

**BALTIMORE COUNTY PUBLIC SCHOOLS**

**DATE:** April 23, 2013

**TO:** **BOARD OF EDUCATION**

**FROM:** S. Dallas Dance, Superintendent

**SUBJECT:** **CONSIDERATION OF THE PROPOSED CHANGES TO BOARD OF EDUCATION POLICY 3121, FUNDS MANAGEMENT AND CLASSIFICATION OF EXPENDITURES**

**ORIGINATOR:** Michael Sines, Chief Operations Officer

**RESOURCE PERSON(S):** Barbara Burnopp, Chief Financial Officer

**RECOMMENDATION**

That the Board of Education reviews the proposed changes to Policy 3121. This is the third reading.

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Attachment I – Policy Analysis  
Attachment II – Policy 3121

**POLICY ANALYSIS FOR  
BOARD OF EDUCATION POLICY 3121**

**ACCOUNTING AND CASH MANAGEMENT: FUNDS MANAGEMENT  
RENAMED AS “FUNDS MANAGEMENT AND CLASSIFICATION OF EXPENDITURES”**

**Statement of Issues or Questions Addressed**

In accordance with Board of Education Policy and Superintendent’s Rule 8130, Policy 3121 is scheduled for review in school year 2012-2013. Policy 3121 outlines the Board’s guidelines for receiving and depositing funds received. Staff is recommending that the policy be revised to: (1) include a policy statement that reflects the Board’s commitment to proper accounting for all revenues received; (2) include an implementation section; (3) conform with the Policy Review Committee’s editing conventions.

**Cost Analysis and Fiscal Impact on School System**

No fiscal impact is anticipated by the revision of this policy.

**Relationship to Other Board of Education Policies**

1. Board of Education Policy 3113, Transfers
2. Board of Education Policy 3123, Reporting
3. Board of Education Policy 3125, *School Activity Funds*

**Legal Requirements**

1. *Annotated Code of Maryland, Education Article §4-102, County superintendent*
2. *Annotated Code of Maryland, Education Article §5-105, Expenditure of revenues, transfer within and between major categories.*

**Similar Policies Adopted by Other Local School Systems**

1. Board of Education of Anne Arundel County, Policy DAA, *Financial Management Priority Objectives*
2. Board of Education of Howard County, Policy 4030, *School Activity Funds*
3. Board of Education of Montgomery County, Policy DAA (DAA-RA), *Fiscal Responsibility and Control*

**Draft of Proposed Policy**

Attached

**Other Alternatives Considered by Staff**

No other alternatives were considered.

**Timeline**

First reading – February 19, 2013

Public comment – March 5, 2013

Third reading/vote – April 23, 2013

NON-INSTRUCTIONAL SERVICES: NON-INSTRUCTIONAL SERVICES

[Fiscal Services]

[Accounting and Cash Management:] FUNDS MANAGEMENT AND CLASSIFICATION OF EXPENDITURES

I. POLICY STATEMENT

THE BOARD OF EDUCATION OF BALTIMORE COUNTY (BOARD) RECOGNIZES ITS RESPONSIBILITY FOR MANAGEMENT OF FUNDS ENTRUSTED TO IT FOR THE EDUCATION OF BALTIMORE COUNTY PUBLIC SCHOOLS (BCPS) STUDENTS. THE BOARD BELIEVES THAT SOUND FISCAL MANAGEMENT REQUIRES PROPER ACCOUNTING FOR ALL REVENUES RECEIVED BY THE BOARD.

II. STANDARDS

- A. The Superintendent, as Secretary-Treasurer of the Board [of Education of Baltimore County (Board)], shall ESTABLISH [develop] procedures to ensure that:
1. [a] All funds due the Board are received and deposited in accordance with State law or regulation. [, and shall keep a full account of all monies received.]
  2. THE EXPENDITURE OF REVENUES RECEIVED BY THE BOARD ARE SPENT IN ACCORDANCE WITH THE MAJOR CATEGORIES OF THE ANNUAL BUDGET BY USING A CONSISTENT CHART OF ACCOUNTS AND IN ACCORDANCE WITH THE *FINANCIAL REPORTING MANUAL FOR MARYLAND PUBLIC SCHOOLS*.
  3. ALL GRANT BUDGETS INCLUDE INDIRECT COSTS.

III. IMPLEMENTATION

THE BOARD DIRECTS THE SUPERINTENDENT TO IMPLEMENT THIS POLICY.

Legal References: *Annotated Code of Maryland*, Education Article §4-102, *COUNTY SUPERINTENDENT ANNOTATED CODE OF MARYLAND, EDUCATION ARTICLE §5-101, ANNUAL SCHOOL BUDGET*

POLICY 3121

*ANNOTATED CODE OF MARYLAND, EDUCATION ARTICLE  
§5-105, EXPENDITURE OF REVENUES, TRANSFERS WITHIN  
AND BETWEEN MAJOR CATEGORIES.*

*[Annotated Code of Maryland, State Finance and Procurement  
Article, §6-222*

*Maryland Annotated Code of 1957, Article 95, §22]*

RELATED POLICIES: BOARD OF EDUCATION POLICY 3113, *TRANSFERS AND  
SUPPLEMENTS*  
BOARD OF EDUCATION POLICY 3123, *REPORTING*  
BOARD OF EDUCATION POLICY 3125, *SCHOOL  
ACTIVITY FUNDS*  
BOARD OF EDUCATION POLICY 3330, *FOOD SERVICE  
FINANCE*

Policy

Board of Education of Baltimore County

Adopted: 09/18/68

Revised: 01/14/03

Re-Adopted: 01/08/08

REVISED: \_\_\_\_\_