***COMMONWEALTH OF MASSACHUSETTS***

**SUBSIDY AGREEMENT**

This Subsidy Agreement has been issued by the Office of the Comptroller under [815 CMR 2.00](https://www.mass.gov/regulations/815-CMR-2-state-grants-federal-grant-awards-federal-subgrants-and-subsidies) for subsidies or other legislatively mandated payments to a named Recipient for a specified amount.

Note that Subsidies are very limited and must meet the requirements under [815 CMR 2.00](https://www.mass.gov/regulations/815-CMR-2-state-grants-federal-grant-awards-federal-subgrants-and-subsidies) and the [State Grants, Federal Subgrants and Subsidies Policy.](https://www.powerdms.com/public/MAComptroller/documents/1778986)

**Commonwealth of Massachusetts – Department: .**

**Address: .**

**Contact Person: . Telephone: . Email: .**

**Recipient Full Legal Name (On File with IRS): .**

**Legal Address: .**

**Contact Person: . Telephone: . Email: .**

**Total Amount of Subsidy Payment(s) $ .**

**Approximate Number of Payments To Be Made: . Payment(s). Attach schedule if multiple payments will be made explaining schedule and any requirements for payment disbursement.**

**Amount of First Payment: $ .**  **Anticipated Date of First Payment: . 20\_\_\_.**

**Termination Date of Subsidy Agreement . . 20\_\_\_. (Payments can not be made after the expiration date of the account or funding this Subsidy Agreement. If from a Budgetary Account, funding will be available only in the current fiscal year.**

**Identify Additional Attachments to Subsidy Agreement that are incorporated by reference: .**

1. The **Department** and the **Recipient** understand and agree that pursuant to: [Indicate citation for Legislative Authorization for Subsidy]  **.**, the **Department** is legislatively authorized to initiate a payment(s) of funds to the **Recipient**. Payments are subject to any conditions required by law as a prerequisite to payment, including any restrictions or conditions specified by the **Department**as part of this Subsidy Agreement. Payments can not be made to the **Recipient**prior to the date that this Subsidy Agreement, including all relevant attachments, has been properly executed by authorized signatories of both parties in accordance with all relevant general or special laws and regulations, and filed as prescribed by the Office of the Comptroller. Notwithstanding the termination date of this Subsidy Agreement, the **Recipient**'s obligations under Sections 2. and 3. shall survive the termination of this Subsidy Agreement.
2. The **Recipient** agrees to expend funds provided under this Subsidy Agreement in accordance with all applicable federal and state general and special laws and regulations and any restrictions or conditions specified by the **Department** by attachment to this Subsidy Agreement. Any actions arising out of this Subsidy Agreement shall be governed by the laws of the Commonwealth of Massachusetts. The **Recipient** may not use any funds provided or paid under this Subsidy Agreement for any partisan political activity or to further the election or defeat of any candidate for public office.
3. The **Recipient** understands and agrees that the **Department**, the State Auditor and the Comptroller shall be entitled to copies of any programmatic or fiscal reports that verify compliance with, or are required as a condition to, receiving funds under this Subsidy Agreement, or that are specified by attachment to this Subsidy Agreement.

**IN WITNESS WHEREOF**, the **Department** and the **Recipient** have caused this Subsidy Agreement to be executed by their respective authorized officers, as of the last date specified below:

|  |  |
| --- | --- |
| **AUTHORIZING SIGNATURE FOR THE COMMONWEALTH:****X: . Date: .****(Signature and Date Must Be Handwritten At Time of Signature)****Print Name: .****Print Title: .** | **AUTHORIZING SIGNATURE FOR THE RECIPIENT****X: . Date: .****(Signature and Date Must Be Handwritten At Time of Signature)****Print Name: .****Print Title: .** |



**COMMONWEALTH OF MASSACHUSETTS**

**SUBSIDY AGREEMENT**

***INSTRUCTIONS FOR COMPLETION***

1. The**Department**should complete the Subsidy Agreement using the following guidelines:

The **Department** name and address should be the full business name and mailing address used by the **Department***.* The Contact Person email address shall be the official mechanism for correspondence under the subsidy agreement.

* The **Recipient** name and address should be the full legal business name and mailing address used by the Recipient for Internal Revenue Service (IRS) tax filing purposes and filed in MMARS in the VCUST Table. The Contact Person email address shall be the official mechanism for correspondence under the Subsidy Agreement.
* The total amount of the Subsidy Agreement should indicate the total amount that the **Department**anticipates expending under the Subsidy Agreement based upon the subsidy legislation or other legal authorization for payment. The total amount is the amount that will be encumbered and obligated on behalf of the **Recipient.**  The**Department** must encumber this total maximum obligation on MMARS. The Department should indicate if funds will be paid in a single payment or using multiple payments. If multiple payments are used, the parties should attach a schedule of payment dates and amounts and any conditions for receipt of payment.
* The termination date of the Subsidy Agreement should be at the end of the current fiscal year, or the expiration date of the account or funding for this Subsidy Agreement. Payment of funds can not be made after the termination date of the account or funding for this Subsidy Agreement. Any obligations for use of the funds or reporting of the funds will extend beyond the end of the funding for this Subsidy until one year after the audit requirements for this funding.
* The **Department**should include any details concerning payment of the funds under the Subsidy Agreement in attachments, including, but not limited to the following:
* Any schedule of payment dates and amounts.
* Conditions or restrictions required as a prerequisite to payment of funds.
* Details of requirements of copies of programmatic or fiscal reports required as a condition of receiving funds
* Any additional attachments or addendums of terms or performance.

2. An executed original, or certified copy of the Subsidy Agreement, including all relevant attachments and supporting documentation should be attached to a completed and executed encumbrance document [Contract Commodity (CT)] and submitted to the Office of the Comptroller for processing and filing.

* A copy of the legislative authorization for payments under the Subsidy Agreement must be attached to facilitate timely processing of the Subsidy Agreement.
* This Subsidy Agreement is the primary contract document and should incorporate attachments with any key terms. Separately executed Memorandums of Agreement (MOA) or Understanding (MOU) are not recommended.