

**Administrative Procedures for Policy #5515 (Business) of the Board of Education
Regarding Budget Transfers**

I. Definitions

- A. Account or line item – A sub-object of a budget category in accordance with the budget model employed by the Calvert County Public Schools
- B. Category – A major spending section of the school system’s annual operating budget as defined and required by §5-101 of the Education Article of the Annotated Code of Maryland
- C. Encumbrance – A commitment for the expenditure of funds for a specific purpose
- D. Inter-category transfer – A transfer of funds from one category to another for the purpose of increasing or decreasing the budget allocation for a category
- E. Intra-category transfer – A transfer of funds from one account or line item within a category to another account or line item within the same category for the purpose of increasing or decreasing the budget allocation for an account(s) within a category

II. General Guidelines

- A. Intra-category transfers: Appropriations may be transferred between accounts within a category for unanticipated levels of account expenditures not included in the adopted budget. As an example, unanticipated account expenditures may be the result of a rise in fuel costs or the need for an unplanned equipment replacement.
 - 1. The Director of Finance or designee may approve administrative intra-category transfers of expenditure account appropriations up to \$5,000, as deemed necessary. The request must be submitted in writing, by the authorizing Director, to the Director of Finance for approval. The authorizing Director must provide appropriate justification of the necessity of the transfer.
 - 2. The Superintendent may approve administrative intra-category transfers of expenditure account appropriations up to \$25,000, as deemed necessary. The request must be submitted in writing, by the authorizing Director, to the Director of Finance for coordination of approval from the Superintendent. The authorizing Director must provide appropriate justification of the necessity of the transfer.
 - 3. Intra-category transfers of expenditure account appropriations in excess of \$25,000 shall be presented to the Board of Education for approval. The request must be submitted in writing, by the authorizing Director, to the Director of Finance for coordination of approval from the Board of

Education. The authorizing Director must provide appropriate justification of the necessity of the transfer.

- B. Inter-category transfer: Appropriations may be transferred between categories for unanticipated levels of category expenditures not included in the adopted budget in accordance with §5-105 of the Education Article of the Annotated Code of Maryland.
 - 1. The Superintendent may approve administrative inter-category transfers of expenditure account appropriations up to \$25,000, as deemed necessary. The request must be submitted in writing, by the authorizing Director, to the Director of Finance for coordination of approval from the Superintendent. The authorizing Director must provide appropriate justification of the necessity of the transfer.
 - 2. Inter-category transfers of expenditure account appropriations in excess of \$25,000 shall be presented to the Board of Education for approval. The request must be submitted in writing, by the authorizing Director, to the Director of Finance for coordination of approval from the Board of Education. The authorizing Director must provide appropriate justification of the necessity of the transfer. Once the transfer request has been approved by the Board of Education, a written request for an inter-category transfer must be sent to the Calvert County Board of County Commissioners for approval. The request must include a summary of the transfer requested.
 - 3. An inter-category transfer is required, in advance, if it is determined that a category will experience a budget deficit.
 - 4. The transfer must be requested from the Board of Education before the deficit occurs.
 - 5. For purposes of an inter-category transfer, a category shall not be considered to have a deficit balance if the deficit is caused by outstanding encumbrances which are recorded against the category.
 - 6. The Superintendent, or his/her designee, shall present a letter to the Board of Education during a regularly scheduled business meeting requesting the inter-category transfer.
- C. Additional non-local funds received: If additional non-local funding is received, approval must be requested in accordance with §5-105(c) of the Education Article of the Annotated Code of Maryland.
 - 1. The Superintendent, or his/her designee, shall present a letter to the Board of Education during a regularly scheduled business meeting requesting an increase in the non-local funding budget.
 - 2. Once the increase request has been approved by the Board of Education, a written request of approval of the budgetary increase must be sent to the Calvert County Board of County Commissioners for approval. The request must include the source, amount of funds, and the manner in which the funds will be expended.