I. Purpose and Scope

The purpose of this procedure is to establish specific criteria and requirements related to the expenditure and management of school allocations in accordance with Board of Education policy.

II. Definitions

A. Accounting unit means a twelve digit record indicating the category, location, program and sub-program for an expenditure.

B. Account number means a five digit record indicating the type of expenditure.

C. Budget line item means the combination of a specific accounting unit and account number to which expenditures may be charged.

D. Per pupil allocation means ratios used to allocate funds to schools based on the number of students enrolled.

E. School activity fund means all funds held in the name of the school, derived from school sponsored activities and maintained in the school bank account(s). This includes fund raising proceeds, cash donations and other funds received at the school level that are not allocated through the HCPS operating budget, other than gate receipts.

F. School allocations means the budget line items that are identified annually during the development of the HCPS operating budget to be allocated to the individual schools and managed at the school level by the principal.

III. Procedures

A. SchoolAllocations

1. School allocations are approved annually as part of the annual HCPS Operating Budget.
2. Individual budget line items are calculated based on various factors including student population, school staffing, building square footage, funds collected in prior years (Interscholastic Athletic Supplies are based on gate receipts), or school need (School Improvement/School Based Staff Development Salaries).

3. School allocations are contingent upon the availability of funding, student enrollment, square footage and staff assignments.

4. School allocations must be expended or encumbered in the same fiscal year allocated. Unspent or unencumbered funds do not carry over to the next fiscal year.

5. Official enrollment and staffing figures from the prior year will be used to calculate school allocations which will be provided to schools by the end of July.

6. Special allocations may be provided for small schools, special schools, special programs or an emergency situation as determined by the Executive Director and Assistant Superintendent for Business Services.

7. As part of the annual budget process, the HCPS Budget Office will analyze historical budget line item spending by elementary, middle and high school levels. Funding for budget line items that are calculated based on student enrollment (i.e. per pupil allocations) and/or staffing levels may be redistributed accordingly between budget line items based on this analysis (without altering the total school allocation).

B. Expenditures of School Allocations

1. Purchases and expenditures must be in compliance with HCPS procurement policies and procedures. The HCPS Purchasing Manual can be found at http://hcpsshare/sites/BusinessServices/Forms/Purchasing/Purchasing%20Manual/Purchasing_Manual.pdf. Expenditures must be charged in accordance with MSDE guidelines for reporting expenditures and should be charged to the appropriate budget line item based on the nature of the expenditure and not the availability of funding.

C. Reimbursement from School Allocations

1. Every effort should be made to pay for items in a manner that directly charges the expenditure to the appropriate budget line item (i.e. via p-card, Disbursement Voucher, or Requisition-Form 1/Form 2). However, if amounts are paid from school activity funds with the intention of being reimbursed from the school allocation (via the School Funds Reimbursement Voucher), reimbursement should be sought within 30 days of the last day of the month in which the original expenditure was made and in accordance with annual year-
end cutoff requirements from the Finance Office. Any request for reimbursement that is not sought in a timely manner or within the same fiscal year of the original expenditure may be denied.

D. Reporting, Monitoring and Accountability

1. It is the responsibility of the Principal to be fiscally responsible and to spend school allocations in accordance with the guidelines outlined in this document and in order to achieve the systemic needs, goals and objectives of the Board of Education.

2. Total school expenditures cannot exceed the total school allocation for the fiscal year. Individual budget line items may be over spent or under spent based on school need.

3. Daily summary and detail reports of expenditures and encumbrances by budget line item (Report of Expenditures for School Allocations and GL298-GL Commitment Analysis Report, respectively) will be available online to the school principal and his/her designee.

4. A monthly summary report of expenditures and encumbrances by budget line item (Report of Expenditures for School Allocations) will be distributed to the school principal.

5. The GL298-Commitment Analysis Report does not include payroll expenditure detail. If needed, a detailed listing of payroll expenditures must be requested from the Finance Office.

Approved By:

Sean Bulson, Ed.D.
Superintendent of Schools
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Responsibility for Procedure Maintenance & References

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PROCEDURE NUMBER PRIOR TO NOVEMBER 1, 2005:

LEGAL REFERENCES
References are set forth in the Procedure.

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1 All references are to specific federal or Maryland statutes or regulations. References are provided for convenience and informational purposes only and are not to be considered as exhaustive or as precluding Harford County Public Schools from relying upon any other statutes or regulations in support of a policy.