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Matthew Gorzkowicz
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MEMORANDUM

To: Chief Fiscal Officers, Budget Directors, and General Counsels
From: Thomas Smith-Vaughan, Chief Operating Officer, Office of the Comptroller
Christopher Marino, Assistant Secretary for Budget, Exec. Office for Administration and Finance
Date: January 28, 2025
Subject: Guidance on OMB Memo M-25-15: Temporary Pause of Agency Grant, Loan, and Other Financial Assistance Programs

Comptroller Memo FY2025-15

Executive Summary

This memo provides guidance regarding OMB Memo M-25-13: Temporary Pause of Agency Grant, Loan, and Other Financial Assistance Programs. This OMB directive creates potential challenges for certain spending accounts in the General Federal Grants Fund, revenue collected through federal reimbursement, and for programs run and funded primarily by the federal government. We are asking departments to provide federal grant information in response to this memo. Responses are due on **Friday, January 31 at noon.**

Background

On January 27, 2025, OMB issued Memo M-25-13 directing federal agencies to temporarily pause all activities related to obligation or disbursement of all Federal financial assistance if it is or might be affected by recent Executive Orders or other Presidential programs or policies. The pause is effective January 28, 2025 at 5:00 p.m.

The temporary pause is effective at least through February 10, 2025. How the federal agencies will implement this directive and its practical implications for the Commonwealth are yet unknown. The Executive Office for Administration and Finance (A&F) and the Office of the Comptroller (CTR) are asking all Commonwealth departments that receive federal funds to take certain steps and provide requested information, which will assist us with planning and response.

Federal funding received by the Commonwealth

Programs of federal financial participation (FFP), for which the accounting and reporting is done via MMARS, can be placed into three categories:

- 1) Joint federal-state programs, where the Commonwealth appropriates 100% of the total program, and the FFP is accounted for as reimbursement revenue (example: Medicaid waiver services at MassHealth and DDS);
- 2) Authorized spending by the Commonwealth in a specialized fund and the FFP is accounted for as reimbursement revenue (example: the federal highway capital project fund);
- 3) The General Federal Grants Fund (referred to as MMARS Fund 0100) which is itemized on a grant-by-grant and account-by-account basis (example: FEMA grants).

Response and Planning

In the past, departments have been directed to develop contingency plans in anticipation of federal government shut downs. In a similar approach, departments are now asked to develop plans to address the current hold on federal payments through February 10. We will provide further guidance on any additional contingency planning if programs become impacted beyond this initial hold.

By **noon on Friday, January 31**, Commonwealth departments are asked to complete the following:

- Commissioners, General Counsels and CFO's should review [OMB memo M-25-13](#) for potential impact. To the extent possible, contact federal grant administrators for information specific to your grants. We acknowledge that federal agencies might be not be responsive.
- Identify potential departmental actions to protect Commonwealth residents and resources in the event federal payments are stopped, including the use of other funding sources currently available to them. Please describe the impact of utilizing such funds on other state-operated programs and services. Agencies should not assume that additional state funding will be available. Therefore, please identify any state funding that would be required for the state to take on responsibility for critical federal programs and indicate whether and when legislative authorization would be required.
- Identify the number of FTE paid for by each of your federal programs.
- Email your A&F analyst and the Office of the Comptroller (paymentsc@mass.gov) with your analysis of the OMB memo and a summary of any concerns that you have particularly as it relates to your ability to make bi-weekly payroll for employees currently paid from federal sources.

If you conclude that the program is affected by the memo and therefore payments will be stopped beyond the initial hold, please reach out to your A&F analyst to discuss contingency planning. As noted above, we will share more formal guidance regarding those programs as necessary.

We plan to provide additional guidance as soon as the impact of the federal pause becomes more clear. Thank you for your assistance.

CC: Cabinet Secretaries, Department Heads, MMARS Liaisons, Payroll Directors, and Internal Distribution