

**NON-INSTRUCTIONAL SERVICES**Classification of Expenditures

This rule sets forth the definition, purpose, and classification of indirect costs for grant budgets.

Indirect Costs

- I. As used in this rule, indirect costs are defined as those allocations of administrative expenditures necessary to manage grant programs.
- II. The Department of Fiscal Services shall establish procedures to ensure that all grant budgets include indirect costs, and to account for indirect cost funds collected in accordance with the *Financial Reporting Manual for Maryland Public Schools*.
- III. Annually, the Maryland State Department of Education (MSDE) calculates the indirect cost rate plan for Baltimore County Public Schools (BCPS). The Department of Fiscal Services will apply this rate to all grants, unless prohibited by the granting agent.
- IV. All grant managers shall include indirect costs when the budget is prepared and submitted, except where the charging of indirect costs is prohibited by the granting agent.
- V. The Department of Fiscal Services will be responsible for collecting indirect costs from the grants. Funds will be allocated to the indirect cost recovery fund.
- VI. The Department of Fiscal Services will prepare the proposed draft of expenditures from indirect cost recovery funds with input from BCPS staff, for approval by the superintendent.
- VII. The Department of Fiscal Services will prepare an indirect cost recovery budget for inclusion in the operating budget in the special revenue fund.

## Rule

Approved: 9/24/02

Revised: 06/10/08]

Superintendent of Schools