2025 to 2026.

Only open FY2026 accounting lines that have a line amount greater than zero are rolled. FY2026 accounting lines that have a zero dollar line amount will be closed.

Note: the RQS pre-encumbrance document is generally used as a single year document. If there were existing RQS documents with outyears, the changes would be similar to those noted above for the CT, PC, RPO but the Event Type change would be from PR50 to PR02.

A. Steps for Departments Prior to the Contract Roll

For a successful contract roll, departments should review all **existing** multi-year pre-encumbrances (RQS) and encumbrances (CT, PC and RPO). Note that:

- If a BFY2026 accounting line has a closed date or a zero dollar amount it will not roll.
- The appropriation and other accounting details on the BFY2026 lines must be valid.

Chart of Accounts

The Chart of Accounts **must** be established prior to any new fiscal year budget decisions. Departments opting to use departmental budgets and departmental chart of accounts must ensure that all are in place before any encumbering activity occurs and prior to the BFY2026 contract roll.

Expenditure Classification Handbook

Departments should review anticipated obligations for the new fiscal year and ensure that the appropriate object class and object codes are utilized for new or existing encumbrances. Click on this link for the current version of the Expenditure Classification Handbook <https://www.macomptroller.org/expenditure-classification-handbook>.

B. How Account Types Affect the Contract Roll

Prior to the Opening Contract Roll process, FY2026 budgets are activated for the four Account types – Type 01 (Budgetary), Type 02 (Capital), Type 03 (Trust), and Type 04 (Federal).

Account Types 01 and 04: Historically, the GAA (the General Appropriation Act) has not been passed in time for the opening of the FY. Therefore, CTR loads House 1 into MMARS to allow the FY to open. Until the actual

budget is passed and loaded into MMARS, House 1 determines the funding levels for Account Types 01 and 04.

Account Types 02 and 03: House one does not contain funding for Account Types 02 or 03. These two account types are dependent upon the Balance Forward process and revenue rules.

The Balance Forward process begins in mid-July. In the Balance Forward process, each Friday night until the Closing Fiscal Year Roll and Lapse in September, unspent account type 02 and 03 FY2025 balances, in accounts where the supporting ISA allows it, are moved into FY2026.

Revenue accounts do not begin to receive revenue until July 1, so funding is not on MMARS when the new Fiscal Year opens.

Therefore, MMARS budget controls are lifted prior to the New FY Opening Roll to allow encumbering for Account Types 02 and 03. These budget controls are not reinstated until the first Balance Forward takes place in mid-July. (Depending upon the encumbering activity that takes place in June and early July, some of these accounts may be in the negative and need corrective action when the budget controls are re-instated.)

Charts

Chart 1 - Entering a BFY2026 Accounting Line PRIOR to the Opening FY Contract Roll (05/31/25)

The chart below details the Event Type, Reserved Funding, BFY set up when entering a BFY2026 Accounting Line PRIOR to the Opening Contract Roll.

Doc Code	Future Year Event Type	Reserved Funding Flag	Budget Fiscal Year (BFY)	Fiscal Year
RQS	PR50	YES	2026	2025
CT	PR08	YES	2026	2025
Open Order CT	PR56	YES	2026	2025
RPO	PR08	YES	2026	2025
PC	PR08	YES	2026	2025

Chart 2 - Entering a BFY2026 Accounting Line AFTER the Opening FY Contract Roll (06/02/2025)

The chart below details the Event Type, Reserved Funding, BFY set up when entering a BFY2026 Accounting Line After to the Opening Contract Roll.

Doc Code	Current Year Event Type	Reserved Funding Flag	Budget Fiscal Year (BFY)	Fiscal Year
RQS	PR02	NO	2026	2026
CT	PR05	NO	2026	2026
Open Order CT	PR51	NO	2026	2026
RPO	PR05	NO	2026	2026
PC	PR05	NO	2026	2026

C. Encumbrance Accounting Line Set-up when Two Fiscal Years are Open

During the period between the first business day after the Opening Roll (early June) and 8/31 (actual date dependent upon the Closing Roll), when two fiscal years are open in MMARS, data entry for accounting line BFY, FY, and Period fields differ depending on the budget fiscal year of the accounting line being entered or modified.

On the MMARS encumbrance accounting line, the Reserved Funding and Event Type fields are the same for both fiscal year encumbrances.

The Reserved Funding field is NO for both the Opening and Closing Fiscal Year.

The Event Type field varies by encumbrance type as follows:

- CT, PC and RPO event type is PR05
- RQS event type is PR02
- Open order CT is PR51

The Period field varies depending on the month in which the encumbrance is finalized in MMARS. Departments must enter the correct accounting period that pertains to the budget fiscal year of the accounting line.

For BFY2025 line(s), the accounting line set up should be as follows:

Reserved Funding	Budget FY	Fiscal Year	Month Finalized in MMARS	Period
NO	2025	2025	June	12
NO	2025	2025	July or August	13

For BFY2026 line(s), the accounting line set up should be as follows:

Reserved Funding	Budget FY	Fiscal Year	Month	Period
NO	2026	2026	June or July	1
NO	2026	2026	August	2

In addition to Departments ensuring that the correct information is entered into the encumbrance accounting line, Departments must validate that sufficient funding is available. Populating accounting line fields with incorrect information or having insufficient funds will not allow the encumbrance to process to final.

2. The Closing Contract Roll

The Closing BFY activity must end by 8/31. On the first weekend following 8/31 (usually Labor Day Weekend), CTR closes out all remaining FY2025 encumbered amounts with a two- step process – the Closing Fiscal Year Roll and Lapse. (Note: The Closing Fiscal Year activity end date depends on when Labor Day Weekend falls. For example, for BFY2025, activity must end by 8/29.)

A. The Closing Contract Roll

The Closing Contract Roll affects only CT and PC transactions and only account types 2CN, 3TN, 3TX and 4FN. Encumbrances with account type 01 (budgetary) do not roll.

Unspent 2025 amounts in account types 2CN, 3TN, 3TX and 4FN are rolled into FY2026 if the encumbrance has at least one open BFY2026 accounting line (in any account type). There must be sufficient funding in the FY2026 account and any required Detail Accounting element (Activity Code, Program, etc.) must be active.

If there is no open BFY2026 accounting line on the encumbrance, the unspent 2025 funds are lapsed and returned to the account. All unspent 2025 account type 01 funds lapse, they do not roll. The chart below provides a quick reference guide on the various Roll/Lapse scenarios.

September Closing BFY Roll/Lapse Chart					
Doc type	Does the encumbrance have an open balance on the closing BFY's accounting line(s)?	What is the Account Type on the encumbrance Closing BFY accounting line(s)?	Does the encumbrance have an open accounting line in this BFY?	Will the Closing BFY accounting line open balance Roll or Lapse?	
	BFY2025	BFY2025	BFY2026	Roll	Lapse
CT/PC	Yes	Type 01 (Budgetary)	Yes	No	Yes**
CT/PC	Yes	Type 01 (Budgetary)	No	No	Yes**
CT/PC	Yes	Type 02, Type 03, or Type 04 (Capital, Trust Federal)	Yes	Yes	No
CT/PC	Yes	Type 02, Type 03, or Type 04 (Capital, Trust Federal)	No	No	Yes
CT/PC	Yes	Type 02, Type 03, or Type 04 (Capital Trust Federal), plus Type 01 (Budgetary)	Yes	Only Type 02, 03, or 04 balance will Roll	Type 01 balance will Lapse
RPO	Yes	Any Account Type	N/A*	No	Yes
GAE		Any Account Type	N/A*	No	Yes

*An open balance in the outyear does not affect this scenario. Any remaining balance on a Closing BFY line will lapse on an RPO or GAE.

****An open balance in the outyear does not affect this scenario. Any remaining balance on Type 01 (Budgetary) line(s) in the Closing BFY lapse.**

B. How the Closing Roll modifies an encumbrance

In the Open Activity Roll process, the way the FY2025 balance moves depends on how the encumbrance is structured. **Rolled amounts stay on the same commodity line. They never move to a different commodity line.**

There are three scenarios for the Closing Fiscal Year Roll process:

- **Scenario 1 – FY2025 remaining balance** and open FY2026 accounting lines are on the same commodity line. The remaining FY2025 balance **moves into the existing FY2026 accounting line** because the **accounting details** – appropriation, object code, Program, etc. – **match exactly**.
- **Scenario 2 - FY2025 remaining balance** and open FY2026 accounting lines are on the same commodity line. The remaining FY2025 balance **moves into a new FY2026 accounting line** because the **accounting details** – appropriation, object code, Program, etc. – **do not have an exact match**.
- **Scenario 3 – FY2025 line with the remaining balance** and any open FY2026 accounting lines are on different commodity lines. The FY2025 balance **moves to a new FY2026 accounting line on the same commodity line**.

Service dates on commodity lines into which a new accounting line is inserted will be modified if the line's service dates do not extend into BFY2026. For commodity lines that do not extend into BFY2026, the service end date will be changed to the latest end date on the encumbrance. (After the Closing Roll, Departments may modify the new end date created by the Roll to a 2026 date that matches the supporting contract's 2026 budget).

Departments should be aware that any new accounting line number created by the Open Contract Roll may not be sequential. For example, if accounting lines 1 and 2 already exist, the next accounting line created by the roll process might not necessarily be 3. In some cases, it may be sequential but in other cases it may not. Departments should be aware of this when reviewing their transactions.

C. Examples of the Three Roll Scenarios

Scenario 1 - There is one commodity line with one 2025 accounting line and one 2026 accounting line. The funding and accounting details are the same for both accounting lines. The 2025 accounting line has a \$300 balance that can roll into 2026.

Before the Roll – Scenario 1									
Commodity Line	Service From Date	Service To Date	Actg Line (AL)	BFY	Actg Line Amount	Actg Line Closed Amount	Actg Line Open Amt	Fund Actg	Detail Actg
CL 1	7/1/2024	6/30/2026	1	2025	800	500	300	A	A
			2	2026	300	0	300	A	A
				Totals	1100	500	600		

Because the 2025 and 2026 accounting lines are on the same commodity line and their accounting details are an exact match, the \$300 balance is reduced from the 2025 accounting line #1 and moves into the 2026 accounting line #2. The accounting line total of the two lines remains the same, as do the closed amount and open balance. No change is made to the commodity line dates of service.

After the Roll - Scenario 1									
Commodity Line	Service From Date	Service To Date	Actg Line (AL)	BFY	Actg Line Amount	Actg Line Closed Amount	Actg Line Open Amt	Fund Actg	Detail Actg
CL 1	7/1/2024	6/30/2026	1	2025	500	500	0	A	A
			2	2026	600	0	600	A	A
				Totals	1100	500	600		

Scenario 2 - FY2025 remaining balance and open FY2026 accounting lines are on the same commodity line. The 2025 accounting line has a \$300 balance that can roll into 2026. The remaining FY2025 balance moves into a new FY2026 accounting line because the accounting details – appropriation, object code, Program, etc. – do not have an exact match.

Before the Roll – Scenario 2									
Commodity Line	Service From Date	Service To Date	Actg Line (AL)	BFY	Actg Line Amount	Actg Line Closed Amount	Acgt Line Open Amt	Fund Actg	Detail Actg
CL 1	7/1/2024	6/30/2026	1	2025	800	500	300	A	A
			2	2026	300	0	300	A	B
				Totals	1100	500	600		

Although the 2025 and 2026 accounting lines are on the same commodity line, their accounting details are not an exact match. Therefore, the \$300 balance is reduced from 2025 accounting line #1 and moves into a new 2026 accounting line #3 that has the same accounting details as accounting line #1. The accounting line total of the three lines remains the same, as do the closed amount and open balance. No change is made to the commodity line dates of service.

After the Roll – Scenario 2									
Commodity Line	Service From Date	Service To Date	Actg Line (AL)	BFY	Actg Line Amt	Actg Line Closed Amount	Actg Line OpenAmt	Fund Actg	Detail Actg
CL 1	7/1/2024	6/30/2026	1	2025	500	500	0	A	A
			2	2026	300	0	300	A	B
			3	2026	300	0	300	A	A
				Totals	1100	500	600		

Scenario 3 – FY2025 line with the remaining balance and any open FY2026 accounting lines are on different commodity lines. The commodity line dates of service match the associated accounting line’s BFY. Commodity line 1 has two BFY2025 accounting lines; each line has a remaining balance and the accounting details are different. The \$300 balance on CL1/ AL1 and the \$50 balance on CL1/AL2 can roll into 2026. The FY2025 balances move to new accounting lines on the same commodity line.

Before the Roll – Scenario 3									
Commodity Line (CL)	Service From Date	Service To Date	Actg Line (AL)	BFY	Actg Line Amount	Actg Line Closed Amount	Actg Line Open Amt	Fund Actg	Detail Actg
1	7/1/2024	6/30/2025	1	2025	800	500	300	A	A
			2	2025	400	350	50	B	A
2	7/1/2025	6/30/2026	1	2026	300	0	300	A	A
3	7/1/2026	12/30/2026	1	2027	400	0	400	A	A
					1900	850	1050		

Because rolled funds must stay on the same commodity line, the open 2025 balance from accounting lines 1 and 2 moves to two new 2026 accounting lines on commodity line 1. Two new 2026 lines are created because the two 2025 accounting lines don’t have matching accounting details. The \$300 balance reduced from the 2025 accounting line #1 moves to the new 2026 accounting line #3 and the \$50 reduced from the 2025 accounting line #2 moves into the new 2026 accounting line #4. The accounting line total of the four lines remains the same, as do the closed amount and open balance. Because the Service To date on commodity line 1 is 6/30/25 (in the closing BFY), that date is changed to the latest Service To date on the CT – 12/30/26.

After the Roll – Scenario 3									
Commodity Line (CL)	Service From Date	Service To Date	Actg Line (AL)	BFY	Actg Line Amt	Actg Line Closed Amount	Actg Line Open Amt	Fund Actg	Detail Actg
1	7/1/2024	12/30/2026	1	2025	500	500	0	A	A
			2	2025	350	350	0	B	A
			3	2025	300	0	300	A	A
			4	2025	50	0	50	B	A
2	7/1/2025	6/30/2026	1	2026	300	0	300	A	A
3	7/1/2026	12/30/2026	1	2027	400	0	400	A	A
					1900	850	1050		

3. The Lapse Process

In the **Lapse** process, any closing FY2025 encumbered amounts that aren't eligible for the Roll lapse and return to the appropriation. That means that all open FY2025 Account Type 01 balances and any open FY2025 Account Type 02,03,04 balances that do not roll, will lapse.

A. What will lapse

- RPO and GAE - all open FY2025 funds, in any account type, on RPO and GAE documents lapse
- CT and PC – if a CT or PC has no open FY2026 accounting line, any FY2025 balance in any account type will lapse
- CT and PC – even if a CT or PC has FY2025 accounting line balances in account type 02, 03, or 04 that rolled successfully, any open FY2025 account type 01 balance will lapse
- CT and PC – if a CT or PC meets the Roll criteria but rejects during the Roll Process, all open FY2025 lines will lapse

B. Re-Encumbrance of Lapsed Funds

A department may add lapsed BFY2025 account type 2CN, 3TN/TX, or 4FN funds back to an encumbrance only if necessary to continue services or complete project milestones not fully met in the prior fiscal year. If a department has a valid reason for adding the lapsed funds back to the encumbrance, **do not reopen the closed line. Create a new commodity line with an associated accounting line. Re-opening a lapsed commodity line will cause future MMARS system problems for an encumbrance.**

- **The re-encumbrance modification is a stand-alone transaction** and cannot be combined with additional amendments. Any new amendments must be encumbered after the re-encumbrance transaction has been processed to Final in MMARS.
- **The re-encumbrance must be for the total lapsed amount.** An amount less than the total lapsed amount may only be re-encumbered if the department executes a supporting contract amendment or is re-encumbering to pay a Final payment within the existing encumbrance dates of service. The contract modification or notice of Final payment must be submitted with the partial re-encumbrance request to CTR if the contract value exceeds delegation.

Full re-encumbrance

For a full re-encumbrance of lapsed FY2025 funds into BFY2026, **insert the following** in the MMARS Document Comments section:

Subject: Re-encumbrance

Comment: XXX (Department 3 letter designation) is re-encumbering the BFY2025 lapsed amount, overstating this encumbrance by (fill in amount being re-encumbered). XXX (Department 3 letter designation) certifies that the supporting contract allows this re-encumbrance.

Partial re-encumbrance

For a partial re-encumbrance of FY2025 lapsed funds into BFY2026, **insert the following** in the MMARS Document Comments section:

Subject: Re-encumbrance

Comment: XXX (Department 3 letter designation) is re-encumbering less than the full BFY2025 lapsed amount, overstating this encumbrance by (fill in amount being re-encumbered). XXX (Department 3 letter designation) certifies that the supporting contract allows this re-encumbrance or has documentation of Final payment that supports a partial re-encumbrance.

CT over delegation

For a CT over the delegation amount, the department must send the transmittal form to the CTR Contracts Unit at contracts.comptroller@mass.gov. Select Category H – “Other”, and in the “Reason for Modification” field, explain why there is a valid reason for re-encumbering the lapsed funds.

DISCLOSURE

You are responsible for actions made under your UAID. If you submit a document for final processing, you are certifying under the pains and penalties of perjury that it is your intention to attach an electronic signature approval and date to the MMARS document and that either:

- You have been delegated signature authorization by your Department Head to approve the document and supporting documentation OR
- The document you are processing, and any supporting documentation has been approved by an authorized signatory of the Department Head, Secretariat, and other required entities, and copy of these written approvals is available at the Department by referencing the MMARS document number.

Approval of the MMARS document and any underlying supporting documentation shall operate as the Department Head's certification that: 1) these documents are accurate and complete; 2) the expenditure or other obligation is supported by sufficient legislatively authorized funds and is made in accordance with the Department's legislative mandates and funding authority; and 3) the document complies with all applicable laws, regulations, policies, and procedures.

QUESTIONS

If you have questions about this Job Aid, you can submit an inquiry on our [Solution Desk ServiceNow Portal](#). You can also go to macomptroller.org/solution-desk to log in.