



**COLORADO**  
**Department of Education**

# Audit Resource Guide for the Public School Transportation CDE-40 Reimbursement Claim Form

Effective July 1, 2019

Submitted to:

Colorado Public School Districts, Charter Schools, Charter School Collaboratives, Charter School Networks, The Charter School Institute (CSI) and Colorado Boards of Cooperative Educational Services (BOCES)

By:

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## Statutory Authority

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C.R.S. § 22-51-105 grants the state board authority to promulgate rules regarding the administration and enforcement of the Public School Transportation Fund. The Rules for the Administration of the Public School Transportation Fund are published in 1 CCR 301-14.

Colorado Revised Statutes, [www.lexisnexis.com/hottopics/colorado/](http://www.lexisnexis.com/hottopics/colorado/)  
Code of Colorado Regulations, [www.sos.state.co.us/CCR/Welcome.do](http://www.sos.state.co.us/CCR/Welcome.do)

## Guide Overview and Purpose

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The purpose of this guide is to provide information to assist districts in the completion of the CDE-40 claim form, and to prepare districts for the subsequent audit of the submitted data and fund distributions.

This document is not intended to replace state statute or the *Rules for the Administration of the Public School Transportation Fund*. District staff are encouraged to refer to the Rules, as well as to contact any member of the School Finance Unit or School Auditing Office with any questions.

## Public School Transportation Fund

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Under the “Rules for the Administration of the Public School Transportation Fund,” all public school districts that provide directly, or contract for, pupil transportation are eligible to receive reimbursement from this fund.

The fund allows for districts to be reimbursed for a portion of the expenditures incurred in transporting pupils from home to school, school to school, and school to home (*i.e.*, pupil route transportation). It does not allow for the inclusion of expenditures associated with pupil activities (*i.e.*, athletics, field trips, and extra-curricular activities), or non-pupil transportation.



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## General Instructions

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### CDE-40 Claim Form Data Submission

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In order to determine the fund amount to which districts are entitled, each district must complete and submit a CDE-40 claim form (Public School Transportation Fund Reimbursement Claim form) to the School Finance Division.

- Data must be submitted electronically via the CDE website: <https://cdeapps.cde.state.co.us/faqs.html>
  - Click on the “Transportation: CDE-40” link on the left side of the screen, under “Applications”
- Completion of the CDE-40 claim form is due no later than August 15 of each year
- First fund payments are made on or before October 15

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### Data Fields

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In order to be considered for fund distribution, districts must submit the following data electronically via the online CDE-40 claim form:

1. Total Current Operating Expenditures for Pupil Transportation
2. Mileage scheduled for Regular Pupil Transportation on the Mileage Count Date
3. Days School was in session and pupils were transported during the school term
4. Number of days for which room and board was paid for pupils in lieu of transportation
5. Capital Outlay (for instances where the district contracts out for pupil transportation)
6. Number of pupils who were scheduled to be transported to and from public school on the mileage count date
7. Total Actual Miles traveled for Activity Trips, Field Trips, Athletic Trips, etc.
8. Total Actual Miles Traveled for Any Purpose by Pupil Transportation Vehicles

▶ Districts are required to submit supporting documentation when submitting the claim form.  
See, [Required Audit Documentation](#)

In the event these data are not submitted, or if data are submitted incorrectly, the district’s fund distribution may be affected.



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## ► Required Audit Documentation

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Districts are **required** to upload all supporting audit documentation at the time of the CDE-40 claim form data submission. Upload supporting documentation in Excel format, when possible. Please use the naming convention when loading files (replace “xxxx” with the district’s code). Required supporting audit documentation includes:

1. **Total current operating expenditures calculation** [xxxx\_calculation.xlsx]. This summary document shows the district’s method used to support the amount submitted on Lines 1, 2, 3, 7 and 8. CDE provides an excel file as an example (this example is the exact same file used during the audit). The district may choose to use the CDE provided template or use a similar document. If the district submits the CDE provided template, then separate files for total vehicle mileage, parent mileage calculation and the split calendar calculation are not required. However, additional pdf or excel documentation is required to support the numbers submitted on the template.
2. **Summary general ledger** [xxxx\_summary\_GL.xlsx]. Includes the accounts being claimed on the CDE-40. This is most likely programs in the 2700 series. If distinct salary and/or benefit accounts are used to track route and activity drivers, specify the accounts being used for route versus activity.
3. **Detail general ledger** [xxxx\_detail\_GL.xlsx]. For all non-salary accounts included in the summary general ledger, provide a detailed transaction general ledger.
  - a. District contracted transportation invoices [xxxx\_districtcontract\_invoices.pdf]. Contracted route transportation purchased from other districts or BOCES. *See* objects 0511 and 0512.
  - b. Commercial transportation vendor invoices [xxxx\_commercial\_invoices.pdf]. Contracted route transportation purchased from a commercial transportation vendor. *See* objects 0515 and 0517.
  - c. Parent contract expenses [xxxx\_parent\_invoices.pdf]. Contracted route transportation purchased from parents. *See* object 0514. *See* also, the strict limitations on [parent reimbursable expenditures](#).
  - d. Route bus monitors, traditionally SPED paraprofessionals. If the route bus monitors are not in the detail general ledger, provide a detail general ledger, with grant code, for these expenditures.
4. **Insurance premium details**

*Do not* include expenditures related to liability claims incurred and paid by the district.

  - a. Physical building/property insurance premiums [xxxx\_propertyins.xlsx or pdf]. Provide a listing of building(s) used exclusively, or partially, for transportation. Insurance carriers provide a separate list for all buildings owned and insured by the district and the corresponding premium. Provide this list. If transportation uses only a portion of the building, provide a reasonable allocation methodology for the costs (e.g., by square footage).
  - b. Vehicle insurance premiums [xxxx\_vehicleins.xlsx or pdf]. Provide a listing of vehicle(s) used exclusively, or partially, for transportation. Insurance carriers provide a separate list for all vehicles and trailers owned and insured by the district and the corresponding premium. Provide this list. Vehicle insurance premiums are allowed for any vehicle providing pupil transportation; premiums associated with vehicle(s) utilized solely for another purpose (e.g., maintenance, administration, etc.) are not allowable.



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- c. Workers' compensation insurance premiums [xxxx\_workercomp.xlsx or pdf]. Provide the workers' compensation premium breakdown. Workers' compensation premiums are the gross transportation employee premiums divided by the gross all-employee premiums multiplied by the net all-employee annual premium. In general, the premium provided for classes of employees (e.g., board members, colleges/school classes, and drivers) is the total ratable manual premium *before adjustments for experience modification and adjustments, modifications and credits*.
  - d. Unemployment insurance premiums [xxxx\_unemploy.xlsx or pdf].
    - ▶ **Insurance equivalency.** If a district participates in a BOCES-like insurance pool or is self-insured, provide specific backup of prorated insurance pool contributions equivalent to commercial insurance premiums. A district may include the equivalent commercial insurance premium value of a self-insurance program contribution prorated to reflect the pupil transportation insurance costs. The prorated equivalent insurance premium must exclude the prorated liability claims incurred and paid by the district.
5. **Utilities** [xxxx\_utilities.xlsx or pdf], if applicable, for pupil transportation facilities such as bus garage, etc. If the facility is multi-purpose, only the percentage of utilities attributed to pupil transportation should be included. Provide a reasonable allocation methodology (e.g., square footage).
  6. **Support Costs** [xxxx\_support.xlsx]. Non-transportation employee salaries/benefits and claimed support costs, if applicable. The district must provide a reasonable allocation methodology that includes the amount of hours an individual spent exclusively in direct support of pupil transportation. It is unreasonable to assume the superintendent spends 100% of time on pupil transportation. If a supervisor position supervises transportation and other individuals, it is unreasonable to divide the costs into the number of supervised individuals (e.g., it is unreasonable to assume that a superintendent, supervising four principals and the transportation function spends 20% of every single day on transportation and not on supporting schools or the community). A reasonable allocation would include the estimated hours (per week or per month) that an individual spends actually supporting pupil transportation. Support costs are not treated as indirect costs to which a flat, indirect cost rate is applied; support costs represent the portion of an individual's salaries and benefits for the actual amount of time devoted exclusively to supporting pupil transportation.
  7. **Total Vehicle Mileage** [xxxx\_totalmileage.xlsx]. Includes mileage breakdown by vehicle and purpose. Districts must provide beginning and ending odometer reading for all vehicles whose expenditures are tracked in the program 2700 series. For each vehicle, mileage should be classified as route, activity, non-pupil mileage.
  8. **Scheduled Count Day Mileage** [xxxx\_countday.xlsx]. May include a split calendar mileage calculation. Documentation evidencing total mileage for every scheduled route. Examples may include count day trip sheets with beginning and end odometer readings for each route; route descriptions with mileage totals between stops; route maps that show mileage totals between stops, etc.
  9. **Calendar(s)** [xxxx\_calendar.pdf]. Calendars or other documentation showing the days in which each route actually ran during the school year. If using a district calendar, the calendar must clearly show which days routes were ran. If using a split calendar calculation, each calendar should clearly note which routes transported students on the noted days.



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## Line 1: Total Current Operating Expenditures

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As defined in the Code of Colorado Regulations, current operating expenditures refer to “...actual expenditures, not including encumbrances, incurred during the entitlement period (July 1 – June 30) by a district transporting pupils from home to school, school to school, and school to home” (i.e., pupil route transportation).

When determining total current operating expenditures, the district should identify all possible expenditure accounts that contain expenditures associated with pupil route transportation, including those that may not be found under program code series 2700 (e.g., insurance premiums, utilities, support costs, etc.), and ask the following question:

- Does this account contain expenditures related ONLY to pupil transportation?
  - If yes...
    - Does this account include only ‘route’ related expenditures?
      - If yes, then 100% of these expenditures can be included in the reported total operating expenditures
      - If no, then the expenditures are allowed as prorated costs in which only a percentage can be included in the reported total current operating expenditures (i.e., the reimbursable percentage)
  - If no...
    - The district will need to determine what percentage of the total account is attributed to non-pupil transportation and reduce said account by that percentage or, if possible, identify which expenditures are non-pupil related and remove those expenditures from the total. Once this is done, the district will then need to determine if the remaining expenditures are 100% attributed to transporting pupils on route, or if they should be included as prorated costs

Additional considerations:

- Districts must be prepared to provide documentation to support any, and all, expenditures included in its reported total current operating expenditures at the of the data submission. In the event expenditures are attributed only in part to pupil transportation, then the district must have a mechanism by which to isolate the portion attributed to pupil transportation only and should be able to provide documentation to support this mechanism along with documentation supporting the actual expenditure
  - For example, if the district is including property insurance in its total operating expenditures and the invoice does not break out the amount attributed to the transportation garage, the district may apply the percentage of square feet for the transportation garage in comparison to the total square feet for all district buildings to the premium total paid in order to determine the percentage attributed to transportation
- When calculating current operating expenditures, the district should not round to the nearest dollar amount, but rather use the exact dollar amounts for all allowable expenditures



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## Allowable Expenditures

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Allowable expenditures are any expenditures that are incurred in order to transport students from home to school, school to school, and school to home (*i.e.*, pupil route transportation).

These expenditures can be claimed at either **direct costs** (these are expenditures that are 100% attributed to pupil route transportation such as route driver salaries/benefits, contracted route transportation services, city bus passes for students, etc.) or as **prorated costs** to which a [reimbursable percentage](#) is applied to the pupil transportation only expenditure(s) in order to isolate the portion of these expenditures attributed to pupil route transportation only. The vast majority of pupil transportation only expenditures (such as supplies, maintenance, repairs, fuel, etc.) are allowable at the prorated rate as these expenditures are incurred to transport pupils for any purpose (*i.e.*, route, activity, athletics, extracurricular, etc.).

Allowable expenditures include, but are not limited to:

- Employment costs, including fringe benefits, for bus drivers
- Employment costs, including fringe benefits, for personnel paid exclusively for pupil transportation supervision and support services
- The allocated share of employment costs attributable to pupil transportation for employees with both pupil transportation and non-pupil transportation responsibilities
  - In situations where a district has non-transportation employees supporting pupil transportation functions, the district can determine the percentage of the non-pupil transportation employee's time that is spent to directly support pupil transportation, and then apply that percentage to the employee's total annual compensation to determine the amount that can be claimed as a prorated cost
- Fuel, oil, and other supplies for pupil transportation and pupil transportation support
- Utility expenditures for pupil transportation facilities
  - When facilities are shared between pupil transportation and non-pupil transportation functions, and separate expense information is not available, expenses should be allocated to the various cost centers. The allocation method must be supported by auditable documentation to include these expenses for reimbursement
- Repairs and maintenance on vehicles, equipment, and facilities used for pupil transportation only to the extent of restoration to original condition
  - CDE approval for this type of repair is not necessary since it is not considered capital outlay for reimbursement purposes
- Insurance premiums related to pupil transportation, the equivalent value of commercial insurance premiums of a self-insurance program contribution, and the net cost of self-insured repairs and replacements
  - Each year, the district should obtain a statement from its insurance provider specifically detailing which portion of premiums paid apply to pupil transportation for the applicable fiscal year; *see also*, [insurance premium details](#)





- Reimbursements to district-approved persons for transportation of pupils due to the absence of a district-established bus route (e.g., parent mileage reimbursement)
  - District-approved persons who transport pupils due to the absence of a district-established bus route are not considered independent contractors when they only transport members of their immediate family or themselves
  - **▶ Parent Mileage Reimbursement**
    - If a district contracts with parents to transport their own child(ren) from home to school, and school to home, these expenditures are allowed as direct costs, as long as the students are residence of the district. *Pursuant to SB-19-039, districts may **not** contract with, or provide parent mileage reimbursement to, parents/guardians of children who reside outside their boundaries (e.g., non-resident students) without the student's district of residence's permission.*
- Contract services, less the [capital outlay](#) exclusion (if applicable)
  - If a district contracts with a commercial transportation vendor to transport students on scheduled routes, expenditures for these route transportation services are allowed as direct costs. However any additional expenditures attributed to transporting students on activity trips should be excluded
- Reimbursements to pupils who use public transportation
- Certain costs of additions and alterations to vehicles
  - Vehicles must have been owned by the district for a minimum of three years for costs of additions and alterations to be reimbursable. The following types of additions or alterations are allowable without prior approval from CDE:
    - Manual transmission to automatic transmission
    - Gas engine to diesel engine
    - Reflective tape on the outside of the vehicle
    - Electromagnetic or hydro magnetic retarder
    - Heated mirrors
    - Engine compartment noise reduction package (diesel engine front engine transit only)
    - Driver seat belt to current standards (locking retractor type)
    - Air brake drying system
    - Mirror system to provide a seated driver an unobstructed view of the front and front sides of a bus
    - Wheelchair lifts and other special modifications which are necessary to equip a school bus in order to transport children with disabilities
    - Automatic tire chains
    - Video surveillance cameras
    - Other additions or alterations with prior written approval by CDE which increase efficiency and or safety or are necessary to meet minimum standards

**▶ Parent Mileage Reimbursement**

If a district contracts with parents to transport their own child(ren) from home to school, and school to home, these expenditures are allowed as direct costs, as long as the students are residence of the district. *Pursuant to SB-19-039, districts may **not** contract with, or provide parent mileage reimbursement to, parents/guardians of children who reside outside their boundaries (e.g., non-resident students) without the student's district of residence's permission.*



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## Non-Allowable Expenditures

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Non-allowable expenditures include non-route related pupil transportation expenditures, as well as capital outlay expenditures in excess of \$1,000 with a useful life of more than a year. Non-allowable expenditures include both pupil transportation expenditures (such as those related to pupil activities, field trips, extra-curricular activities, athletics, etc.), as well as non-pupil transportation related expenditures (such as those attributed to administrative or white fleet vehicles).

Non-allowable expenditures include, but are not limited to:

- Purchase, rent, lease, or lease purchase of capital outlay items such as vehicles, facilities acquisition and improvement, or new capitalized equipment
- Administrative, maintenance, personnel, supply, or other expenses applicable to non-pupil transportation related vehicles, facilities, or personnel
  - When vehicles, facilities, or personnel are shared, expenditures must be allocated to pupil vs non-pupil transportation. The allocation method must be supported by auditable documentation to include a portion of the expenditures for reimbursement
- Liability claims incurred and paid in providing pupil transportation
- Expenditures for school field trips, extracurricular trips, etc.

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## Deductions and Revenues

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In the event a district receives grants and/or revenues that off-set allowable expenditures, the district must reduce the total allowable expenditures by revenues received. Usually these revenues off-set prorated costs. As such, this reduction should be applied to prorated costs prior to applying the reimbursable percentage. Transportation fees and transportation override levies approved at an election are not considered revenues for purposes of the CDE-40 reimbursement claim.

Examples of revenues that must be deducted from the district's current operating expenditures include, but are not limited to:

- Payments received for summer and preschool pupil transportation programs
- Payments received from other school districts to furnish transportation
- Revenue for transportation from federal sources

In the event a district leases their pupil transportation vehicles out during the summer to other entities, and the claimed expenditures include those attributed to maintaining said vehicles during the length of the contract, then it would be appropriate to reduce the prorated costs by any revenue received as a result of the lease agreement.

- For example: A district leases two (2) buses during the summer to a rafting company. As part of the lease agreement, the district provides the bus drivers, fuel, maintenance/repair, and vehicle insurance for the buses. When preparing for the CDE-40 reimbursement claim, the district determines that the expenditures attributed to these lease miles are included in the expenditure accounts for all pupil transportation miles. In this case, it would be appropriate to reduce prorated costs by the lease amount received prior to applying the reimbursable percentage. Further, the miles attributed to this lease agreement should NOT be included in the total pupil miles for any purpose, nor in the total pupil activity miles (since they were not incurred in transporting students).



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## Reimbursable Percentage

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Most districts will utilize a reimbursable percentage to calculate the amount of prorated costs reasonably attributed to route transportation. This reimbursable percentage is applied to all [prorated costs](#) (e.g., fuel, repairs, etc.). The reimbursable percentage is determined by the district's reported total actual miles traveled for any purposes by all district pupil transportation vehicles, and the total actual miles traveled for school field trips, extracurricular trips, and athletic trips by pupil transportation vehicles. This percentage is calculated as follows:

*Line 8:* Total Actual Pupil Miles Traveled for Any Purpose by district Pupil Transportation Vehicles

Minus

*Line 7:* Total Actual Pupil Miles Traveled for Activity Trips, etc. by district Pupil Transportation Vehicle

Divided by

*Line 8:* Total Actual Miles Traveled for Any Purpose by district Pupil Transportation Vehicles

***In other words, the reimbursable percentage is total pupil route miles divided by total pupil miles for any purpose.***

Example:

A district has a total of 55,000 miles traveled for any purpose by all pupil transportation vehicles. Of those miles, 12,500 were traveled for school field trips, extracurricular trips, and athletic trips. There were no miles traveled for non-pupil purposes by these vehicles. To determine the reimbursable percentage to be applied to the prorated costs, the district needs to perform the following calculation:

(Total Miles Traveled for Any Purpose minus Activity Miles) divided by Total Miles Traveled for Any Purpose  
 $(55,000 - 12,500) / 55,000 = 42,500 / 55,000 = 0.7727$  or 77.27%

This means that approximately 77.27% of all miles traveled by pupil transportation vehicles were attributed to transporting students from home to school, school to school, and school to home (route transportation). In addition, it would then be reasonable to assume that approximately 77.27% of all prorated costs can be attributed to route transportation expenditures.

- When applying the reimbursable percentage, the district should round to the nearest 100th place (or two decimal places).



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## Line 2: Mileage Scheduled for Regular Pupil Transportation on the Mileage Count Date

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Districts are required to report their total mileage scheduled to be traveled by pupil transportation vehicles on the official mileage count date in transporting all pupils enrolled in it schools.

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### Pupil Transportation Vehicle

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A pupil transportation vehicle is any district vehicle used in whole, or in part, for the purpose of providing pupil transportation. This includes school buses, small vehicles, and multifunction buses. Examples of small vehicles may include, but are not limited to: vans and SUVs.

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### Official Mileage Count Date

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The official mileage count date is the same date as the pupil enrollment count date which is October 1 unless that date falls on a Saturday, Sunday, or major religious holiday. In years where October 1 is a Saturday or Sunday, the pupil enrollment and official mileage count dates will be the following Monday. The School Auditing Office will identify the pupil enrollment and official mileage count dates no later than July 1 of the given school year. This information can be found at: <http://www.cde.state.co.us/cdefinance/auditunit>

In the event a district is granted an alternative pupil enrollment count date, then the district's official mileage count date will be the same as the alternative pupil enrollment count date. It is recommended that district staff responsible for tracking and reporting scheduled route mileage as of the official mileage count date work with the district's pupil count coordinator to ensure that the correct date is used for determining this mileage.

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### Scheduled Mileage

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Scheduled mileage DOES include:

- Scheduled mileage to and from a pupil's legal residence and school in which the pupil is enrolled, including mileage for loaded and unloaded pupil transportation vehicles
- Scheduled mileage between two or more schools in which pupils are regularly enrolled and which pupils are required to attend as part of their scheduled programs

***In other words, "scheduled mileage" refers to scheduled route miles (e.g., home to school, school to school, and school to home) on or as of the official mileage count date. Therefore...***

Scheduled mileage does NOT include:

- Miles traveled for the purpose of providing pupil transportation for pupils of another district
- Miles traveled for school field trips, extracurricular trips, athletic trips, etc.
- Miles traveled in trips which are NOT for the purpose of transporting pupils from home to school, school to school, or school to home (route miles)

Examples of scheduled routes may include, but are not limited to:

- **Regular:** Typically, these are routes that are scheduled to run every day on which students are scheduled to attend school. They most often include both morning pick-up and afternoon drop-off where students are transported from home to school and school to home
- **Mid-Day:** These routes are typically run during the middle of the school day in order to transport half-day program students, (e.g., preschool, etc.), from home to school and school to home. These routes may or may not run every day as not all half-day programs are in session for the same number of days as students in full-day programs



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- Late: In addition to regular routes, some districts also run 'late' routes in order to transport students from school to home. These routes are typically run to accommodate those students who stay later than the last bell in order to participate in various school activities. Because these routes are designed to transport students from school to home, scheduled mileage for these routes may be included in a district's scheduled count day mileage
  - Vocational/Technical: These are regularly scheduled routes that are designed to transport high school students to their scheduled vocational or post-secondary courses offered off-site. Because these routes are designed to transport students from school to school, per the students' schedules, mileage for these scheduled routes may be included in the district's scheduled mileage as of the official mileage count date
  - Tuition Out/Facility: These are regularly scheduled routes that are used to transport district students to non-district schools or locations. In such cases, the district is responsible for transporting these students because they are district students and the district is paying tuition to another entity to educate the student. In many cases, these routes run more or less frequently than regularly scheduled routes because these schools or programs may follow different calendars than the district calendar
  - Shuttle: Some districts run route shuttles every day on which students are scheduled to attend school. These shuttles typically run in the morning and in the afternoon for the purpose of picking students up at designated stops near their homes and then transporting them to school, and then picking students up from stops near the school and transporting them to stops near their homes
  - Contracted Transportation: Many districts contract with other entities in order to provide transportation for their students from home to school, school to school, and school to home. Examples of this type of contracted transportation include, but are not limited to:
    - Commercial transportation vendor: There are districts that contract with a vendor to provide all scheduled pupil transportation. An example of one of these entities is First Student. In the event a district contracts all (or most) of its scheduled routes with another entity, the district may include these scheduled miles in the reported scheduled count day miles on their CDE-40 claim form. It is the district's responsibility, in this case to ensure it has all documentation from the vendor to evidence scheduled count day mileage
    - BOCES: When districts contract with their local BOCES to transport their students from home to school and school to home, the district can include this mileage in the scheduled count day mileage. It is the district's responsibility, in this case to ensure it has all documentation from the BOCES to evidence scheduled count day mileage
    - Other districts: In some cases, districts will contract with other districts to transport their students from home to school and school to home. In these cases, the district that is paying to have their students transported can include the contracted scheduled route miles in their total district scheduled route miles as of the official mileage count date. The district providing the transportation and receiving payment to do so should NOT include this mileage with their district's scheduled count day mileage



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- Taxi services and rideshares: In the event a district contracts with a mobile taxi service to provide daily transportation for students from home to school and school to home, the mileage may be included in the district's total scheduled count day mileage
  - ► Parent Mileage: In situations where districts contract with parents to transport their child(ren) from home to school and school to home, districts can include these miles in with their total scheduled mileage as of the official mileage count date using a split calendar calculation. Parent mileage must be the actual mileage contracted to be traveled. DISTRICTS MUST INCLUDE SASIDs FOR ALL PUPILS TRANSPORTED. Audit will ensure these pupils are in-district pupils only
    - **Note:** Pursuant to SB-19-039, districts may **not** contract with, or provide parent mileage reimbursement to, parents/guardians of children who reside outside the district's boundaries (e.g., non-resident students) without the district of residence's permission.

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### Split Calendar Calculation

If a district has scheduled routes that transport students on different days such that the total number of days actually transported during the school year for a given route varies by 3+/- days, a split calendar calculation should be used to determine the scheduled count day miles to be reported on the CDE-40 claim form. For example, a split calendar calculation would be used by a district that has six routes: four (4) of which follow the district calendar (170 days), one that follows a calendar with 180 days, and the last one that follows a calendar with 165 days.

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### Conducting a Split Calendar Calculation

In order to determine the total scheduled miles as of the official mileage count date for multiple routes with a different number transportation days, the district should calculate a weighted average of the total scheduled mileage for these routes.

#### Example

A district has a total of 27 scheduled routes and contracts with one in-district parent to transport their child from home to school, school to school, and school to home, and the official mileage count date was Wednesday, October 1.

#### Regular Routes:

- Description: The district has a total of 20 regular routes that run both morning and afternoon every day on which students are scheduled to attend school
- Calendar: These routes transported students a total of 169 school days (the district calendar showed 170 scheduled days less one day for snow)
- Documentation: The district has route descriptions for each of these routes, as well as count day odometer readings completed by the route drivers that show the beginning and ending odometer readings for both the morning and afternoon routes. All drivers were instructed to drive their entire scheduled route on October 1 to ensure that the odometer readings reflected the total mileage associated with each route
- Total Scheduled Miles: Based on the count day route odometer readings, the district had a total of 753 scheduled count day miles for their 20 regular routes



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**Mid-Day Route:**

- **Description:** The district has a total of three mid-day routes that run on Monday, Wednesday, and Friday only. These routes are used to drop off AM kindergarten students at their homes after they get out of school in the late morning
- **Calendar:** These routes transported kindergarten students a total of 102 days (every Mon., Wed., Fri.). The routes follow the district calendar, however they only transport students three days per week instead of five like the regular routes
- **Documentation:** The district compiled the same documentation as for the regular routes
- **Total Scheduled Miles:** Based on the count date odometer readings, the district had a total of 124 scheduled miles for their mid-day routes

**Late Routes:**

- **Description:** The district has a total of two late routes that run on Tuesday and Thursday only. Even though the official mileage count date is on Wednesday, the district can include these miles in their reported scheduled count day miles since they are regularly scheduled routes as of the official mileage count date (*i.e.*, they were established routes as of that date)
- **Calendar:** These routes transported students a total of 68 days. The routes follow the district calendar, however they only transport students 2 days per week instead of 5 like the regular routes
- **Documentation:** Since these routes are only scheduled to run on Tuesday and Thursdays, the district provided route descriptions for these routes that were in effect as of Oct. 1 and also provided beginning and ending odometer readings as evidenced by the driver's log from Oct. 2 (or the closest day to the official mileage count date)
- **Total Scheduled Miles:** Based on the Oct. 2 route odometer readings, the district had a total of 74 scheduled count day miles for their late routes

**Vocational/Technical Route:**

- **Description:** The district has one vocational route that was scheduled to run on Monday, Tuesday, Wednesday, and Thursday. It is not scheduled to run on Fridays.
- **Calendar:** This route transported students a total of 136 days. The route follows the district calendar, however, it only transports students four days a week instead of five like the regular routes
- **Documentation:** The district compiles the same type documentation that they use for the regular routes
- **Total scheduled miles:** Based on the count date route odometer readings, the district had a total of 54 scheduled count day miles for their vocational/technical route

**Special Program:**

- **Description:** The district has one route that was scheduled to run on Mondays and Fridays only to transport students to a special program as outlined on their student schedules. Even though the official mileage count date is on Wednesday, and this route only runs on Mondays and Fridays, the district can include these miles in their reported scheduled count day miles because it was a regularly scheduled route as of the official count day
- **Calendar:** This route transported students a total of 72 days (every Monday and Friday for 36 weeks)
- **Documentation:** Since this route was only scheduled to run Mondays and Fridays, the district provided a route description for this route that was in effect as of Oct. 1 and provided beginning and ending odometer readings as evidenced by the driver's log from Oct. 3
- **Total Scheduled Miles:** Based on the Oct. 3 route odometer readings, the district had a total of 215 scheduled count date miles for the special program route





**Parent Route:**

- **Description:** The district contracted with one in-district parent to transport their child from home to school and school to home every day in which school was in session
- **Calendar:** Upon review of the invoices received by the district from the parent and the student’s year-end attendance report, it was determined that the district reimbursed the parent for a total of 161 school days (the student was absent eight days out of the 169 days the district was in session). Board rule states that districts can include only the actual miles in which students were transported for this type of mileage, so the district can only use the number of days the student was actually transported by the parent
- **Documentation:** Because these were contracted miles, the district must be prepared to provide a copy of the contract between the district and the parent dated on or before the official mileage count date for the applicable school year clearly stating the number of miles the parent was to be reimbursed based on the distance from the parent/child residence and the school. In addition, the district must provide documentation evidencing the number of days on which the district reimburses the parent for transporting the student and the student’s SASID to confirm in-district residence
- **Total Scheduled Miles:** In this case, the parent/student residence was 22 miles from the student’s school. The contract between the district and the parent stated that for each day on which the student was transported, the district would reimburse for a total of 88 miles (44 miles for each round trip, AM and PM)

The table below compiles the information above by route type. Each route’s mileage is multiplied by the number of days the route was scheduled to run in order to get a total scheduled mileage for the year for each of the routes.

Route Type	Mileage Scheduled as of the Official Mileage Count Date	Multiplied by: Number of Days Transported	Equals: Total Scheduled Mileage for the Year
Regular Routes	753 miles	169 days	127,257 miles
Mid-Day Routes	124 miles	102 days	12,648 miles
Late Routes	74 miles	68 days	5,032 miles
Vocational/Technical Routes	54 miles	136 miles	7,344 miles
Special Program Routes	215 miles	72 days	15,480 miles
Parent Miles	88 miles	161 days	14,168 miles
<b>Total Scheduled Mileage for the Year for All Route Types (as of the Official Mileage Count Date)</b>			<b>181,929 miles</b>





In order to determine the number of miles scheduled as of the official mileage count date that should be reported on the CDE-40 claim form, the district will need to divide the total scheduled mileage for the year for all route types by the total number of school days as evidenced on the district calendar (less any days that were canceled for weather, etc.)

Total Scheduled Mileage for the Year for All Route Types (as of the Official Mileage Count date)	181,929
Divided by: Number of Days as evidenced by the District Calendar (less any canceled days)	169
<b>Mileage Scheduled for Pupil Transportation on the Official Mileage Count Date</b> (This is the number of scheduled count day miles the district should report on the CDE-40 claim form)	<b>1,076.50</b>

By applying the split calendar calculation, the scheduled count day miles were adjusted to account for fewer days students were transported for the various routes. In this example, even though the total daily mileage for all routes was 1,308 (753 + 124 + 74 + 54 + 215 + 88), the district can only report 1,076.50 miles (as evidenced by the split calendar calculation) since several of their routes were scheduled to transport students for fewer days than what was evidenced by the district calendar. Conversely, if a district typically runs on a four-day week calendar, but they also have some five-day week routes to non-district ran programs, the scheduled count day miles may be higher than actual miles.

### Line 3: Days school was in session and pupils were transported

A district must report the total number of days of school which pupils were actually transported on the CDE-40 claim form. This will be the number of days, as evidenced on the district calendar, less any scheduled days that were canceled (*e.g.*, snow day, etc.) Shortened days (*i.e.*, early release or late/delayed start days) should not be considered canceled days unless the district did NOT transport students on that day. The district should provide evidence on the calendar whether students were transported on days marked as “in-service,” “parent-teacher conference days,” “testing days,” etc.

For example, if a district calendar shows that students were scheduled to attend 170 days, but two days were canceled due to weather and one day was canceled so that the district could support an athletic team in the state championship, then the district should report 167 days (170 scheduled days minus 3 canceled days) on the CDE-40 claim form.

If using a split calendar calculation, then the district should report the number of days the students were transported per the district calendar, less any canceled days, etc., as discussed in the first paragraph of this section. This is the same number of calendar days used to complete the split calendar calculation.

### Line 4: Number of days for which room and board was paid

Not audited. Input the total number of days for which room and board was paid for pupils in lieu of transportation.



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## Line 5: Capital Outlay

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Districts that contract for the majority of their route transportation are required to obtain the necessary information from the independent transportation vendor providing the student transportation in order to accurately report the depreciation value on their CDE-40 claim form. In order to arrive at the depreciation value, the district will need to complete the Capital Outlay Depreciation Schedule (available on the CDE website at <http://www.cde.state.co.us/cdefinance/sftransp>).

Prior to completing the depreciation schedule, the district will need to collect the following information from the independent transportation vendor:

- List of all vehicles used to transport district students from home to school, school to school, and school to home
- For each vehicle:
  - Age
  - VIN number
  - Purchase price
  - Percentage of time vehicle is used to transport students for route purposes (typically 100% unless the vehicles are also used to transport students for activities, athletics, field trips, etc.)

The formula used to calculate the exclusion is based upon the valuation of the independent transportation vendor's bus fleet and any other consideration described in the contract. The year of manufacture and the acquisition cost are required for each bus less than ten years old.

## Line 6: Number of pupils scheduled to be transported on the mileage count day

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Not audited. Total rider eligibility. If a student is sick and home on the mileage count date, the student is still eligible and should be counted. If a student drives his/her car into school, that student is still eligible and should be counted.



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## Actual Miles Traveled by Pupil Transportation Vehicles

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Every district is required to report the total actual miles traveled for any purpose by all pupil transportation vehicles on the CDE-40 claim form. In addition, the district must also report how many of these miles were traveled for school field trips, extracurricular trips, and athletic trips by pupil transportation vehicles. The purpose of reporting these mileage totals is to determine the [reimbursable percentage](#) that will be applied to expenditures attributed to both route and activity miles.

In order to accurately report this information, the district [will need to know](#) the type of vehicles used for pupil transportation, as well as the mileage associated with non-pupil transportation vehicles if the district co-mingles expenditures associated with these vehicles with pupil transportation vehicle expenditures.

Vendor and/or parent expenditure to transport students from home to school, and school to home, should be claimed as direct costs, the district should NOT include miles associated with the transportation vendor or parent when reporting total pupil transportation mileage for any purpose or for activity trip purposes

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### Line 8: Total Actual Miles Traveled for Any Purpose by Pupil Transportation Vehicles

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In order to determine the total actual miles traveled for any purpose by all pupil transportation vehicles, the district must track the beginning year odometer reading (taken on July 1) and the end of year odometer reading (taken July 30) for each vehicle used in whole, or in part, to transport pupils. The difference in the odometer readings is the total number of actual miles traveled by each pupil transportation vehicle. This number should equal the total reported miles by type for each vehicle. The district must be prepared to provide all odometer readings, taken on the correct dates, for all pupil transportation vehicles at the time of audit. Please note that total mileage must be determined by actual beginning of year and end of year odometer readings, not Zonar or route tracking systems used by the district.

In the event the district has vehicles that are NOT used to transport students, BUT the expenditures attributed to these vehicles are co-mingled with the pupil transportation vehicle expenditures, then the district will need to track beginning and ending year odometer readings for these vehicles in order to apply a [reasonable cost per mile](#) to off-set expenditures attributed to these vehicles/ non-pupil miles.

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### Line 7: Total Actual Miles Traveled for Activity Trips, Field Trips, Athletic Trips, etc.

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In addition to the total miles traveled for any purpose by all pupil transportation vehicles, districts are also required to provide documentation supporting the total actual mileage traveled by pupil transportation vehicles for athletics, activities, field trips, and extracurricular related activities. (This is a sub-set of the total miles traveled for any purpose by all pupil transportation vehicles).



## Example

A district has 8 vehicles. Expenditures for all 8 vehicles are tracked in the same transportation fund accounts. There are five (5) vehicles used exclusively for pupil transportation, two (2) vehicles that are used for both pupil AND non-pupil transportation, and one (1) vehicle used exclusively for non-pupil transportation purposes.

Below is a summary of the miles associated with each vehicle:

Vehicle No.	Vehicle Type	Use	Beginning Year Odometer Reading	Ending Year Odometer Reading	Total Vehicle Miles	Pupil Transportation Miles		Non-Pupil Miles		
						Route (Reimbursable miles)	Activity (Non-Reimbursable Miles)	Total Pupil Miles	Administrative (Non-Allowable Miles)	Total District Miles
1	Bus	Exclusively used for Pupil Transportation	55,813	72,841	17,028.0	15,684.0	1,344.0	17,028.0	-	17,028.0
2	Bus	Exclusively used for Pupil Transportation	58,756	81,024	22,268.0	17,952.0	4,316.0	22,268.0	-	22,268.0
3	Bus	Exclusively used for Pupil Transportation	73,702	91,520	17,818.0	4,875.0	12,943.0	17,818.0	-	17,818.0
4	Bus	Exclusively used for Pupil Transportation	96,799	105,448	8,649.0	5,847.0	2,802.0	8,649.0	-	8,649.0
5	Bus	Exclusively used for Pupil Transportation	176,072	198,654	22,582.0	14,658.0	7,924.0	22,582.0	-	22,582.0
6	Suburban	Used for both pupil and non-pupil transportation	92,100	115,856	23,756.0	5,465.0	3,258.0	8,723.0	15,033.0	23,756.0
7	Van	Used for both pupil and non-pupil transportation	35,256	50,265	15,009.0	2,358.0	8,514.0	10,872.0	4,137.0	15,009.0
8	Maintenance Pick Up	Exclusively used for Non-Pupil Transportation	75,985	98,520	22,535.0	-	-	-	22,535.0	22,535.0
<b>Total Miles</b>					<b>149,645.0</b>	<b>66,839.0</b>	<b>41,101.0</b>	<b>107,940.0</b>	<b>41,705.0</b>	<b>149,645.0</b>

### Notes:

- Because the district tracks all expenditures associated with each of its vehicles in the same transportation accounts, the district must track the total number of miles associated with each district vehicle
- For each vehicle, the district should be able to isolate the number of miles attributed to pupil transportation (*i.e.*, route and activity) and non-pupil transportation.
  - Vehicles used exclusively for pupil transportation (vehicles 1-5) generally should not have miles attributed to non-pupil transportation
    - If these vehicles have maintenance or fuel miles associated with them, these miles should be classified as either route or activity depending on the vehicle's primary use
      - Example: Vehicles 1, 2, 4 and 5 are primarily used for route transportation; therefore, maintenance and fuel miles would be classified as "route". Vehicle 3 is used primarily used for activity transportation; therefore, maintenance and fuel miles should be classified as activity miles
  - Vehicles used for both pupil and non-pupil transportation purposes (such as vehicles 6 and 7) should have both types of mileage identified
  - Vehicles used exclusively for non-pupil transportation (vehicle 8) should NOT have any reported pupil transportation mileage



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**Considerations:**

Based on the information provided above, the following is true:

- Total actual pupil transportation miles traveled for any purpose is 107,940 (CDE-40 line 8)
- Total actual pupil transportation miles traveled for activity purposes is 41,101 (CDE-40 line 7)
- The reimburseable percentage is  $(107,940 - 41,101) / 107,940 = 0.6192$  or 61.92%
- In order to off-set expenditures attributed to non-pupil transportation mileage, the district will need to apply a [reasonable cost per mile](#) in order to reduce the total prorated costs prior to applying the reimbursable percentage. This would result in a reduction of \$8,341.00 (41,705 non-pupil miles x \$0.20 per mile), and would cover fuel, maintenance and repairs associated with the 41,705 non-pupil transportation miles



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## Audit: Highlights

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As part of the fund oversight process, and to ensure fund payments are accurate, the School Finance Division and School Auditing Office at the CDE conduct periodic audits of the information submitted on the CDE-40 claim form and subsequent fund distributions. Compliance audits for each district are conducted every 1-2 years, and include not only a review of the district's CDE-40 claim form data, but also pupil and at-risk counts as outlined in the Rules for the Administration of the Public School Finance Act of 1994.

The transportation portion of the compliance audit will include a review of supporting documentation provided by the district for the amounts reported by the district. All supporting documentation must be loaded as part of the CDE-40 claim form data submission. The following data fields are included in the CDE-40 claim form submission audit:

- Total Current Operating Expenditures for Pupil Transportation
- Mileage scheduled for Regular Pupil Transportation on the Mileage Count Date
- Days School was in session and pupils were transported during the school term
- Capital Outlay (for instances where the district contracts out for pupil transportation)
- Total Actual Miles traveled for Activity Trips, Field Trips, Athletic Trips, etc.
- Total Actual Miles Traveled for Any Purpose by Pupil Transportation Vehicles

District must maintain and retain documentation evidencing the reported amounts and totals for five years, or until they are audited by the School Auditing Office. Failure to do so may result in the district having to pay back all, or a portion of, the distributed transportation funds.

Additional information about the compliance audit process, including audit schedules, questionnaires and contact forms, can be found at the following location:

[http://www.cde.state.co.us/cdefinance/auditunit\\_process](http://www.cde.state.co.us/cdefinance/auditunit_process)

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## Helpful Hints

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In order to minimize potential audit findings, districts should ensure that all data reported on their CDE-40 claim form reflect amounts related directly to pupil transportation only.

- When determining total current operating expenditures, districts should ensure that they exclude non-allowable expenditures associated with pupil transportation vehicles, as well as expenditures related to non-pupil transportation
- When reporting mileage, districts should ensure that non-pupil miles associated with pupil transportation vehicles are not included in the determination of the reimbursable percentage
- A pupil transportation vehicle means any vehicle used in whole **or in part** for the purpose of providing pupil transportation. In general, districts have two types of vehicles:
  - Pupil transportation vehicles ('yellow fleet')
    - Vehicles used exclusively (or in whole) for pupil transportation (*e.g.*, buses)
    - Vehicles used for both pupil and non-pupil transportation (or in part) (*e.g.*, suburbans)
  - Non-pupil transportation vehicles ('white fleet')
    - Vehicles never used to transport pupils (*e.g.*, maintenance trucks, plows, food services vehicles, administrative only cars, etc.)



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- In the event a district has a separate yellow fleet (all vehicles used exclusively to transport students) and white fleet (all vehicles used exclusively for non-pupil transportation), and all expenditures for these two fleets are tracked separately, then the district should ensure that it is only reporting those expenditures attributed to the yellow fleet
  
  - If, however the district does not separate out expenditures attributed to both the yellow and the white fleet, ***OR*** if the district has vehicles that are used for both pupil and non-pupil transportation, and expenditures for those dual use vehicles are included with the yellow fleet expenditures, then the district must have a mechanism in place to isolate those expenditures associated with pupil transportation prior to applying the reimbursable percentage. In most cases, the district will apply a reasonable cost per mile in order to adjust prorated costs (*e.g.*, vehicle insurance, fuel, maintenance, and repairs). In the event a district needs to use a **reasonable cost per mile**, the district can either determine an appropriate rate based upon its own fleet, or in the absence of a reasonable cost per mile, may use the **State fleet rate of 20 cents per mile** for its small vehicles
    - For example, if a district uses a suburban for both pupil and non-pupil transportation, and the expenditures attributed to this suburban (*e.g.*, insurance, fuel, maintenance, and repair) are included as prorated costs, the district will need to identify how many miles driven by the suburban were attributed to non-pupil transportation and multiple those miles by a reasonable cost per mile (such as 20 cents) to determine the total amount of the prorated costs that should be reduced for the non-pupil transportation miles prior to applying the reimbursable percentage