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To: Chief Fiscal Officers, Payroll Directors, and MMARS Liaisons
From: Andrew W. Maylor, Comptroller
Date: July 11, 2019
Re: Earnings Code Processing During Accounts Payable Pay Periods

Comptroller Memo FY#2019-27

Executive Summary

The purpose of this memo is to inform departments of the methodology for distributing and recording HR/CMS Payroll charges in LCM and MMARS during the Accounts Payable pay periods. To accommodate multi-year payroll processing, certain earnings codes will only charge to FY 2019. This memo provides Payroll Directors with detailed guidelines on how to charge FY 2019 during the Accounts Payable pay periods. Note that in accordance with State Finance Law requirements, departments must account for expenditures in the fiscal year in which the obligation is incurred. Payroll Holds are needed for all Prior Fiscal Year charges during the Accounts Payable periods.

Accounts Payable payroll began on July 7th and includes the pay periods ending on 7/20, 8/3, and 8/17. During Accounts Payable, all Prior Fiscal Year payments must have a related FY 2019 Payroll Hold (PH) encumbrance for funding.

In accordance with State Finance Law requirements, departments may not use FY 2019 funds to pre-pay for FY 2020 obligations and conversely may not pay for obligations incurred in FY 2019 with FY 2020 funds without legislative authorization or prior year deficiency authorization. Uses of payroll codes are subject to audit; therefore, Payroll Directors should ensure that appropriate codes are selected with special attention to the fiscal year of the obligation.

HR/CMS Posting for Accounts Payable

There are only 2 ways to charge FY 2019 in HR/CMS:

- Use an Accounts Payable Earnings Code – Enter an Accounts Payable Earnings Code in Additional Pay for one of the Accounts Payable pay periods. See the list of Accounts Payable Earnings Codes below.
- In Timesheet, enter a Prior Period Adjustment for a date before June 23, 2019 – Note that any implied exceptions will post to the same date

Accounts Payable Earnings Codes

The following Accounts Payable Codes will only be available during the Accounts Payable pay periods. The Earnings Codes will charge to FY 2019 in LCM and MMARS.

Earnings Code	Description	MMARS Object Code
ABN	A/P Employee Reimbursement – Not Taxable ANB – Used for employee reimbursements that are not taxable (i.e. reimbursements supported by proper documentation/receipts)	B91
ABR	A/P Bar Reimbursement	B10
ABT	A/P Employee Reimbursement – Taxable	B92
ABU	A/P Union Bonus	A14
APA	A/P Pay to Deceased Employees – Subject to Retirement	A21
APC	A/P Settlement / Judgment – Contractors – No Retirement	C11
APD	A/P Pay to Deceased Employees	A21 or CC Object Code for Contractor
APF	A/P Shift	A07 or CC Object Code for Contractor
APH	A/P Holiday	A10 or CC Object Code for Contractor
API	A/P Intergovernmental Detail	A20
APJ	A/P Settlement / Judgment – No Retirement	A11
APK	A/P Settlement / Judgment – Subject to Retirement	A11
APL	A/P Holiday – No Retirement	A10
APN	A/P Regular Pay – No Retirement	A01 or CC Object Code for Contractor
APO	A/P Overtime and / or Comp Time	A08
APP	A/P Private Detail Pay	A20
APR	A/P Regular Pay – Subject to Retirement	A01 or CC Object Code for Contractor
APS	A/P Sick Leave Buy Back	A12
APV	A/P Vacation in Lieu	A13
APX	A/P Settlement / Judgment – Subject to Retirement – Contractor	C11
APY	A/P Settlement / Judgment – No Withholdings – Contractor	C11
APZ	A/P Settlement / Judgment – No Withholdings	A11
CAN	A/P Contractor Reimbursement – Not Taxable	C98

HR/CMS Reimbursement Code Processing

The normal Reimbursement codes will charge to the current pay period when used in Additional Pay or to the pay period posted in Timesheet.

Departments that do not use Timesheet for employee reimbursements and need to charge to FY 2019 should use the following AP-Specific Reimbursement codes in Additional Pay:

- **ABN** – Used for **employee reimbursements that are not taxable**. (i.e. reimbursements supported by proper documentation/receipts) ABN maps to MMARS **Object Code B91** and can be used in place of the following Reimbursement codes:

Earnings Code	Description	MMARS Object Code
B01	Travel And Other Expense / Out of State	B01
B02	Travel Expense / In State	B02
B03	Overtime Meals Expense	B03
B04	Tuition / Non-Graduate	B04
B05	Conference and Training	B05
B06	Membership Dues and Licensing Fee	B06
B08	Clothing Allowances	B08
B10	Exigent Job Related Expenses	B10
B1B	Travel Lodging Expense	B01
BAE	Auto Expense Reimbursement	B02
BAG	MIL Basic Housing	B07
BAR	MIL Basic Subsistence	B07
BB1	Travel Airfare Expenses	B01
BB4	Tuition / Graduate	B04
BMI	Car Mileage Reimbursement	B02
BMV	Moving Reimbursement	B02
BPK	Parking Reimbursement	B02
BTL	Toll Reimbursement	B02
BX6	Membership Reimbursement – Unit 6	B05

- **ABT** – Used for **employee reimbursements that are taxable**. ABT maps to MMARS **Object Code B92** and can be used in place of the following Reimbursement codes:

Earnings Code	Description	MMARS Object Code
B92	Taxable Employee Reimbursement	B92
BH7	Housing Allowance	B07
BHR	Housing – Cash – Retirement	B07

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BPD	Per Diem No Retirement	B07
BT7	Tangible Asset Allowances	B02

- **CAN** – Used for **contractor reimbursements that are not taxable**. CAN maps to MMARS **Object Code C98** and can be used in place of the C98 earnings code.

LCM Setup for Prior Fiscal Year Distribution

LCM uses the distribution in effect for an employee on the Pay Event Begin date to distribute labor charges.

Prior Period Adjustments for an employee will have the same Pay Event Begin and End dates as the pay period posted in Timesheet or the specific date used in Timesheet if a Combo Code is used to specify labor distribution for that employee.

Example: REG reported on 6/14/2019 will charge to FY 2019. LCM will use the distribution in effect on 6/9/2019 in most cases. If a Combo Code is used for that posting or any other charges for that employee, LCM will use the distribution in effect on 6/14/2019. To override the default distribution (DEPTE) for the charge, the department can create an EPPA for the pay period beginning on 6/9/2019 and ending on 6/22/2019.

All Accounts Payable Codes will have a Pay Event Begin and End Date of 6/29/2019 in LCM Labor History.

Example: ABN will charge to FY 2019. LCM will use the distribution in effect on 6/29/2019. To override the default distribution (DEPTE) for the charge, the department can create an EPPA for the pay period beginning on 6/23/2019 and ending on 7/6/2019.

Payroll Hold Transactions

Payroll Holds are needed for all Prior Fiscal Year charges during Accounts Payable. Payroll Holds must be set up for each Appropriation and Object Code where expenses – including net \$0 adjustments – will be incurred.

Each accounting line of a Payroll Hold must contain the following fields:

- Fund
- Sub Fund
- Department
- Unit – Required for Expense Budgets only
- Appropriation
- Object
- Program – Required for Federal Grants only

There should only be one accounting line defined for each distinct combination of Fund, Sub Fund, Department, Appropriation, and Object.

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Departments that do not use Departmental Expense budgets should leave the Unit blank. Departments that use Expense Budgets must enter a value for Unit. Departments should choose the Unit that rolls up to the Division with the Expense Budget against which the Payroll Hold can encumber funds.

When the Payroll Hold is liquidated, the Unit on the actual payroll charge will be used to post the charges in LCM and MMARS.

Similarly, departments should leave the Program blank unless the Appropriation is a Federal Grant. Program is then required. Departments must choose one and only one Program to assign to a combination of Fund, Sub Fund, Department, Appropriation, and Object. When the Payroll Hold is liquidated, the Program on the on the actual payroll charge will be used to post the charges in LCM and MMARS.

Questions

If you have any questions about HR/CMS, please contact CommonHelp at 866-888-2808. If you have any questions about LCM/MMARS, please contact the Comptroller's Help Desk at 617-973-2468.

cc: General Counsels
Internal Distribution