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MEMORANDUM

To: Agency Heads, Chief Fiscal Officers, and General Counsels
From: William McNamara, Comptroller of the Commonwealth
Date: August 12, 2020
Subject: FY 2021 Interim Budget Guidance

Comptroller Memo FY#2021-07

Executive Summary

Chapter 131 of the Acts of 2020, the second FY 2021 Interim Budget, is signed. This memo offers guidance on operating under an interim budget. In addition, we will implement a periodic allotment process.

We anticipate continuing fiscal year 2021 without a General Appropriation Act (GAA).

The Governor signed the second FY21 Interim Budget for \$16,530,000,000. The Commonwealth will operate under this interim budget authorization beginning July 31, 2020. This interim budget is expected to cover department incurrence needs through October or until the enactment of the FY21 General Appropriation Act, whichever occurs first.

When administering budgets during this time it is important to follow guidance in Chapter 131 of the Acts of 2020, in the [Expenditure Classification Handbook](#), [A&F Administrative Bulletin #9](#) and recently issued [A&F Administrative Bulletin #24](#). Additional information will be forthcoming about continuing to manage funds in an interim period.

Constraint by the GAA

Departments must assume, absent explicit instruction to the contrary from the Comptroller, that all activity conducted under an interim budget will be subject retroactively to the conditions and restrictions included in the GAA when eventually signed into law. Departments must not undertake any activities which they have reason to believe will not be supported by the relevant

appropriations and other provisions of the GAA. In the absence of a report of a Conference Committee on the budget, and where the relevant appropriations and other provisions enacted by the Senate and the House of Representatives differ materially, departments must act under their best judgment regarding the likely resolution by a Conference Committee, but should favor the most conservative reasonable prediction of the outcome. Departments should consult with A&F prior to making significant commitments which would exceed the lowest of the relevant House 2, House and Senate spending authorizations.

Departments must also recognize that fiscal constraints and policy differences may result in the Governor vetoing or reducing appropriations or other provisions of the GAA as enacted by the General Court when he signs it into law, and must manage obligations accordingly.

It is imperative that all accounts are reviewed for compliance with these limitations.

Departments should proceed with routine business, including processing invoices within 9 days to take prompt payment discounts if offered.

Expenditure Ceilings

While a periodic allotment process at the line item level is not the norm under an interim budget, it appears to be permissible and in these circumstances will give clearer guidance to department leadership.

Therefore, we will establish expenditure ceilings in MMARS at a level equal to that item's appropriation in Chapter 41 of the Acts of 2019 (FY20 GAA) or the operating budget submitted by the Governor for FY21 (House 2), whichever is less, multiplied by 16.66%, representing two months of the fiscal year, cumulatively. This will be for July and August; future periodic allotments will run monthly.

A&F will also run ad hoc allotments every other Tuesday between periodic allotments, if necessary. Please be sure to email your A&F analyst upon submission of ad hoc requests, and allow time for Secretariat approval of all submissions. Ad hoc allotment requests that are approved at the Secretariat level and visible to A&F in MMARS by the Wednesday prior to the ad hoc run will be reviewed by A&F analysts for the following Tuesday.

Please see the A&F intranet site for the periodic and ad hoc allotment schedules through October 31:
<http://www.anf.state.ma.us/>

Going forward, departments should request BGTS or ad hoc allotments to ensure expenditure ceilings are sufficient to allow necessary payments. However, for a limited transition period, if departments still require FY21 payment request overrides please send the request in writing to Kevin McHugh kevin.mchugh@mass.gov and Jessica Cogswell jessica.cogswell@mass.gov, and include in subject line "FY21 Override Request."

If you have any questions please contact Budget Director Bran Shim at (857) 400-5481 or Kevin McHugh at (617) 973-2335.

cc: MMARS Liaisons
Payroll Directors
General Counsels