

Race to the Top – Budget Questions

1. Where should LEAs attribute substitute teacher costs?

- a. If they are considered contactors receiving 1099 income, capture the costs under Contracted Services (Object 2).
- b. If they are contractual employees on LEA's payroll, capture the costs under Salaries (Object 1) and treat the related fringe benefits (FICA) in Other (Fixed) Charges (Object 4).

2. How is Indirect Cost calculated?

- a. Total costs less equipment cost times indirect cost rate.

3. Where should LEAs attribute mileage costs?

- a. Mileage cost should be charged to Other (Fixed) Charges (object 4).

4. Is Property the correct title for the Budget Object Category?

- a. Yes. This is the official title found in the Financial Reporting Manual for Maryland Public Schools. This category includes, but is not limited to, **equipment**.

5. Should an LEA list a vendor in the project budget documents?

- a. LEAs should follow all applicable procurement regulations. Do not list a specific vendor if the contract calls for a competitive bid process. In those instances, describe the type of service/product and what will be procured.