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MEMORANDUM

To: Agency Heads, Chief Fiscal Officers, and General Counsels
From: William McNamara, Comptroller of the Commonwealth
Date: June 29, 2020
Subject: FY 2021 Interim Budget Guidance

Comptroller Memo FY#2021-02

Executive Summary

Chapter 101 of the Acts of 2020, the FY 2021 Interim Budget, has been signed by Governor Baker. This memo offers guidance to Agency Leadership about operating under an interim budget.

FY 2021 will begin later this week without a General Appropriation Act (GAA).

The Governor signed the FY 2021 Interim Budget for \$5,250,000,000. The Commonwealth will operate under this interim budget authorization beginning on Wednesday, July 1, 2020. This one month interim budget is expected to cover department incurrence needs through July 31st or until the enactment of the FY 2021 General Appropriation Act, whichever occurs first.

When administering budgets during this time it is important to follow guidance in chapter 101, in the [Expenditure Classification Handbook](#), [A & F Administrative Bulletin #9](#) and recently issued [A & F Administrative Bulletin #24](#):

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 1, 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 within these limitations.

Departments should proceed with routine business, including processing invoices within nine days to take advantage of any prompt payment discounts that are available. All activity conducted under an interim budget will be subject retroactively to the conditions and restrictions included in the GAA when signed into law. Departments must not undertake any activities that they have reason to believe will not be supported by the relevant appropriations and other provisions of the GAA.

In the absence of FY 2021 budget recommendations from the House of Representatives and the Senate, departments should favor the more conservative of the spending recommendations between the one submitted in House 2 or the spending authorized in the FY 2020 GAA. Departments should consult with A&F prior to making significant commitments that would exceed this level.

Departments should direct FY 2021 payment override requests, in writing, to Kevin McHugh kevin.mchugh@mass.gov and Jessica Cogswell jessica.cogswell@mass.gov, include in subject line "FY21 Override Request".

For questions regarding the administration of the interim budget and payment processing, please contact Kevin McHugh, Assistant Comptroller, at (617) 973-2235. For questions regarding broader budgetary and expenditure matters, please contact Assistant Secretary Bran Shim, A&F Budget Director, at (857) 400-5481.

cc: MMARS Liaisons
Payroll Directors
Catherine Hornby, Undersecretary, A&F
Bran Shim, Budget Director, A&F