

Transportation Issues provided by Larry Kent, ISBE Auditor

**Claimed expenditures that are not being paid from Fund 40 (Transportation).
All claimed costs in line 14a (Salaries) through 14h (Other) must be paid from Fund 40**

14 (a) Salaries & 14 (b) Benefits

Administration salary - Director and/or Superintendent salary and related allowable benefits are not being allocated by correct percentage when district has multiple serving units doing transportation for the district.

The Administration salary and benefits must be allocated by the total mileage allocation from all servicing unit providing busing.

Amount of Superintendent salary and related allowable benefits in Fund 40 - Amount exceeds allowable amount.

Any amount of Superintendent salary and related allowable benefits in excess of allowable should be claimed under the Non-reimbursable column.

The correct method in calculating the correct percent of the Superintendent salary and related allowable benefits:

- 1) Obtain Prior years AFR (Annual Financial Report).
- 2) Go to Account Summary session page 7. Total Line 19 and divide into the amount of fund 40.
- 3) Multiply this percent by current salary and allowable benefits.

If salary and related benefits in excess of this amount that is charged to transportation must be claimed 100% non-reimbursable.

Districts are claiming benefits such as IMRF, FICA, and Medicare from fund 50. None of these costs are allowable.

14 (c) Purchased services other than lines (d), (e) & (f)

Districts are splitting repair costs into Purchased Services (Labor)-Line 14(c) and Supplies (Parts)-Line 14(g) so bill appears to be under \$2500 in total costs on the general ledger. Then most of the time not placing repair on the depreciation schedule. These repairs must be placed on the depreciation schedule Code R and depreciated over 3 years.

These bills when over \$2500 should be place in a Capital Outlay Account in the General Ledger.

Claiming Driver Education and Maintenance vehicles cost in Fund 40.

Claiming lease payment costs

The district should have an account setup for lease payment different from purchased services

Description	Fund	Function	Object
Lease Interest Payment	40	5200	600
Lease Principal Payment	40	5300	600

The first payment of a long-term (greater than one year) lease should be charged to Capital Outlay. All succeeding years should be to above accounts.

14 (d) Contractual transportation services, 14 (e) Payments to public transit carriers & 14(f) Payments to other districts

Not allocating costs properly when having multiple vendors. Each vendor stands alone. Each vendor and its related costs must be allocated by its own mileage allocation.

Homeless transportation is not being allocated properly. In most cases, it will be recorded as 100% regular transportation.

14 (g) Supplies

When the contractor is the primary provider of services and there is a fuel allocation cost, these costs are not being allocated by contractor mileage allocation.

17 Allowable Depreciation

Buses are being left off the depreciation schedules- Currently only can update when open - in Future, the depreciation part of program will be open most of the year.

Failing to capitalize repairs greater than \$2500.

The proper date on the depreciation schedule is being recorded incorrectly. Delivery date or payment date whichever is later.

Leased buses are being claimed at 20% of principal cost of the vehicle. Depreciation is allowed at the rate of 20% per year or the lease payment (excluding finance charges), whichever is less.

Pupil Transportation Claim Reimbursement
April 12, 2017 Webinar

Claiming lease payment under purchased services and on the depreciation schedule is not allowed.

Improper principal cost. - We are starting to see Principal Cost greater than total lease payments.

19 (a) Payments from other districts, 19 (b) Payments from parents & 19 (c) Other revenue

Proper recording and allocation of Pre K, Title I, 21st Century, Orphanage Offsetting Revenue

Proper recording and allocation for revenue from other district

Offsetting revenue posted in an expense account