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

Minnesota Statutes, Section 123B.92, subdivision 5 defines how school districts report transportation expenditures. The 2013 legislation amended the law to allow a school district that contracts for transportation services to allocate certain transportation expenses based on contract rates under certain circumstances. It also permits districts to report district-owned transportation expenditures based on a cost-per-mile, cost-per-hour, cost-per-route or a cost-per-student method. 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, districts will be limited to which staff salaries can be included in the finance codes associated with the transportation program. Staff salary limitations are being done to ensure an equitable distribution of state aids among districts.

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, hours or routes traveled, actual time sheets, or time studies for employees who work part-time in transportation. In addition, the district must send worksheets to Minnesota Department of Education (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.

Reporting Transportation Expenditures

There are four possible methods of reporting transportation expenditures. Districts that contract for services may allocate based on contract rates or the contract-owned standard allocation method based upon a cost-per-mile, cost-per-hour, cost-per-hour or cost-per-student. Districts that use district-owned transportation services may report expenditures based on direct rates or district-owned standard allocation method based on a cost-per-mile, cost-per-hour, cost-per-route or a cost-per-student. A district may use a variety of these methods to report transportation expenditures at year-end.

Contractor-Owned Transportation Services

School districts that contract for transportation services may allocate their transportation costs either based on contracted rates or the standard cost-per-mile, cost-per-hour, cost-per-route or cost-per-student basis. Transportation services provided by contractor-owned school bus

companies incorporated under different names but owned by the same individual or group of individuals must be treated as the same company for cost allocation purposes.

Contract-Owned Allocation Based on Contract Rates

A school district that contracts for transportation service may allocate transportation expenses to transportation categories based upon contract rates. Districts may only allocate transportation expense to transportation categories based upon contract rates if contract rates are reasonably consistent on a cost-per-hour, cost-per-mile, cost-per-route, or cost-per-student basis. In order to allocate transportation expense based upon contract rates, a school district, if audited, must be able to demonstrate to the auditor that variances in the application of transportation cost basis rates are appropriate.

Contract-Owned Standard Cost-per-mile, Cost-per-hour, Cost-per-route, or Cost-per-student Basis

Districts that receive separate bills for different categories of transportation service from a specific contractor must add the bills together and reallocate the expenditures on a cost-per-mile, cost-per-hour, cost-per-route or cost-per-student basis. If further allocation is needed because students from more than one category ride on the same bus run, districts must further allocate the expenditures on a cost-per-student.

District-Owned Transportation Services

School districts may either direct charge district-owned transportation cost or allocate the amount to the transportation categories based on a cost-per-mile, cost-per-hour, cost-per-route, or a cost-per-student basis.

District-Owned Operation – Direct Charged

Districts may directly charge transportation costs to the appropriate categories based on actual costs from detailed records. Detailed records include timesheets or time studies, fuel slips, insurance premiums, etc.

Even though the district reports expenditures based on actual amounts, the number of miles must be reported on the Pupil Transportation Annual Report.

District-Owned Standard Cost-per-mile, Cost-per-hour, Cost-per-route or Cost per-student Basis

School districts may allocate the transportation expenditures among categories based on a cost-per-mile, cost-per-hour, cost-per-route or cost-per-student basis.

Definition of Miles, Hours, Routes

Districts must maintain daily records on miles, hours, or routes in order to properly allocate costs at year end. The miles, hours, or routes reported at year end will be a cumulative total of the daily miles, hours, or routes. The basic route definition is the actual daily path of travel of a school bus from an approved bus facility, a school, or the first pick-up point through a series of pick-up stops and delivery points to a final delivery point plus the shortest reasonable path for the bus to travel back to the approved bus facility, school or first pick-up point.

Counting Miles

The starting mileage is the odometer reading when the vehicle starts its route. The ending mileage is the odometer reading when the vehicle terminates its route. The starting or ending mileage may be taken at a school or at the vehicle storage area.

Counting Hours

The starting hour is when the vehicle starts its route. The ending hour is when the vehicle terminates its route. The staring or ending hour may be taken at a school or at the vehicle storage area.

Counting Routes

A route must consist of a trip "to and from" a school, program, event, etc. Each run on a route will be counted as a route.

Following are some examples on how districts would report routes. In the following examples, the school district has 175 student contact days.

• For a bus route that consists of a secondary/elementary run and a special education run each day, the district would report 175 regular routes in the Regular/Excess Category and 175 special education routes in the Disabled Category.

• If a district has 10 regular routes to and from school daily, the district would report 1,750 (10 x 175) regular routes in the Regular/Excess Category on the year-end report.

• If a special education student was placed in a program for 30 days and transported to and from the program daily, the district would report 30 special education routes in the Disabled Category on the year-end report.

•Each student activity trip or field trip would be a route. This is true even though the routes will vary in length. These routes will be reported in the Nonauthorized Category on the year-end report.

• If the district operates a late bus that takes students home after school every day of the school year, the district would report 87.5 (175 / 2) routes in the Late Activity Category. This is because the route did not operate "to and from" a school, program or event.

Mileage, Hour, or Route Log

Based on the cost allocation method used, districts must maintain either a mileage, hour or route logs for buses in their district-owned fleet. Districts that contract for school bus service must obtain the 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, hours or routes 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, hours or routes 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.

There are sample monthly logs in this manual if the district/contractor does not have a system currently in place. The log on page 29 can be used for predetermined routes. The log on page 30 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. There is a sample time study on page 31 of this manual 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

The following are sample cost allocations for a district to use in allocating its transportation expenditures. Districts may allocate its expenditures based on either miles, hours, routes or students. These examples use miles as a cost driver. Districts that choose to allocate either on hours, routes or students should use those as cost drivers instead.

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 based on miles 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.

Determining Total Transportation Expenditures for the Year

When allocating by the standard mileage, hour or route rate, 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.

Contractor-Owned Operation – Allocation Based on the Standard Mileage, Hour or Route Rate

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.

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 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.

Total Transportation Expenditures, Exhibit A

Description	**UFARS Code**	**Amount**
*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

Pupil Transportation Data Reported on Year-end Reports, Exhibit B

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
720	REGULAR	ELEMENTARY (K-6)	423	35
720	REGULAR	SECONDARY (7-12)	318	17
720	EXCESS (SECONDARY 1-2 and Hazards Riders)		56	6
723	DISABLED		7	0
728	SPECIAL TRANSPORATION		0	0
714	DESEGREGATION		0	N/A
737	INELIGIBLE/NONRESIDENT		2	0
		TOTAL TO AND FROM	806	58

SCHOOL BUSES

OWNERSHIP	TYPE A	TYPE B	TYPE C	TYPE D	TYPE III	MFSAB	TOTAL
DISTRICT-OWNED	0	1	12	3	2	0	18
DISTRICT-OWNED SPECIAL EDUCATION	0	0	0	0	2	0	1
CONTRACT-OWNED	0	0	0	0	1	1	2
NONPUBLIC-OWNED	0	0	0	0	0	0	0
TOTAL	0	1	12	3	5	1	22

MILAGE BY CATEGORY

FINANCE DIMENSION	CATEGORY	MILAGE (District—Contract)	MILAGE (District—Contract)
720	REGULAR/EXCESS	0	233,485
711	LEARNING YEAR SUMMER	0	0
713	OPEN ENROLLMENT OUTSIDE DISTRICT	0	1,400
714	INTERDISTRICT DESEDGREAGTION	0	0

FINANCE DIMENSION	CATEGORY	MILAGE (District—Contract)	MILAGE (District—Contract)
315	INTRDISTRICT DESEGREGATION	0	0
716	NOON KINDERGARTEN	0	35,113
717	LATE ACTIVITY PUBLIC	0	0
721	SUMMER SCHOOL REGULAR	0	0
723	DISABLED	0	3,652
725	BETWEEN SCHOOL BUILDINGS PUBLIC	0	7,962
726	BETWEEN SCHOOL BUILDINGS NONPUBLIC	0	0
728	SPECIAL	0	0
733	NONAUTHORIZED	0	43,715
737	INELIGIBLE	0	0
739	LOW INCOME MILAGE REIMBUSEMENT	0	0
TOTAL		0	325,327

Total Expenditures to be Allocated, Exhibit C

Description	UFARS Code	Amount
*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	01-005-760-720-305	362.94
*Communication Services	01-005-760-720-316	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

Determination of Expenditures for Each Finance Dimension, Exhibit D

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

Calculation of a Cost Per Student – Regular Bus Route, Exhibit E

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

Journal Entries –Allocated Expenditures, Exhibit F

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 fees, and equipment purchases are directly coded to the proper finance dimensions when they are paid.

Transportation Category	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	
Between School Building Public	01	005	760	725	365	14,490.84	
Open Enrollment Outside District	01	005	760	713	365	2,548.00	
Ineligible/ Nonresident	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 Operation

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
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

Costs To Be Allocated	UFARS Code	District-Owned Vehicles	Contractor-Owned Vehicles	District- and Contractor-Owned Vehicles
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 = Rate Per Mile Mileage on District-Owned Vehicles	$317,496.50 = Rate per Mile Mileage on Contractor-Owned Vehicles	$238,252.56 = Rate per Mile Mileage on Both District- and Contractor-Owned Vehicles

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.

District-Owned Operation – Allocation Based on the Standard Mileage, Hour or Route Rate

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 or directly charged to the category that the employee preformed their work in. 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 report expenditures for this travel to Finance Dimension 713.

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 report 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., may 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.

Total Transportation Expenditures, Exhibit A

Description	UFARS Code	Amount
*Transportation Supervisor Salary	01-005-760-720-110	$46,260.03
*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	01-005-760-720-360	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 or 01-005-000-302-532	8,442.01
Pupil Transportation Vehicle	01-005-760-302-548 or 01-005-000-302-548	35,061.70
Total Transportation Expenditures		$461,868.70

*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.

Pupil Transportation Data Reported on Year-end Reports, Exhibit B

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
720	REGULAR	ELEMENTARY (K-6)	423	35
720	REGULAR	SECONDARY (7-12)	318	17
720	EXCESS (SECONDARY 1-2 and Hazards Riders)		56	6
723	DISABLED		7	0
728	SPECIAL TRANSPORATION		0	0
714	DESEGREGATION		0	N/A
737	INELIGIBLE/NONRESIDENT		2	0
		TOTAL TO AND FROM	806	58

SCHOOL BUSES

OWNERSHIP	TYPE A	TYPE B	TYPE C	TYPE D	TYPE III	MFSAB	TOTAL
DISTRICT-OWNED	0	1	12	3	2	0	18
DISTRICT-OWNED SPECIAL EDUCATION	0	0	0	0	2	0	1
CONTRACT-OWNED	0	0	0	0	1	1	2
NONPUBLIC-OWNED	0	0	0	0	0	0	0
TOTAL	0	1	12	3	5	1	22

MILAGE BY CATEGORY

FINANCE DIMENSION	CATEGORY	MILAGE (District—Contract)	MILAGE (District—Contract)
720	REGULAR/EXCESS	184,741	0
711	LEARNING YEAR SUMMER	0	0
713	OPEN ENROLLMENT OUTSIDE DISTRICT	1,400	1,400
714	INTERDISTRICT DESEDGREAGTION	0	0
315	INTRDISTRICT DESEGREGATION	0	0
716	NOON KINDERGARTEN	35,113	0
717	LATE ACTIVITY PUBLIC	0	0
721	SUMMER SCHOOL REGULAR	0	0
723	DISABLED	IN REGULAR	3,652
725	BETWEEN SCHOOL BUILDINGS PUBLIC	7,962	7,962
726	BETWEEN SCHOOL BUILDINGS NONPUBLIC	0	0

FINANCE DIMENSION	CATEGORY	MILAGE (District—Contract)	MILAGE (District—Contract)
728	SPECIAL	0	0
733	NONAUTHORIZED	50,224	0
737	INELIGIBLE	0	0
739	LOW INCOME MILAGE REIMBUSEMENT	0	0
TOTAL		279,440	3,652

Total Expenditures to be Allocated, Exhibit C

Description	**UFARS Code**	**Amount**
*Transportation Supervisor Salary	01-005-760-720-110	$46,260.03
*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	01-005-760-720-305	1,061.45
*Communication Services	01-005-760-720-316	805.78
*Utility Service	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
*Fuels	01-005-760-720-440	60,119.47
TOTAL - EXPENDITURES MARKED WITH ASTERISK		$230,640.80

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
$229,140.80/279,440 = $.82 Cost Per Mile

Determination of Expenditures for Each Finance Dimension, Exhibit D

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.

Calculation of a cost per Student –Regular Bus Routes, Exhibit E

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

Journal Entries – Allocated Expenditures, Exhibit F

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 Category	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 $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.

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.

If more room is required, please submit addition information in another format of your choice. The WORD version of this document is posted which supplies unlimited space.

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

Route Varies - Mileage Log

Bus Number:

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

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

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:

If more room is required, please submit addition information in another format of your choice. The WORD version of this document is posted which supplies unlimited space.

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

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

Employee Signature – Date _____

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.