

# DEED PROGRAM 6 – PUPIL TRANSPORTATION

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## I. PROGRAM OBJECTIVES

Authorized under AS 14.09, these funds are provided for the purpose of pupil transportation to and from schools within the student's transportation service area within the district.

## II. PROGRAM PROCEDURES

The Department provides funds to public school districts pursuant to AS 14.09.

## III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

### A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

1. **Compliance Requirement:** In accordance with AS 14.09.010, pupil transportation grant funds must be accounted for in Special Revenue Fund 205 as restricted or committed revenue and used solely for the operation of the district's student transportation system, with transfers out of the fund prohibited unless supported by an allowable source (i.e., local sources) or used for allowable student transportation purposes, and expenditures should be recorded directly within the fund rather than transferred.

**Suggested Audit Procedure:** Test a sample of revenue, expenditure, and interfund transfer transactions within Special Revenue Fund 205 to verify that funds are used:

- Only for allowable transportation purposes,
- Transfers out are properly supported and authorized,
- Expenditures are recorded within the fund in accordance with AS 14.09.010 and the Alaska Department of Education & Early Development Uniform Chart of Accounts and Account Code Descriptions, 2018 Edition.

2. **Compliance Requirement:** If a district plans to operate a pupil transportation program, but ultimately does not operate said program, pupil transportation grant funds cannot be retained and must be returned to the State of Alaska in accordance with AS 14.09.010.

**Suggested Audit Procedure:** Determine whether the district operated a pupil transportation program during the audit period, and if not, verify that any pupil transportation grant funds received were returned to the State of Alaska in accordance with AS 14.09.010.

3. **Compliance Requirement:** Funds may be expended for the direct costs of the district's pupil transportation program within the limitations of 4 AAC 27.

**Suggested Audit Procedure:** Test a sample of transactions to determine whether expenditures are necessary and reasonable for the operation of the program and are authorized or not prohibited under 4 AAC

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27 or transportation contract; and are classified in accordance with the Alaska Department of Education & Early Development Uniform Chart of Accounts and Account Code Descriptions, 2018 Edition, for Pupil Transportation Fund and student transportation functions 760-762.

### **B. ELIGIBILITY -**

**Compliance Requirement:** Each school district in Alaska operating an approved pupil transportation program is eligible to receive funds in accordance with AS 14.09.

**Suggested Audit Procedure:** Determine that the district operated a transportation program.

### **C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS –**

There is no matching, level of effort, or earmarking requirement.

### **D. REPORTING REQUIREMENTS -**

**1. Compliance Requirement:** 4 AAC 27.056 states districts shall submit the following performance reports:

- a) Pupil transportation program annual report to the Department not later than October 1 each year; and
- b) Pupil transportation quarterly report shall be submitted no later than 15 days after the end of each quarter.

**Suggested Audit Procedures:** Test timeliness and accuracy of report elements to supporting documentation.

**2. Compliance Requirement:** District must report the pupil transportation program revenues and expenditures in a special revenue fund.

**Suggested Audit Procedures:** Review financial reporting to determine correct reporting of pupil transportation funds.

### **E. SPECIAL TESTS AND PROVISIONS -**

**Compliance Requirement:** Regulation 4 AAC 27.086 requires specific language to be included in all school districts' pupil transportation requests for proposals (RFP's).

**Suggested Audit Procedures:** Determine school transportation RFPs are written in accordance with the procurement requirements set out in 4 AAC 27.086.