



NON-INSTRUCTIONAL SERVICES: Non-Instructional Services

Funds Management and Classification of Expenditures

I. Purpose

To establish guidelines for the proper accounting for all revenues received and expenditures recorded by Baltimore County Public Schools (BCPS) and for the classification of indirect costs for grant budgets.

II. Definition

Indirect Costs – As used in this rule, indirect costs are defined as those allocations of administrative expenditures necessary to manage grant programs.

III. Guidelines

A. The Department of Fiscal Services shall be responsible for:

1. Establishing procedures to ensure sound fiscal management and financial reporting.
2. Preparing the proposed draft of expenditures from indirect cost recovery funds, with input from BCPS staff, for approval by the Superintendent.
3. Preparing an indirect cost recovery budget for inclusion in the operating budget in the special revenue fund.
4. Ensuring that all funds received and disbursed shall be accounted for in accordance with the *Financial Reporting Manual for Maryland Public Schools*.
5. Ensuring that all grant budgets include indirect costs and are collected in accordance with the *Financial Reporting Manual for Maryland Public Schools*.
6. Annually, calculating the indirect cost rate plan(s) for BCPS and submitting the plan to the Maryland State Department of Education for approval. The established indirect cost rate shall apply to all grants, unless prohibited by the granting agency.

B. All grant managers shall include indirect costs when the budget is prepared and submitted, unless prohibited by the granting agency.

- C. All indirect costs from grants shall be allocated to the indirect cost recovery fund.

Legal References: *Annotated Code of Maryland*, Education Article §4-102, *County Superintendent as Executive Officer, Secretary, and Treasurer of the Board*
Annotated Code of Maryland, Education Article §5-101, Annual Budget
Annotated Code of Maryland, Education Article §5-105, *Revenues Spent in Accordance with Major Categories of Budget*
Baltimore County Code, Charter of Baltimore County, Maryland, Article VII, *Budgetary and Fiscal Procedures*

Related Policies: Board of Education Policy 3113, *Transfers and Supplements*
Board of Education Policy 3123, *Financial Reporting*
Board of Education Policy 3125, *School Activity Funds*
Board of Education Policy 3330, *Food Service Finance*

Rule

Superintendent of Schools

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