Minnesota Department of Education

Financial Accounting for Student Transportation Services

Cost Allocation Methods and Salary and Fringe Benefit Limitations

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Financial Accounting for Student Transportation Services Cost Allocation Methods and Salaries/Fringe Benefit Limitations

Minnesota Statutes, section 123B.92, subdivision 5, requires school districts to allocate student transportation expenditures among categories by miles. If further cost allocation is necessary because students from more than one category ride over the same miles, the cost should be further allocated by the number of students utilizing the service or by a cost per mile. This is true for all operations whether the transportation system is operated by the district or by a privately-owned school bus company. The exceptions are:

1. Bus driver salaries and related fringe benefits may either be directly charged to the appropriate transportation category or allocated among categories.

2. Contracts with a privately-owned company or an individual who provides transportation exclusively in "one" transportation category, for example only providing transportation to special education students in district or parent transporting a child to and from school, must be charged directly to the appropriate transportation finance code.

3. Expenditures for capital outlay, leased buses, student board and lodging, crossing guards and aides on buses must be charged directly to the appropriate transportation finance code.

In addition to a standard cost allocation method, districts will be limited to which staff salaries can be included in the finance codes associated with the transportation program. The standard cost allocation method and staff salary limitations are being done to ensure an equitable distribution of state aids among districts.

The law provides an exemption from the standard cost allocation method for authorized and nonauthorized transportation categories for districts that contract for transportation services when the listed criteria are met:

1. The district bids its contracts separately for authorized and nonauthorized transportation categories and for special transportation separate from transportation from regular and excess transportation.

2. Receives bids or quotes from more than one vendor for these transportation categories.

3. The district's cost-per-mile does not vary more than ten percent among categories, excluding salaries and fringe benefits of bus aids.

If the costs reported by the district for contractor-owned operations vary by more than ten percent among categories, the Minnesota Department of Education (MDE) shall require the district to reallocate its transportation costs, excluding salaries and fringe benefits of bus aides, among all categories.

In order to implement this system, districts will be required to keep detailed records in a number of areas. The records may include log sheets on the number of miles traveled, actual time sheets, or time studies for employees who work part-time in transportation. In addition, the district must be prepared to send worksheets to MDE on how the district arrived at the final costs reported in each transportation category. Also, the district may be asked to supply log sheets, time studies, contracts, etc. The written

documentation must be available to the MDE auditor if the transportation program is audited. If districts are unable to produce the written documentation, the expenditures may be disallowed.

Cost Allocation Method

Pupil transportation expenditures must be allocated among transportation categories based on a cost-per-mile basis. If further cost allocation is necessary because students from more than one category ride over the same miles, the cost should be further allocated by the number of students utilizing the service or a cost per mile. The district will report its annual miles on the Pupil Transportation Annual Report.

Determining Total Transportation Expenditures for the Year

Districts must first determine their total transportation expenditures for the entire school year. If the district contracts for bus service and the privately-owned school bus company or companies send separate bills for the different categories of transportation, the bills must be added together to determine total transportation expenditures for the year and then allocated among the categories of service that the contractor provided for the district. The exception would be for those contractors that provide only one type of transportation service.

A sample cost allocation method has been developed, one for a district-owned operation, one for a contractor-owned operation, and one for districts that both own and contract for their transportation services. Pages 4 through 7 of this document give an overview of the district in the sample.

Attachment 1 and 2 shows how a district allocates the transportation costs.

Mileage Log

Districts must maintain mileage logs for buses in their district-owned fleet. Districts that contract for school bus service must obtain the mileage records from the contractor.

It is imperative that the beginning and ending mileage be recorded for each bus on July 1 at the beginning of the fiscal year and on June 30 at the end of the fiscal year. If a bus is used on a predetermined route (same miles every day), the daily miles should be multiplied by the number of days in the school year to determine the annual mileage for the vehicle. It is important to determine the type of route, for example regular (Finance Dimension 720), special education (Finance Dimension 723), student activity trip (Finance Dimension 733), etc.

When buses are not used on predetermined routes, mileage must be recorded by trip. A bus route begins when a bus leaves a point, for example a garage, home, or school empty and proceeds on a route picking up pupils and then traveling to a school(s) until the bus is empty and returning the pupils to a designated point after school. A bus route may have more than one run. For example, it is possible to have six runs on the same route, one high school run, one middle school run, and one elementary run, both morning and afternoon.

Attachment 4 and 5 are sample monthly mileage logs if the district/contractor does not have a system currently in place. The log on page 22 can be used for predetermined routes. The log on page 23 should be used when the length of the route varies from trip to trip. If districts do not use these mileage logs, an equivalent substitute log may be used.

Salaries and Fringe Benefits

A district may include the salaries and benefits of 1) an employee designated as the district transportation director, 2) an employee providing direct support to the transportation director or 3) an employee providing direct transportation services such as a bus driver or bus aide. Salaries and fringe benefits of district employees, whose primary duties are other than transportation, including central office administrators and staff, building administrators and staff, teachers, social workers, school nurses, and instructional aides cannot be included in finance codes associated with the transportation program unless the employee has been designated as the district's transportation director.

The salaries and fringe benefits of the district employees who work part-time in transportation and part-time in other areas (e.g., custodian/bus driver, MARSS Secretary/Transportation Secretary) may only be included in transportation if there is written documentation. For part-time transportation employees, the following forms of documentation will be acceptable:

1. Timesheets: timesheets must identify the hours worked on transportation responsibilities. The employee and his/her supervisor must sign and date the time sheets.

2. Time Studies: time studies must be conducted at least three times during a school year. The first time period studied should be from August 15 through September 15; the second period should be from January 15 to February 15; and the third time period should be from April 15 through May 15. The time study must include the name of the employee, title, specific transportation job responsibilities, and the hours worked on those responsibilities. The employee and his/her supervisor must sign and date the time study. ***Attachment 6*** is a sample time study that may be used for this purpose.

Failure to sign and date any of the above documents will result in an employee's salaries/fringe benefits being disallowed. In addition, districts may be asked to produce position descriptions identifying a part-time employee's transportation responsibilities. General statements such as "works on transportation matters" will not be acceptable. An after-the-fact time study or survey will not be accepted. The time study must be done during the specified time periods.

For full-time transportation employees, the only acceptable form of written documentation will be contracts, agreements or position descriptions that identify the specific transportation responsibilities of each employee.

Once the total amount of salaries/fringe benefits have been identified for full-time and part-time employees, the salaries/fringe benefits may or may not be allocated among all finance dimensions depending on the employee's transportation responsibilities. For example, if an employee works only on arranging transportation for student activity and field trips, that employee's salaries/fringe benefits may only be charged to the finance dimension associated with that type of service (733 – Nonauthorized Transportation).

Overview of District in the Sample

Attached is a sample cost allocation method for a district to use in allocating its transportation expenditures. Districts must allocate its expenditures based on a cost-per-mile or a cost-per-student. This is true whether the district owns its buses or whether it contracts for bus service.

This introduction gives a general overview on what type of transportation services the district is providing. It is recommended that transportation costs that are to be allocated be coded to Finance Dimension 720, Regular To and From School, during the school year. Districts would then allocate those expenditures to other finance dimensions or transportation categories at the end of the school year based on the cost allocation method. The following is an explanation of the types of expenditures and the level of transportation services offered by the district used in the samples.

Types of Transportation Services – District-Owned Operation

The district included the salary of the transportation supervisor and his staff (router, dispatcher, secretary, etc.). Their salaries and fringe benefits, along with the mechanic's salary and fringe benefits, are allocated among all finance dimensions. Bus driver salaries and fringe benefits may be coded directly to the appropriate finance dimensions. For example, the salary paid to the bus driver of the noon kindergarten route could be coded directly to Finance Dimension 716, Object Dimension 170. If detailed records are not available, bus driver salaries and fringe benefits may be coded to Finance Dimension 720 and allocated among all finance dimensions like the salaries of the transportation director, dispatcher, router, etc.

Students with disabilities rode the regular bus route to school but then transferred to a special bus route to go to the location of their special education classes. This is a contracted special route and this contractor did not provide any other transportation services in the district. The amount paid to the contractor for transporting students with disabilities in this instance is coded directly to Finance Dimension 723 and not allocated among all finance dimensions. Object Dimension 360 should be used for all contracted transportation services. The district must also include the cost of transporting the students with disabilities on the regular bus route in Finance Dimension 723.

The district also hired an individual to assist students at hazardous crossings on their walk to and from school. The salary and fringe benefits of this individual must be coded directly to Finance Dimension 719.

The district also travels outside its borders to pick-up and discharge nonresident public school open enrollment students. The mileage incurred outside the district is not authorized (Minnesota Statutes 123B.92, Subd. 3). Districts must allocate expenditures for this travel to Finance Dimension 713.

The expenditures for repairs made to a school bus after an accident was reimbursed by the district's insurance company. These expenditures were properly coded to Finance Dimension 720 – Regular To and From School, Object Dimension 350 - Repairs and Maintenance Services. The insurance receipts were coded to Finance Dimension 720, Source Dimension 625 - Insurance Recovery. Insurance receipts for repairs must be deducted from the expenditures before those expenditures can be allocated to all finance dimensions. In other words, the repair expenditures covered by insurance receipts must remain in Finance Dimension 720 and not allocated to other finance dimensions. See Exhibit C. In addition, MDE will reduce expenditures reported in Finance Dimension 720 by the insurance receipts recorded in Finance Dimension 720, Source Dimension 625. This will be done before the expenditures are transferred to the transportation aids database for the calculation of the final transportation aid

payment. The reason for this step is so that the expenditures already reimbursed by an insurance company will not be included as authorized expenditures in Finance Dimension 720.

Capital expenditures (purchase of school buses, vans, radios, etc.) must be coded directly to Finance Dimension 302 or 000. See information at the bottom of Exhibit A to determine the appropriate finance dimension to use. Refer to the 500 Object Series in your Uniform Finance Accounting and Reporting Standards (UFARS) Manual for a definition of capital expenditures. Also, loan interest must be coded directly to Finance Dimension 733.

Expenditures for purchased services, supplies, materials, insurance, fuel, etc., must be allocated among all finance dimensions.

Once it is known at year-end how many miles were traveled for each type of transportation service or how many students were transported, that information will be used to calculate the cost per mile or the cost per student. Districts would divide the expenditures coded to Finance Dimension 720 by the total number of miles (see Exhibit C) to determine the cost per mile or students.

Districts determine the cost for each type of service by multiplying the mileage or students reported in each category times the rate that was just calculated. If students from more than one category are riding on the same bus routes together, the district will have to allocate costs to some categories based on a cost per student or a cost per mile (see Exhibit E). This is especially true for the Ineligible Category. Usually districts transport these students on the regular school bus routes.

Once districts have determined the total expenditures for each category, they move the expenditures using Object Dimension 365- Transportation Chargebacks, from Finance Dimension 720 to the other finance dimensions or categories by debiting the other finance dimensions by the amount that was calculated and crediting Finance Dimension 720. Remember that the total dollar amount debited to a chargeback code must equal the total dollar amount credited to the chargeback code.

The following is an explanation of the exhibits in this sample cost allocation:

Exhibit A lists all transportation expenditures. Those marked with an asterisk are allocated among all finance dimensions.

Exhibit B is the year-end pupil transportation data reported by the district. Mileage and students reported on this page will be used to allocate expenditures among all finance dimensions.

Exhibit C is the items marked with an asterisk in Exhibit A, subtraction of insurance receipts, and the calculation of the cost per mile.

Exhibit D shows the steps necessary to determine the total cost of each category. This district coded salaries directly to each finance dimension (see Exhibit A) and allocated the cost of operating the vehicles (see Exhibits B and C). (Normally, salaries and fringe benefits would be coded directly to the proper finance dimension. This sample, however, shows the fringe benefits being allocated in the cost of operating the vehicles.) The amount the district paid to the contractor for transporting students with disabilities is coded directly to Finance Dimension 723 along with the cost of transporting those students on the regular bus routes. See Exhibit E for the method used to calculate the cost per student riding on regular bus routes.

Although districts are still required to report the number of students transported in the secondary one-to-two mile and hazard riders' categories (also known as excess), they are no longer required to

allocate costs separately for these transportation services. The costs are coded to Finance Dimension 720, Regular.

Exhibit E shows how the district determined the cost per student riding on regular bus routes and/or the cost per mile.

Exhibit F shows the journal entries necessary to record the expenditures in the proper finance dimension.

Types of Transportation Services – Contractor-Owned Operation

The district contracts for all pupil transportation services. All bills from the contractor are recorded in Finance Dimension 720 during the school year and allocated to other finance dimensions by a cost per mile or student.

The district transports students to and from school (both regular and special needs students on regular routes), between school buildings, kindergarten students at noon, students home after school (late activity), special routes to and from school for students with disabilities, student activity trips, and field trips. The district also has its contractor travel outside the district to pick up open enrollment students. It also transports some students to and from school who live less than one mile from school and who were ineligible for transportation (no hazards).

This district contracts with two privately-owned school bus companies. One company provides most of the district's transportation services. The second company only transports special needs students from the resident district to another district so that the student may attend special education classes in that district.

The district also has a part-time transportation director and secretary who work with the contractor by designing transportation routes, determining safe school bus stops, dealing with discipline issues, coding students and expenditures for state reporting, and negotiating contracts. An individual was hired by the district to assist students at hazardous crossings.

Following is an explanation of the exhibits in this sample cost allocation:

Exhibit A lists all transportation expenditures. Those marked with an asterisk are allocated among all finance dimensions.

Exhibit B is the year-end pupil transportation data reported by the district. Mileage and students reported on this page will be used to allocate expenditures among all finance dimensions.

Exhibit C is the items marked with an asterisk in Exhibit A and the calculation of the cost-per-mile.

Exhibit D shows the steps necessary to determine the total cost of each category. The amount the district paid to the second contractor for transporting students with disabilities is coded directly to Finance Dimension 723 along with the cost of transporting those students on the regular bus routes. Also, the salaries paid to an individual who assisted students at hazardous crossings are coded directly to Finance Dimension 719.

Although districts are still required to report the number of students transported in the secondary one-to-two mile and hazard riders' categories (also known as excess), they are no longer required to

allocate costs separately for these transportation services. The costs are coded to Finance Dimension 720, Regular.

Exhibit E shows how the district determined the cost per student riding on regular bus routes and/or the cost per mile.

Exhibit F shows the journal entries necessary to record the expenditures in the proper finance dimension.

Districts Operating Both District-Owned and Contractor-Owned Bus Fleets

Some districts operate their buses and contract for some of their services. There are some expenditures that relate to both types of service. For example, the transportation supervisor oversees both operations. Snow is removed so that both district-owned and contractor-owned buses can load and unload. These expenditures must be allocated to both types of service

There are three rates calculated when a district has both types of operation: a district-owned vehicle rate, a contractor-owned vehicle rate, and a district- and contractor-owned vehicle rate. For categories that used district-owned vehicles, the district would multiply the mileage by the district-owned vehicle rate and the district- and contractor-owned vehicle rate. For categories that used contractor-owned vehicles, the district would multiply the mileage by the contractor-owned vehicle rate and the district- and contractor-owned vehicle rate.

COST ALLOCATION BY MILEAGE FOR DISTRICT-OWNED OPEPERATION

TOTAL TRANSPORTATION EXPENDITURES

*Transportation Supervisor Salary	01-005-760-720-110	$39,814.65
*Secretary Salary	01-005-760-720-170	27,302.71
Bus Driver Salaries	01-005-760-720-170	127,678.39
*Bus Mechanic Salary	01-005-760-720-170	27,861.54
Bus Driver Salaries	01-005-760-716-170	13,117.08
Crossing Guard Salary	01-005-760-719-170	5,339.25
Bus Driver Salaries	01-005-760-725-170	3,404.10
Bus Driver Salaries	01-005-760-733-170	19,982.32
*FICA/Medicare	01-005-760-720-210	20,983.12
*PERA	01-005-760-720-214	12,183.75
*Group Hospitalization Insurance	01-005-760-720-220	8,207.33
*Group Dental Insurance	01-005-760-720-220	1,539.11
*Other Employee Benefits	01-005-760-720-220	763.00
*Workers Compensation	01-005-760-720-270	4,873.50
*Snow Removal	01-005-760-720-305	941.66
*Data Processing Services	01-005-760-720-316	1,061.45
*Communication Services	01-005-760-720-320	805.78
*Utility Services	01-005-760-720-330	3,514.63
*Liability Insurance	01-005-760-720-340	8,106.42
*Repair and Maintenance Services	01-005-760-720-350	6,117.30
Transportation Contract Private Carrier	01-005-760-723-360	12,602.91
*Custodial Supplies	01-005-760-720-401	453.75
*Repair Supplies	01-005-760-720-401	5,146.39
*Fuels	01-005-760-720-440	60,119.47
Bus Equipment	01-005-760-302-532 000	8,442.01
Pupil Transportation Vehicle	01-005-760-302-548 000	35,061.70
TOTAL TRANSPORTATION EXPENDITURES		$455,423.32

*Expenditures to be allocated - See Exhibit C.

- Use Finance Dimension 302 if the district is purchasing equipment/school bus from the Reserved for Operating Capital.
- Use 000 for the finance dimension if the district is purchasing equipment/school bus from the unreserved, undesignated money in the General Fund.

COST ALLOCATION BY MILEAGE FOR DISTRICT-OWNED OPEPERATION

PUPIL TRANSPORTATION DATA REPORTED ON YEAR-END REPORTS

The following data were reported on the MARSS Report and the Pupil Transportation Annual Report by the district in this sample. These data are used to calculate the cost per mile (Exhibits C and D) and the cost per student (Exhibit E).

TO AND FROM SCHOOL TRANSPORTATION CATEGORIES – REGULAR TERM				
FINANCE DIMENSION	**CATEGORY**		**PUBLIC STUDENTS FROM MARSS**	**NONPUBLIC STUDENTS FROM ANNUAL REPORT**
720	REGULAR	EARLY CHILDHOOD DISABLED	0	0
		ELEMENTARY (K-6)	423	35
		SECONDARY (7-12)	318	17
720	EXCESS (Secondary 1-2 and Hazards Riders)		56	6
723	DISABLED		7	0
728	SPECIAL TRANSPORTATION		0	0
315	DESEGREGATION		0	
737	INELIGIBLE/NONRESIDENT		2	0
-	TOTAL TO AND FROM SCHOOL		806	58

SCHOOL BUSES							
OWNERSHIP	**TYPE A**	**TYPE B**	**TYPE C**	**TYPE D**	**TYPE III**	**MFSAB**	**TOTAL**
DISTRICT-OWNED		1	12	3	2		18
DISTRICT-OWNED SPECIAL-EDUCATION					2		2
CONTRACTOR-OWNED					1	1	2
NONPUBLIC-OWNED							
TOTAL		1	12	3	5	1	22

MILEAGE BY CATEGORY			
FINANCE DIMENSION	**CATEGORY**	**MILEAGE**	
		DISTRICT	**CONTRACT**
720	REGULAR/EXCESS	184,741	
711	LEARNING YEAR SUMMER		
713	OPEN ENROLLMENT OUTSIDE DST	1,400	
714	INTERDISTRICT DESEG/INTEGRA		
315	INTRADISTRICT DESEG/INTEGRA		
716	NOON KINDERGARTEN	35,113	
717	LATE ACTIVITY PUBLIC		
718	SAFETY		
719	HAZARDS (CROSSING GUARDS)		
721	SUMMER SCHOOL REGULAR		
723	DISABLED	IN REG	3,652
725	BETWEEN SCH BLDGS PUBLIC	7,962	
726	BETWEEN SCH BLDGS NONPUBLIC		
728	SPECIAL		
733	NONAUTHORIZED	50,224	
737	INELIGIBLE		
739	LOW INCOME MILEAGE REIMB		
-	TOTAL	279,440	3,652

COST ALLOCATION BY MILEAGE FOR DISTRICT-OWNED OPEPERATION

TOTAL EXPENDITURES TO BE ALLOCATED

*Transportation Supervisor Salary	01-005-760-720-110	$39,814.65
*Secretary Salary	01-005-760-720-170	27,302.71
*Bus Mechanic Salary	01-005-760-720-170	27,861.54
*FICA/Medicare	01-005-760-720-210	20,983.12
*PERA	01-005-760-720-214	12,183.75
*Group Hospitalization Insurance	01-005-760-720-220	8,207.33
*Group Dental Insurance	01-005-760-720-220	1,539.11
*Other Employee Benefits	01-005-760-720-220	763.00
*Workers Compensation	01-005-760-720-270	4,873.50
*Snow Removal	01-005-760-720-305	941.66
*Data Processing Services	01-005-760-720-316	1,061.45
*Communication Services	01-005-760-720-320	805.78
*Utility Services	01-005-760-720-330	3,514.63
*Liability Insurance	01-005-760-720-340	8,106.42
*Repair and Maintenance Services	01-005-760-720-350	6,117.30
*Custodial Supplies	01-005-760-720-401	453.75
*Repair Supplies	01-005-760-720-401	5,146.39
*Fuels	01-005-760-720-440	60,119.47
TOTAL - EXPENDITURES MARKED WITH ASTERISK		$229,795.56

The repair and maintenance service amount above includes $1,500 in expenditures that were reimbursed by the district's insurance company. The insurance receipt was coded to Finance Dimension 720, Source Dimension 625. Before allocating the expenditures to all finance dimensions, the insurance receipts must be subtracted from the total. See table below:

Total - Expenditures marked with asterisk	$229,795.56
Minus Insurance Receipts for Repairs/Stolen Equipment (720-625)	1,500.00
TOTAL EXPENDITURES TO BE ALLOCATED	$228,295.56

COST PER MILE CALCULATION

Total Expenditures To Be Allocated / Total Mileage (District-Owned Fleet) = Cost Per Mile

$228,295.56
279,440 = $.82 Cost Per Mile

COST ALLOCATION BY MILEAGE FOR DISTRICT-OWNED OPEPERATION

DETERMINATION OF EXPENDITURES FOR EACH FINANCE DIMENSION

NOON KINDERGARTEN, FINANCE DIMENSION 716	
Bus Driver Salaries	$13,117.08
Allocated Mileage Cost: 35,113 miles X $.82 (Bus)	28,792.66
Total Noon Kindergarten Transportation Cost	$41,909.74
HAZARDS - WALKERS, FINANCE DIMENSION 719	
Crossing Guard Salaries	$5,339.25
DISABLED, FINANCE DIMENSION 723	
Contract with Private Operator	$12,602.91
Allocated Regular Route Cost (See Exhibit E)	2,267.09
Total Disabled Transportation Cost	$14,870.00
BETWEEN SCHOOL BUILDINGS - PUBLIC, FINANCE DIMENSION 725	
Bus Driver Salaries	$ 3,404.10
Allocated Mileage Cost: 7,962 miles X $.82	6,528.84
Total Between School Buildings - Public Transportation Cost	$ 9,932.94
OPEN ENROLLMENT OUTSIDE DISTRICT, FINANCE DIMENSION 713	
Allocated Mileage Cost: 1,400 miles X $.82	$ 1,148.00
INELIGIBLE/NONRESIDENT STUDENTS, FINANCE DIMENSION 737	
Allocated Regular Route Cost (See Exhibit E)	$ 647.74
(NOTE: This district charges the parents of these students a fee for this transportation service. The district would record the fees received from the parents in UFARS Revenue Account 01-XXX-760-737-050-000.)	
NONAUTHORIZED TRANSPORTATION, FINANCE DIMENSION 733	
Bus Driver Salaries	$19,982.32
Allocated Mileage Cost: 50,224 miles X $.82	41,183.68
Bus Equipment*	8,442.01
Eligible Student Transportation Vehicle*	35,061.70
Total Nonauthorized Transportation Cost	$104,669.71

* Other finance dimensions may be used.

COST ALLOCATION BY MILEAGE FOR DISTRICT-OWNED OPEPERATION

CALCULATION OF A COST PER STUDENT - REGULAR BUS ROUTES

TOTAL STUDENTS TRANSPORTED ON REGULAR BUS ROUTES

Eligible Public Students	741
Eligible Nonpublic Students	52
Students with Disabilities on Regular Routes	7
Excess (Secondary One-To-Two Mile and Hazards -Riders)	62
Ineligible/Nonresident Students	2
Total Students Transported on Regular Bus Routes	864

NET COST REGULAR TO AND FROM SCHOOL

Total Expenditures (Exhibit A)		$455,423.32
Less: Noon Kindergarten (Fin Dim 716)	$41,909.74	
Hazards-Walkers (Fin Dim 719)	5,339.25	
Disabled (Fin Dim 723)	12,602.91	
Btwn Sch Bldgs-Pub (Fin Dim 725)	9,932.94	
Open Enrollment-Outside (Fin Dim 713)	1,148.00	
Nonauthorized Transp (Fin Dim 733)	104,669.71	(175,602.55)
Net Cost Regular To and From School		$279,820.77

CALCULATION OF THE COST PER STUDENT

Net Cost Regular To and From School / Total Students Transported on Regular Bus Routes = Cost Per Student on Regular Bus Routes

$279,820.77 / 864 = $323.87 Cost Per Student

Disabled, Fin Dim 723:	7 Students X $323.87 = $2,267.09
Ineligible/Nonresident, Fin Dim 737:	2 Students X $323.87 = $ 647.74

COST ALLOCATION BY MILEAGE FOR DISTRICT-OWNED OPEPERATION

JOURNAL ENTRIES - ALLOCATED EXPENDITURES

The following are the journal entries that are necessary to transfer expenditures to the proper finance dimensions. Only the allocated mileage and regular route costs will be transferred. Salaries, contractor's fee, and equipment purchases are directly coded to the proper finance dimensions when they are paid.

Transportation Act.	Fund	Org	Prg	Fin	Obj	Debit	Credit
Noon Kindergarten	01	005	760	716	365	$ 28,792.66	
Disabled	01	005	760	723	365	2,267.09	
Btwn Sch Bldg-Pub	01	005	760	725	365	6,528.84	
Open Enroll-Outside District	01	005	760	713	365	1,148.00	
Ineligible/Nonresi-dent	01	005	760	737	365	647.74	
Nonauthorized	01	005	760	733	365	41,183.68	
Regular	01	005	760	720	365		$80,568.01

The total dollar amounted debited to Object Dimension 365, Transportation Chargebacks, is $80,568.01. This amount equals the total dollar amount credited to Object Dimension 365, Transportation Chargebacks. Remember, whenever a district uses a chargeback code, the dollar amounts debited and credited to a chargeback code must zero out at year-end.

COST ALLOCATION BY MILEAGE FOR CONTRACT-OWNED OPEPERATION

TOTAL TRANSPORTATION EXPENDITURES

*Transportation Supervisor Salary	01-005-760-720-110	$44,106.55
*Secretary Salary	01-005-760-720-170	21,603.36
Crossing Guard Salary	01-005-760-719-170	5,339.25
*FICA/Medicare	01-005-760-720-210	5,437.33
*PERA	01-005-760-720-214	3,930.51
*Group Hospitalization Insurance	01-005-760-720-220	3,426.99
*Group Dental Insurance	01-005-760-720-220	420.00
*Other Employee Benefits	01-005-760-720-220	135.85
*Workers Compensation	01-005-760-720-270	962.00
*Snow Removal	01-005-760-720-305	3,859.05
*Data Processing Services	01-005-760-720-316	362.94
*Communication Services	01-005-760-720-320	427.87
*Repair and Maintenance Services	01-005-760-720-350	6,117.30
*Transportation Contract Private Carrier	01-005-760-720-360	495,382.96
Transportation Contract Private Carrier	01-005-760-723-360	12,602.91
TOTAL TRANSPORTATION EXPENDITURES		$604,114.87

COST ALLOCATION BY MILEAGE FOR CONTRACT-OWNED OPEPERATION

PUPIL TRANSPORTATION DATA REPORTED ON YEAR-END REPORTS

The following data were reported on the MARSS Report and the Pupil Transportation Annual Report by the district in this sample. These data are used to calculate the cost per mile (Exhibits C and D) and the cost per student (Exhibit E).

TO AND FROM SCHOOL TRANSPORTATION CATEGORIES – REGULAR TERM				
FINANCE DIMENSION	CATEGORY		PUBLIC STUDENTS FROM MARSS	NONPUBLIC STUDENTS FROM ANNUAL REPORT
720	REGULAR	EARLY CHILDHOOD DISABLED	0	0
		ELEMENTARY (K-6)	423	35
		SECONDARY (7-12)	318	17
720	EXCESS (Secondary 1-2 and Hazards Riders)		56	6
723	DISABLED		7	0
728	SPECIAL TRANSPORTATION		0	0
315	DESEGREGATION		0	
737	INELIGIBLE/NONRESIDENT		2	0
-	TOTAL TO AND FROM SCHOOL		806	58

SCHOOL BUSES							
OWNERSHIP	TYPE A	TYPE B	TYPE C	TYPE D	TYPE III	MFSAB	TOTAL
DISTRICT-OWNED		1	12	3	2		18
DISTRICT-OWNED SPECIAL-EDUCATION					2		2
CONTRACTOR-OWNED					1	1	2
NONPUBLIC-OWNED							
TOTAL		1	12	3	5	1	22

MILEAGE BY CATEGORY			
FINANCE DIMENSION	CATEGORY	MILEAGE	
		DISTRICT	CONTRACT
720	REGULAR/EXCESS		233,485
711	LEARNING YEAR SUMMER		
713	OPEN ENROLLMENT OUTSIDE DST		1.400
714	INTERDISTRICT DESEG/INTEGRA		
315	INTRADISTRICT DESEG/INTEGRA		
716	NOON KINDERGARTEN		35,113
717	LATE ACTIVITY PUBLIC		
718	SAFETY		
719	HAZARDS (CROSSING GUARDS)		
721	SUMMER SCHOOL REGULAR		
723	DISABLED		3,652
725	BETWEEN SCH BLDGS PUBLIC		7,962
726	BETWEEN SCH BLDGS NONPUBLIC		
728	SPECIAL		
733	NONAUTHORIZED		43,715
737	INELIGIBLE		
739	LOW INCOME MILEAGE REIMB		
-	TOTAL		325,327

COST ALLOCATION BY MILEAGE FOR CONTRACT-OWNED OPEPERATION

TOTAL EXPENDITURES TO BE ALLOCATED

*Transportation Supervisor Salary	01-005-760-720-110	$44,106.55
*Secretary Salary	01-005-760-720-170	21,603.36
*FICA/Medicare	01-005-760-720-210	5,437.33
*PERA	01-005-760-720-214	3,930.51
*Group Hospitalization Insurance	01-005-760-720-220	3,426.99
*Group Dental Insurance	01-005-760-720-220	420.00
*Other Employee Benefits	01-005-760-720-220	135.85
*Workers Compensation	01-005-760-720-270	962.00
*Snow Removal	01-005-760-720-305	3,859.05
*Data Processing Services	01-005-760-720-316	362.94
*Communication Services	01-005-760-720-320	427.87
*Repair and Maintenance Services	01-005-760-720-350	6,117.30
*Transportation Contract Private Carrier	01-005-760-720-360	495,382.96
TOTAL - EXPENDITURES MARKED WITH ASTERISK		$586,172.71

COST PER MILE CALCULATION

Total Expenditures To Be Allocated / Total Mileage (Contractor-Owned Fleet) = Cost Per Mile

$586,172.71 / 321,675 = $1.82 Cost Per Mile

COST ALLOCATION BY MILEAGE FOR CONTRACT-OWNED OPEPERATION

DETERMINATION OF EXPENDITURES FOR EACH FINANCE DIMENSION

NOON KINDERGARTEN, FINANCE DIMENSION 716	
Allocated Mileage Cost: 35,113 miles X $ 1.82	$63,905.66
HAZARDS - WALKERS, FINANCE DIMENSION 719	
Crossing Guard Salaries	$5,339.25
DISABLED, FINANCE DIMENSION 723	
Contract with Private Operator	$12,602.91
Allocated Regular Route Cost (See Exhibit E)	3,448.69
Total Disabled Transportation Cost	$16,051.60
BETWEEN SCHOOL BUILDINGS - PUBLIC, FINANCE DIMENSION 725	
Allocated Mileage Cost: 7,962 miles X $ 1.82	$14,490.84
OPEN ENROLLMENT OUTSIDE DISTRICT, FINANCE DIMENSION 713	
Allocated Mileage Cost: 1,400 miles X $ 1.82	$ 2,548.00
INELIGIBLE/NONRESIDENT STUDENTS, FINANCE DIMENSION 737	
Allocated Regular Route Cost (See Exhibit E)	$ 985.34
(NOTE: This district charges the parents of these students a fee for this transportation service. The district would record the fees received from the parents in UFARS Revenue Account 01-XXX-760-737-050-000.)	
NONAUTHORIZED TRANSPORTATION, FINANCE DIMENSION 733	
Allocated Mileage Cost: 43,715 miles X $ 1.82	$79,561.30

COST ALLOCATION BY MILEAGE FOR CONTRACT-OWNED OPEPERATION

CALCULATION OF A COST PER STUDENT - REGULAR BUS ROUTES

TOTAL STUDENTS TRANSPORTED ON REGULAR BUS ROUTES

Eligible Public Students	741
Eligible Nonpublic Students	52
Students with Disabilities on Regular Routes	7
Excess (Secondary One-To-Two Mile and Hazards -Riders)	62
Ineligible/Nonresident Students	2
Total Students Transported on Regular Bus Routes	864

NET COST REGULAR TO AND FROM SCHOOL

Total Expenditures (Exhibit A)		$604,114.87
Less: Noon Kindergarten (Fin Dim 716)	$63,905.66	
Hazards-Walkers (Fin Dim 719)	5,339.25	
Disabled (Fin Dim 723)	12,602.91	
Btwn Sch Bldgs-Pub (Fin Dim 725)	14,490.84	
Open Enrollment-Outside (Fin Dim 713)	2,548.00	
Nonauthorized Transp (Fin Dim 733)	79,561.30	
		(178,447.96)
Net Cost Regular To and From School		$425,666.91

CALCULATION OF COST PER STUDENT

Net Cost Regular To and From School / Total Students Transported on Regular Bus Routes = Cost Per Student on Regular Bus Routes

$425,666.91 / 864 = $492.67 Cost Per Student

Disabled, Fin Dim 723:	7 Students X $492.67 = $3,448.69
Ineligible/Nonresident, Fin Dim 737:	2 Students X $492.67 = $985.34

COST ALLOCATION BY MILEAGE FOR CONTRACT-OWNED OPEPERATION

JOURNAL ENTRIES - ALLOCATED EXPENDITURES

The following are the journal entries that are necessary to transfer expenditures to the proper finance dimensions. Only the allocated mileage and regular route costs will be transferred. Salaries, contractor's fee, and equipment purchases are directly coded to the proper finance dimensions when they are paid.

Transportation Act.	Fund	Org	Prg	Fin	Obj	Debit	Credit
Noon Kindergarten	01	005	760	716	365	$ 63,905.66	
Disabled	01	005	760	723	365	3,448.69	
Btwn Sch Bldg-Pub	01	005	760	725	365	14,490.84	
Open Enroll-Outside District	01	005	760	713	365	2,548.00	
Ineligible/Nonresi-dent	01	005	760	737	365	985.34	
Nonauthorized	01	005	760	733	365	79,561.30	
Regular	01	005	760	720	365		$164,939.83

The total dollar amounted debited to Object Dimension 365, Transportation Chargebacks, is $164,939.83. This amount equals the total dollar amount credited to Object Dimension 365, Transportation Chargebacks. Remember, whenever a district uses a chargeback code, the dollar amounts debited and credited to a chargeback code must zero out at year-end.

COST ALLOCATION BY MILEAGE FOR COMBINATION DISTRICT-OWNED AND CONTRACT-OWNED OPEPERATION

Many school districts own school buses and also contract for some school bus service. There are some transportation expenditures that relate to both types of service and, therefore, must be allocated based on the total miles incurred for both types. Examples of these expenditures include the transportation supervisor's salary/fringe benefits and snow removal. The transportation supervisor oversees both the district- and contractor-owned operations. Snow is removed from the bus loading and unloading areas for both district- and contractor-owned buses.

Expenditures reported by a contractor who provides services for more than one transportation category must have the contractor's expenses allocated among all categories provided by the contractor on a cost per mile. The only exception would be a contractor who works exclusively in one area. In that situation, the one contractor's bills will be directly charged to the appropriate code.

Following is a list of the expenditures that are to be allocated in this sample district. The district has other transportation expenditures that are charged directly to the appropriate finance dimension (e.g., bus purchase). The direct-charged expenditures are not shown in this sample. The district in this sample codes all costs to be allocated to Finance Dimension 720, Regular To and From School, during the school year. At year-end, it moves the costs, using Object Dimension 365, Interdepartmental Transportation (Chargebacks), to the appropriate finance dimensions based on the amounts determined during this allocation process.

As noted earlier, some of expenditures to be allocated relate to both types of service. Those expenditures are listed under the column titled District- and Contractor-Owned Vehicles. Expenditures to be allocated among the categories utilizing district-owned vehicles are listed under the District-Owned Vehicles Column and expenditures to be allocated among the categories utilizing the contractor-owned vehicles are listed under the Contractor-Owned Vehicles Column.

Costs To Be Allocated	UFARS Code	District-Owned Vehicles	Contractor-Owned Vehicles	District- and Contractor-Owned Vehicles
Transportation Supervisor Salary	01-005-760-720-110-000			60,389.42
FICA	01-005-760-720-210-000			4,619.79
PERA	01-005-760-720-214-000			3,339.53
Medical/Dental/Life Insurance	01-005-760-720-220-000			9,058.41
Workers Compensation	01-005-760-720-270-000			905.84
Re-employment Compensation	01-005-760-720-280-000			47.05
Safety and Driver Trainer Salary	01-005-760-720-170-000			41,392.22
Transportation Secretaries Salaries	01-005-760-720-170-000			78,928.23
FICA	01-005-760-720-210-000			9,204.51
PERA	01-005-760-720-214-000			6,653.72
Medical/Dental/Life Insurance	01-005-760-720-220-000			18,048.47
Workers Compensation	01-005-760-720-270-000			1,804.81

Costs To Be Allocated	UFARS Code	District-Owned Vehicles	Contractor-Owned Vehicles	District- and Contractor-Owned Vehicles
Re-employment Compensation	01-005-760-720-280-000			93.74
Bus Drivers Salaries	01-005-760-720-170-000	$965,395.56		
Mechanics Salaries	01-005-760-720-170-000	85,393.20		
Custodians Salaries who Drive Bus	01-005-760-720-170-000	28,392.48		
FICA	01-005-760-720-210-000	70,146.78		
PERA	01-005-760-720-214-000	55,038.24		
Medical/Dental/Life Insurance	01-005-760-720-220-000	196,410.31		
Workers Compensation	01-005-760-720-270-000	19,021.01		
Re-employment Compensation	01-005-760-720-280-000	998.04		
Physicals/Drug Testing	01-005-760-720-305-000	7,103.65		
Licenses	01-005-760-720-305-000	934.28		
Advertising	01-005-760-720-305-000	12,075.36		
Duplicating/Copying	01-005-760-720-305-000	217.00		
Snow Removal	01-005-760-720-305-000			3,766.82
Communications/Telephones	01-005-760-720-320-000	804.27		
Water/Sewer/Garbage	01-005-760-720-330-000	2,096.30		
Electricity	01-005-760-720-330-000	21,712.45		
Property Insurance	01-005-760-720-340-000	38,958.79		
Repair and Maintenance Buildings	01-005-760-720-350-000	19,429.06		
Repair and Maintenance Equipment	01-005-760-720-350-000	18,001.58		
Transportation Contracts	01-005-760-720-360-000		$317,496.50	
Travel Expense	01-005-760-720-366-000	4,337.94		
General Supplies	01-005-760-720-401-000	6,509.25		
Uniforms	01-005-760-720-401-000	3,413.73		
Oil and Grease	01-005-760-720-401-000	5,810.36		
Tires and Tubes	01-005-760-720-401-000	12,992.58		
Fuel	01-005-760-720-440-000	159,292.31		
Dues Membership	01-005-760-720-820-000	70.00		
TOTAL COSTS TO BE ALLOCATED:		$1,734,554.53	$317,496.50	$238,252.56

Calculation To Determine Cost Per Mile

District-Owned Vehicles		Contractor-Owned Vehicles		District- and Contractor-Owned Vehicles	
$1,734,554.53 Mileage on District-Owned Vehicles	= Rate Per Mile	$317,496.50 Mileage on Contractor-Owned Vehicles	= Rate per Mile	$238,252.56 Mileage on Both District- and Contractor-Owned Vehicles	= Rate per Mile

Mileage was obtained from the Pupil Transportation Annual Report. For categories that used district-owned vehicles, a district would multiply the mileage on district-owned vehicles times both the District-Owned Vehicles Rate and the District- and Contractor-Owned Vehicles Rate. For categories that used contractor-owned vehicles, a district would multiply the mileage on contractor-owned vehicles times the Contractor-Owned Vehicles Rate and the District- and Contractor-Owned Vehicles rate. There will be four calculations for those categories where the district used both district-owned and contractor-owned vehicles. The district would add the results together along with other costs that were directly charged to determine the total cost of providing the transportation service.

ATTACHMENT 4

Predetermined Route - Mileage Log

Description/Finance Code Key: Regular 720, Disabled 723, Special 728, Learning Year 711, Open Enrollment/Outside District 713, Interdistrict Desegregation 714, Intradistrict Desegregation 315, Noon Kindergarten 716, Late Activity Public 717, Summer School 721, Between School Buildings/Public 725, Between School Buildings/Nonpublic 726, Student Activity Trip/Field Trip 733, and Ineligible 737.

Route No.	Description/ Finance Code	AM/ PM	Miles Traveled	No. of Days In School Year	Annual Miles
		AM			
		PM			
		AM			
		PM			
		AM			
		PM			
		AM			
		PM			
		AM			
		PM			
		AM			
		PM			
		AM			
		PM			
		AM			
		PM			
		AM			
		PM			
		AM			
		PM			
		AM			
		PM			
Total					

ATTACHMENT 5

Route Varies - Mileage Log

Bus No.:	Month/Year
Description/Finance Code Key: Regular 720, Disabled 723, Special 728, Learning Year 711, Open Enrollment/Outside District 713, Interdistrict Desegregation 714, Intradistrict Desegregation 315, Noon Kindergarten 716, Late Activity Public 717, Summer School 721, Between School Buildings/Public 725, Between School Buildings/Nonpublic 726, Student Activity Trip/Field Trip 733, and Ineligible 737	Description/Finance Code

Trip Dates				Purpose of Trip	Finance Code	Driver's Signature	Odometer Reading		
Leave	Return	From	To				Start	End	Miles

ATTACHMENT 6

PERSONNEL ACTIVITY REPORT

Reporting of time and effort is required for part-time transportation employees. This form must be completed for the August 15-September 15, January 15-February 15 and April 15-May 15 time periods in order to obtain an accurate reflection of employee's yearly transportation activities.

Name	Title Classification	Reporting Period:	
		School Year	☐ August 15 through September 15 ☐ January 15 through February 15 ☐ April 15 through May 15

DATE	HOURS PER DAY SPENT ON TRANSPORTATION ACTIVITIES	DESCRIBE TRANSPORTATION ACTIVITIES IN DETAIL

I have performed the above duties as described

Employee Signature – Date

I certify that to the best of my knowledge, the above named employee has performed the above duties as described.

Supervisor - Date

Determination of Annual Hours Working on Transportation
The total number of hours worked during the three month study should be divided by three to obtain the average hours per month. That average should be multiplied times 12 (if employee works all year) to obtain the total number of hours that can be expensed to the transportation program
Reminder: Employees whose primary responsibilities are other than transportation including central office administration and staff, building administrators and staff, teachers, social workers, school nurses and instructional aides cannot be included in the transportation program.