



Commonwealth of Massachusetts

OFFICE OF THE COMPTROLLER

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MMARS Policy: Procurement/Contracts

Issue Date: July 1, 2004

Date Last Revised: November 1, 2006

Line Types

Executive Summary

"Line Type" is a field found on all documents that require a commodity code. The line type tells the system whether the document is a single rate or not. The three line types are "**Discount**", "**Service**" and "**Item**".

- The Line Type of "**Discount**" is only found on the MA document when the rate is variable. For example (\$40 - \$120).
- The Line Type of "**Service**" is used when a contract is a maximum obligation contract or when you have negotiated a contract with multiple rates.
- The Line Type of "**Item**" is used on all documents when you know a specific rate.

Considerations

Departments must select the appropriate "Line Type" in order to correctly process a document. Care should be taken to select the correct line types for the type of purchase and contract. In addition to the policies in this Chapter, departments are also responsible for the policies in **Contracts - State Finance Law and General Requirements, Contract – Commodity Codes**, and any other related contract policies issued by CTR.

Policy

Line Type of "Discount and "Service" (Variable Rates)

Departments have the option of using the Line Type of "**Discount**" or "**Service**" if you negotiated your contract with variable rates. For example a Master Agreement may have one commodity line with multiple rates such as a contractor agrees to provide a service with a rate range between \$20.00 and \$50.00 per hour. In this scenario, the Line Type could be either "**Discount**" or "**Service**". **NOTE:** The Line Type of "**Discount**" is only found on the MA document.

Line Type of "Service" (Maximum Obligation Contracts)

If the maximum amount a vendor may be paid is defined (the compensation is “capped”), then the contract is a maximum obligation contract. For example, a department agrees to pay a contractor \$10,000 to install a drainpipe. The amount agreed upon for the service is \$10,000 (maximum obligation). In this scenario, the Line Type “**Service**” is appropriate.

Line Type of “Item” (Rate-Based Contract – Single Rate)

Use the Line Type of “**Item**” if your contract is a rate-based contract where a specific rate per unit and quantity are known. For example, a department agrees to pay a contractor \$50.00 (rate) per client session (unit) for 12 sessions (quantity). In this scenario the Line Type of “**Item**” is appropriate.

Internal Controls

Under construction.

Information Sources

Related Procedure: Forthcoming

Related Policy:

- Contracts - State Finance Law and General Requirements
- Key State Finance Law Compliance Roles And Responsibilities.
- Department Head Signature Authorization and Electronic Signature for MMARS Documents
- Contracts – Goods and Services (Including Health and Human Services, Leases, TELPS, Consultant Contracts, Incidental Purchases)
- Contracts – Quality Assurance
- Contracts – Delegation of MMARS Document Processing
- Contracts – Encumbrance Management
- Contracts – Records Management

Legal Authority:

- [Expenditure Classification Handbook](#);
- [M.G.L. c. 7A](#) (Office of the Comptroller); [M.G.L. c. 29](#) (State Finance Law);
- Attachments: None
- Links: None

Contacts – [CTR Help Desk](#)

November 1, 2006 – Removed language referencing Knowledge Center and updated relevant links to Mass.gov/osc portal site.