

LAKELAND AREA MASS TRANSIT DISTRICT  
BOARD OF DIRECTORS MEETING

1248 George Jenkins Blvd, Building B

December 14, 2011

9:00 a.m.

***\*Items in italics are included in the Consent Agenda and are shown on the regular agenda in case a Consent Agenda item is requested to be opened for further discussion.***

	<u>Action Required</u>
Call to Order	
<ul style="list-style-type: none"><li>• Roll Call</li><li>• Presentations</li></ul>	
1. <i>Consent Agenda</i>	<i>Approval</i>
2. <i>Approval of Minutes</i>	<i>Approval</i>
3. Public Comments	None
4. Awards and Commendations / Tom Phillips	None
5. Board Action Items / Staff	None
6. Legal Matters / Ben Darby	TBD
7. Route Change Review & Media Coverage / Cathy Wolosin	None
8. Financial Matters / Brian Jaruszewski	
<ul style="list-style-type: none"><li>• Financial Statement</li><li>• Updated Financial Policy &amp; Procedures</li><li>• Execution of Section 5317 Grant</li></ul>	None Approval None
9. Contracts / Leases / Interlocal Agreements	
<ul style="list-style-type: none"><li>• <i>Community Transportation Coordinator Interlocal Agreement / Dean Kirkland-McMillan</i></li></ul>	<i>Approval</i>
10. District Policies / Debbie Porte	Approval
11. Reports	None
<ul style="list-style-type: none"><li>• FDOT Report / FDOT Representative</li><li>• Executive Director / Tom Phillips</li><li>• PTA Update / Tom Phillips</li></ul>	
12. Other Business	TBD
13. Election of Officers / Board of Directors	Approval
Adjournment	

LAKELAND AREA MASS TRANSIT DISTRICT  
BOARD OF DIRECTORS MEETING  
DECEMBER 14, 2011  
AGENDA ITEM #1

Agenda Item:       **Consent Agenda**

Presenter:         N/A

Recommended

Action:             Approval of Consent Agenda. Approval for individual items as indicated on their summary sheets.

Summary:           The Consent Agenda contains items of a routine or noncontroversial nature. The Staff has developed detailed summaries of each item included in the Consent Agenda for review prior to the regular Board meeting.

A member of the Board or the public may remove an item from the Consent Agenda for further discussion of the item. An item removed from the Consent Agenda will be addressed at its preposition location on the regular agenda.

Attachments:       None

LAKELAND AREA MASS TRANSIT DISTRICT  
BOARD OF DIRECTORS MEETING  
DECEMBER 14, 2011  
AGENDA ITEM #2

***Consent Agenda Item***

Agenda Item: Approval of November 9, 2011, Board of Directors Meeting Minutes.

Presenter: N/A

Recommended

Action: Board of Directors approve the Minutes of the November 9, 2011, Board of Directors Meeting.

Summary: The LAMTD Board of Directors meeting minutes for November 9, 2011, summarizes agenda items covered during that meeting.

Three (3) items required Board of Directors approval or concurrence:

1. Board Meeting Minutes for October 12, 2011
2. Palm Trans Asset Transfer
3. Disposal of Vehicles

Attachments: November 9, 2011, Board of Directors Meeting Minutes

LAKELAND AREA MASS TRANSIT DISTRICT  
BOARD OF DIRECTORS MEETING MINUTES  
NOVEMBER 9, 2011

**Directors:**

City of Lakeland Commissioner Don Selvage (Chairman)  
Polk County Commissioner Bob English (Vice-Chairman)  
City of Lakeland Commissioner Glenn Higgins (Secretary)  
City of Lakeland Mayor Gow Fields  
Polk County Commissioner Sam Johnson

Executive Director: Tom Phillips  
Attorney: Ben Darby  
Administrative Assistant: Tina Moore

**Call to Order**

9:00 a.m. Chairman Selvage

**Roll Call**

Present

Commissioner English  
Commissioner Higgins  
Commissioner Johnson  
Commissioner Selvage

Arrived Late

Mayor Fields 9:02 a.m.

*(Exhibit 1)*

**Agenda Item #1 - Approval of Minutes**

On a motion made by Commissioner Higgins, and seconded by Commissioner English:

**“Board approve the minutes of the October 12, 2011, Board of Directors meeting.”** *(Exhibit 2)*

**MOTION CARRIED UNANIMOUSLY**

**Agenda Item #2 - Public Comments**

No comments at this time.

**Agenda Item #3 - Awards and Commendations**

Items discussed:

- Four (4) Citrus Connection Team Members received GEM Awards: Susan Alfano, Human Resources Coordinator; Billy Gray, Electronics Technician; Cheryl Roscillo, Bus Operator; and Tom Phillips, Executive Director.

**Agenda Item #4 - Board Action Items**

All Board Action Items were addressed. *(Exhibit 3)*

**Agenda Item #5 - Legal Matters**

No legal matters were brought before the Board at this time.

## **Agenda Item #6 - Finance Report**

### **Financial Statement**

Distributed unaudited September 2011 Preliminary Financial Statement. *(Exhibit 4)*

#### **Items discussed:**

- Auditors will be at LAMTD on November 14, to complete the yearend audit field work.
- Reviewed Revenues and Expenses.
- Salaries are the biggest cost savings to date largely attributed to the reduction in employee force.
- Professional and Technical Services over by \$120,000 attributed to legal fees.
- Fuel and Lubricants over budget.
- Prior year cost per hour is \$91.29, Year-to-date cost per revenue hour is \$91.84, and FY11 cost per hour forecast is \$92.84.
- Fuel increase is based on Oil Price Index Service (OPIS) pricing.
- Discussion ensued regarding the use of natural gas.

#### **Action Item:**

**Research the use of natural gas as an alternative fuel.**

### **Disadvantaged Business Enterprise (DBE) Update - Quarterly Reporting**

#### **Items discussed:**

- American Recovery and Reinvestment Act (AARA) Grant recipients are required to report quarterly.
- The District's DBE participation goal for reporting period August 1, 2010, through September 30, 2013, is 2%.
- The DBE report is a spreadsheet which captures a detailed breakdown of DBE participation in the District's DBE Program. *(Exhibit 5)*

## **Agenda Item #7 – Amended Section 5317 New Freedom Grant Application**

#### **Items discussed:**

- The grant application was approved by the LAMTD Board at the July 13, 2011, Board meeting subsequent to the approval; the application was amended to reflect an updated total operational cost of 2.7 million dollars. *(Exhibit 6)*
- The amended application also included a capital request in the amount of \$125,000, which will be funded 80% by FDOT and 20% by LAMTD.

## **Agenda Item #8 – Advisement of Purchase Orders under \$50,000**

#### **Items discussed:**

- Purchase Order (PO) was issued to Alan Jay Automotive Network in Sebring, FL, for the purchase of a 2011 F150 Truck to be used as a full service shop vehicle.
- The truck was purchased using funds received through a Federal Transit Association (FTA) Section 5309 Grant.
- \$70,000 was budgeted for the purchase of truck but by piggybacking on an existing Florida Sheriff's State Contract the truck was purchased for \$48,183.
- The full service shop vehicle is equipped to repair buses that breakdown while in service.

- Commissioner Selvage gave the Board an Audit Committee update.

**Action Item:**

**Farebox recovery vs. Road Call Cost.**

**Agenda Item #9 – Flex Service and Smaller Vehicles**

Items Discussed:

- A PowerPoint presentation was presented to the Board. *(Exhibit 7)*
- Briefed the Board with a description of Flex Services and the use of smaller vehicles on Flex Routes.
- Flex Service typically is used in rural areas such as Route 39 in Bradley.
- Trip Scoring Index (TSI) was presented to the Board. *(Exhibit 8)*
- Preventative Maintenance program is up and running.

**Action Item:**

**Meet with Mulberry City Manager regarding past and future bus service to Mulberry.**

**Action Item:**

**Present data documentation to the Board supporting the use of a fifteen body on chassis vehicle vs. using a 30' vehicle.**

**Agenda Item #10 - Palm Tran Asset Transfer**

On a motion made by Mayor Fields, and seconded by Commissioner Higgins:

**“Approve the Transit Bus Transfer Agreement between the Lakeland Area Mass Transit District and Palm Tran Inc., for the transfer of one (1) Arboc Mobility twenty passenger low floor cut-away bus, subject to final review by legal counsel.”** *(Exhibit 9)*

**MOTION CARRIED UNANIMOUSLY**

Items discussed:

- Palm Tran Inc., offered to sell LAMTD the Arboc Mobility twenty passenger vehicle for a one time expenditure of \$1.
- Vehicle is in very good condition with low mileage and is valued at \$122,000.

**Agenda Item #11 – Policy and Procedures**

Items Discussed:

- Reviewed Policy and Procedures.
- Reviewed new/updated Policy and Procedures with all LAMTD employees.
- Absenteeism and Tardiness Policy. *(Exhibit 10)*
- Accident/Incident Policy. *(Exhibit 11)*
- Progressive Discipline Policy. *(Exhibit 12)*
- Accident/Incident Determination Form. *(Exhibit 13)*
- Counseling Statement Form. *(Exhibit 14)*
- Grievance Hearing Request Form. *(Exhibit 15)*

## **Agenda Item #12 – Disposal of Vehicles**

On a motion made by Commissioner Higgins, and seconded by Mayor Fields:

**“Approve to dispose of three (3) rolling stock buses that have surpassed their useful life in years of service and/or mileage as defined by the Federal Transit administration Circular 5010.1C- Grant Management Guidelines, Chapter II, paragraph 3.f.(4).”** *(Exhibit 16)*

**MOTION CARRIED UNANIMOUSLY**

### **Items Discussed:**

- The buses &/or van that is not sold will be disposed of as scrap. Based on the information from the buyer, no proceeds will exceed \$5,000.
- Buses &/or van will be disposed of by November 31, 2011.

## **Agenda Item #13 - Reports**

### **FDOT Report**

- Jan Parham, FDOT Representative, reminded Staff that the deadline for applying for the FTA Section 5316 JARC Discretionary Grants Application and the FTA Section 5317 New Freedom Service Development Grant Application is January 20, 2012.

### **Executive Director Report**

- Performance Indicators were distributed in the Board packets. *(Exhibit 17)*
- LAMTD is Accident and Incident free for 99 days.
- Public workshops are being held to educate bus riders of the upcoming route changes.
- As part of a successful job fair, Polk Works and LAMTD have developed an agreement to work together in the future hiring of new Bus Operator Trainees. Polk Works has agreed to pay for 50% of a new bus operator’s training cost through a grant pilot program.
- FDOT has agreed to assist LAMTD in developing a new preventative maintenance program to ensure that proper Policy and Procedures are being followed.
- Working with Polk State College Staff to pay a monthly “fee for service” to allow their students and employees to ride the bus for free only by displaying their student/employee id’s when boarding the buses.
- Met with Senator Paula Dockery on November 8.
- FDOT requested an artist rendering of the Highway 98 and I4 Park ’N Ride by November 30. Distributed an artist rendering of the site. *(Exhibit 18)*

*Mayor Fields left the Board meeting at 10:40 am.*

### **PTA Update**

- Briefed the Board on the new Community Partnerships Bus Program. The program partners’ local businesses with the transit agencies by purchasing a three (3) month ad for \$100 that would include the business name, logo, phone number and website. The ads will be placed on two buses that are not currently wrapped, one bus from WHAT and one from LAMTD. Ad wraps can be renewed every three (3) months.
- FDOT and Staff are working with the marketing firm, BowStern, on the PTA rebranding efforts through a \$50,000 grant secured by FDOT.

- A new downtown terminal has been put on hold until a National Environmental Policy Act (NEPA) Certification can be obtained.
- Presented a PowerPoint presentation to the Board displaying advertisements on Bus Shelters. *(Exhibit 19)*

**Action Item:**

**Staff schedule a meeting with the City of Lakeland Officials to discuss the City's Ordinance on advertising.**

**Agenda Item #14 – Other Business**

No other business was brought before the Board.

**Adjournment**

11:00 a.m.

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

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Chairman – Commissioner Selvage

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Minutes Taker – Tina Moore

*(Acronyms – Exhibit 20)*



LAKELAND AREA MASS TRANSIT DISTRICT  
BOARD OF DIRECTORS MEETING  
DECEMBER 14, 2011  
AGENDA ITEM #3

Agenda Item:     **Public Comments**

Presenter:        TBD

Recommended  
Action:            None

Summary:         None

Attachments:     None

LAKELAND AREA MASS TRANSIT DISTRICT  
BOARD OF DIRECTORS MEETING  
DECEMBER 14, 2011  
AGENDA ITEM #4

Agenda Item:      **Awards and Commendations**

Presenter:         Tom Phillips

Recommended  
Action:            None

Summary:          Oral Presentation

Attachments:      None

LAKELAND AREA MASS TRANSIT DISTRICT  
BOARD OF DIRECTORS MEETING  
DECEMBER 14, 2011  
AGENDA ITEM #5

Agenda Item: **Board Action Items**

Presenter: Staff

Recommended  
Action: None

Summary: Staff will address question raised by the Board at the previous Board meeting.

Attachments: Board Action Item response to one Action Item. The other Action Items will be discussed at the Board meeting.

## Board Action Items

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### Action Item

Research the use of natural gas as an alternative fuel. *Bill Knieriem*

### CNG/LNG

(1) There are concerns about the decreased range associated with CNG vehicles (CNG has  $\frac{1}{4}$  the energy density of diesel)—it would require the vehicle to refuel at a minimum of twice per day.

(2) The School Board may be interested in CNG to power school buses—it recently purchased two CNG school buses as a pilot program. The School Board is concerned about the significant capital cost difference— the School Board can purchase either 50 diesel buses per year or 30 CNG buses per year.

(3) There is an old slow-fill CNG station no longer in use at Traviss Technical Center that could be upgraded into a fast-fill station if the County was interested in CNG. Slow fill would take approximately 90 minutes to fuel a bus. Upgrading to a fast-fill would reduce the time to fuel to 30-40 minutes.

(4) CNG/LNG projects have the potential to save a lot of fuel costs as the cost of oil rises. However, these projects require large fleets of CNG/LNG vehicles.

(5) If the District were to purchase CNG/LG vehicles for the fleet, any repairs or work to be done on those vehicles would need to be sent out, or the District would need to budget a significant amount of funds for training for the maintenance technicians, along with the cost of parts to be kept in inventory.

### Action Item:

Farebox recovery vs. Road Call cost. *Tom Phillips*

### Action Item:

Meet with Mulberry City Manager regarding past and future bus service to Mulberry. *Tom Phillips*

### Action Item:

Present data documentation to the Board supporting the use of a fifteen body on chassis vehicle vs. using a 30' vehicle. *Tom Phillips*

### Action Item:

Staff schedule a meeting with the City of Lakeland Officials to discuss the City's Ordinance on advertising. *Tom Phillips*

LAKELAND AREA MASS TRANSIT DISTRICT  
BOARD OF DIRECTORS MEETING  
DECEMBER 14, 2011  
AGENDA ITEM #6

Agenda Item:     **Legal Matters**

Presenter:        Ben Darby

Recommended  
Action:            To Be Determined during Board discussion

Summary:         Oral Presentation

Attachments:     None

LAKELAND AREA MASS TRANSIT DISTRICT  
BOARD OF DIRECTORS MEETING  
DECEMBER 14, 2011  
AGENDA ITEM #7

Agenda Item: **Route Change Review & Media Coverage**

Presenter: Cathy Wolosin

Recommended  
Action: None

Summary: December 5 changes were made to several routes. In an effort to help riders be aware of the changes we created a “party” style atmosphere by calling the route changes - “*Bringing Back Service—We Heard You*”. The main change was the increase of service on Route 1 from one hour to half hour service thanks to a FDOT Grant. Changes also occurred on Routes 46, 47, 57, and 58.

Promotional activities were:

- We had a “countdown clock” at the downtown terminal and also on the Citrus Connection website setting - *7:30 AM December 5 as zero hour*.
- Invitations were sent to LAMTD and PTA Board members inviting them to the celebration.
- Two weeks prior to the route changes the new routes were posted on the Citrus Connection website.
- The Ledger ran a news article on Thursday, December 1; Bay News 9 aired a videotaped interview with Tom Phillips on Sunday, December 4 and then reran an abbreviated version of the story early on Monday morning, December 5.

AGENDA ITEM #7 – CONT.

- Monday, December 5, from 6 AM – 9 AM *Seth Mela & The Mayhem in the AM Crew* from 1430 Talk Radio aired a live remote show at the downtown terminal. They interviewed Jan Parham, FDOT Representative, Tom Phillips, and interacted with a few bus riders. It was a great deal of fun and the live remote brought the activities to the attention of many more people than just those visiting the terminal early Monday morning.

Attachments:       None

LAKELAND AREA MASS TRANSIT DISTRICT  
BOARD OF DIRECTORS MEETING  
DECEMBER 14, 2011  
AGENDA ITEM #8

Agenda Item:       **Financial Matters**  
                          • **Financial Statement**

Presenter:           Brian Jaruszewski

Recommended  
Action:               None

Summary:            Oral Presentation. Financial Statement for the month of  
October 2011.

Attachments:        October 2011 Financial Statement





**UNAUDITED**  
**STATEMENT OF REVENUES AND EXPENSES**  
**1 MONTH PERIOD 10/1/2011 - 10/31/2011**

	1 Month End 10/31/2011				Prior Year to Date			Fiscal Year End 9/30/12		
	YTD Actual	YTD Budget	Variance	Pct. Inc/-Dec	FY11 Actual	FY11 Variance	Pct. Inc/-Dec	FY12 Projection	FY 12 Budget	Pct. Inc/-Dec
<b>REVENUES:</b>										
Farebox/Pass Sales	\$ 94,632	\$ 99,909	\$ (5,277)	-5.3%	\$ 72,661	\$ 21,971	30.2%	\$ 1,198,909	\$ 1,198,909	0.00%
Monthly billing for WH service	\$ 109,930	\$ 101,172	\$ 8,758	8.7%	\$ 78,453	\$ 31,477	40.1%	\$ 1,214,064	\$ 1,214,064	0.00%
Miscellaneous Income	\$ 884	\$ 288	\$ 596	206.9%	\$ 248	\$ 636	256.5%	\$ 3,456	\$ 3,456	0.00%
Advertising Revenues	\$ 6,320	\$ 3,245	\$ 3,075	94.8%	\$ 1,870	\$ 4,450	238.0%	\$ 38,940	\$ 38,940	0.00%
Investment/Interest Income (net)	\$ -	\$ 443	\$ (443)	-100.0%	\$ 746	\$ (746)	-100.0%	\$ 5,320	\$ 5,320	0.00%
Ad Valorum Income, net	\$ -	\$ -	\$ -	0.0%	\$ 5,144	\$ (5,144)	-100.0%	\$ 2,866,549	\$ 2,866,549	0.00%
FDOT 08-09 Operating Grant	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ 791,676	\$ 791,676	0.00%
Federal 08-09 Operating Grant	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ 2,535,081	\$ 2,535,081	0.00%
Operating Assistance: New Freedom, Bartow Exp. S.Fla.	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ 1,191,010	\$ 1,191,010	0.00%
<b>TOTAL REVENUES</b>	<b>\$ 211,766</b>	<b>\$ 205,057</b>	<b>\$ 6,708</b>	<b>3.3%</b>	<b>\$ 159,121</b>	<b>\$ 52,645</b>	<b>33.1%</b>	<b>\$ 9,845,005</b>	<b>\$ 9,845,005</b>	<b>0.00%</b>
<b>ELIGIBLE EXPENSES:</b>										
Salaries	\$ 331,215	\$ 343,508	\$ (12,293)	-3.6%	\$ 397,374	\$ (66,159)	-16.6%	\$ 4,465,600	\$ 4,465,600	0.00%
Employee Benefits	\$ 162,112	\$ 191,230	\$ (29,118)	-15.2%	\$ 180,263	\$ (18,151)	-10.1%	\$ 2,294,759	\$ 2,294,759	0.00%
Advertising Fees - Admin	\$ 1,703	\$ 1,542	\$ 161	10.5%	\$ 4,284	\$ (2,580)	-60.2%	\$ 18,502	\$ 18,502	0.00%
Professional & Technical Serv.	\$ 46,724	\$ 36,725	\$ 9,999	27.2%	\$ 49,986	\$ (3,261)	-6.5%	\$ 440,697	\$ 440,697	0.00%
Contract Maintenance Service	\$ 3,889	\$ 9,846	\$ (5,958)	-60.5%	\$ 16,049	\$ (12,160)	-75.8%	\$ 118,155	\$ 118,155	0.00%
Other Services	\$ 7,117	\$ 9,215	\$ (2,098)	-22.8%	\$ 11,298	\$ (4,181)	-37.0%	\$ 110,579	\$ 110,579	0.00%
Fuel & Lubricants (net)	\$ 95,723	\$ 91,441	\$ 4,281	4.7%	\$ 97,385	\$ (1,663)	-1.7%	\$ 1,097,297	\$ 1,097,297	0.00%
Repair & Maintenance Admin Bldg	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.00%
Repair & Maintenance Terminal	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.00%
Materials & Supplies	\$ 45,563	\$ 53,276	\$ (7,713)	-14.5%	\$ 64,520	\$ (18,957)	-29.4%	\$ 639,312	\$ 639,312	0.00%
Utilities/Telephone - Admin	\$ 9,571	\$ 9,744	\$ (173)	-1.8%	\$ 8,620	\$ 951	11.0%	\$ 116,924	\$ 116,924	0.00%
Physical Damage Insurance	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%	\$ -	\$ -	0.00%
Liab & Prop Damage Insurance	\$ 20,598	\$ 21,422	\$ (824)	-3.8%	\$ 26,774	\$ (6,176)	-23.1%	\$ 257,063	\$ 257,063	0.00%
Other Corporate Insurance	\$ 613	\$ 412	\$ 201	48.8%	\$ 631	\$ (18)	-2.9%	\$ 4,944	\$ 4,944	0.00%
Vehicle Licensing	\$ 175	\$ 43	\$ 132	305.4%	\$ 175	\$ -	0.0%	\$ 518	\$ 518	0.00%
Dues & Subscriptions	\$ 415	\$ 1,221	\$ (807)	-66.1%	\$ 1,783	\$ (1,368)	-76.7%	\$ 14,656	\$ 14,656	0.00%
Education/Training/Meeting/Travel	\$ 2,295	\$ 4,339	\$ (2,044)	-47.1%	\$ 8,971	\$ (6,676)	-74.4%	\$ 52,068	\$ 52,068	0.00%
Office Expense	\$ 2,468	\$ 1,850	\$ 618	33.4%	\$ 8,367	\$ (5,899)	-70.5%	\$ 22,204	\$ 22,204	0.00%
Advertising & Promotion	\$ 6,706	\$ 3,333	\$ 3,373	101.2%	\$ 12,803	\$ (6,097)	-47.6%	\$ 40,000	\$ 40,000	0.00%
Leases & Rentals	\$ 989	\$ 5,265	\$ (4,276)	-81.2%	\$ 4,800	\$ (3,811)	-79.4%	\$ 63,182	\$ 63,182	0.00%
<b>TOTAL ELIGIBLE EXPENSES:</b>	<b>\$ 737,875</b>	<b>\$ 784,413</b>	<b>\$ (46,538)</b>	<b>-5.9%</b>	<b>\$ 894,083</b>	<b>\$ (156,208)</b>	<b>-17.5%</b>	<b>\$ 9,756,460</b>	<b>\$ 9,756,460</b>	<b>0.00%</b>
<b>NET REVENUES OVER (UNDER) EXPENSES</b>	<b>\$ (526,109)</b>	<b>\$ (579,355)</b>	<b>\$ 53,246</b>	<b>-9.2%</b>	<b>\$ (734,961)</b>	<b>\$ 208,852</b>	<b>-28.4%</b>	<b>\$ 88,545</b>	<b>\$ 88,545</b>	<b>0.00%</b>

Fuel & Lubricants (net)	Cost	Actual Cost 10/1/09 - 10/31/09	Actual Cost 10/1/10 - 10/31/10	Actual Cost 10/1/11 - 10/31/11
varies with number of gallons delivered during payment period		\$ 66,864	\$ 97,385	\$ 95,723

Prior Year Cost Per Hour	YTD Cost Per Revenue Hour	FY12 Cost Per Hour Forecast
91.26	87.15	87.15
% change from prior year		-4.72%

## AGENDA ITEM #8 – CONT.

Agenda Item: **Updated Financial Policy & Procedures**

Presenter: Brian Jaruszewski

Recommended

Action: Recommend approval of the updated Finance Policies and Procedures Manual.

Summary: The current Finance Policies and Procedures Manual was adopted October 1, 2006 by the Chief Financial Officer and Controller. As such, it does not accurately reflect the current policies and procedures of the Finance department. Further, most governmental agencies adopt their Finance Policies and Procedures by approval of the governing body.

This revised policies and procedures manual updates all existing procedural steps for transactions processed by the finance department (Payroll, Accounts Payable, Accounts Receivable, Cash Receipts, Grant Accounting, etc). This manual also documents, updates and expands the spectrum of Financial policies employed by the District.

Changes in this manual include:

- Updated asset capitalization thresholds that more closely mirror the best practices employed by local government entities.
- Formal documentation of Finance policies such as the accounting treatment of certain items (ex. post employment benefits, grants, etc), and guiding financial principles (ex. revenue forecasting, revenue maximization and diversification, etc).

Attachments: Updated Finance Policies and Procedures Manual  
2006 Finance Policies and Procedures Manual

**LAKELAND AREA MASS TRANSIT DISTRICT  
(CITRUS CONNECTION)**

**(Revised)  
FINANCE DEPARTMENT  
POLICY AND PROCEDURES MANUAL**

**December 14, 2011**

Prepared by: \_\_\_\_\_  
Brian Jaruszewski, CFO

Approved by: \_\_\_\_\_  
Tom Phillips, Executive Director

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Prepared by: \_\_\_\_\_  
Brian Jaruszewski, CFO

Approved by: \_\_\_\_\_  
Tom Phillips, Executive Director

## **Finance Department Positions (Eff. 05/01/2011)**

### **CHIEF FINANCE OFFICER**

- o Finance Department Manager
- o Document review responsibilities/functions
- o General Ledger Maintenance
- o Overall operation of Finance Department.
- o Board of Directors reporting
- o Financial Statements

### **ACCOUNTING ASSOCIATE**

- o Payroll Processing
- o A/R Invoicing
- o Document Retention (Finance Department)

### **FINANCIAL ANALYST**

- o Accounts Payable/Payment Processing
- o Grant accounting and reporting
- o Fixed Assets
- o Journal Entries
- o Ridership Recording and Reporting

### **FINANCIAL ANALYST**

- o Bank Reconciliations
- o Account Reconciliations
- o Quarterly Tax Reporting
- o Journal Entries
- o P-Card Transaction Approval

Prepared by: \_\_\_\_\_  
Brian Jaruszewski, CFO

Approved by: \_\_\_\_\_  
Tom Phillips, Executive Director

## INTRODUCTION

Lakeland Area Mass Transit District (The District) controls its operation through the development of an annual budget that must be adhered to and managed in accordance with established policies.

This finance policy and procedures manual (the “manual”) has been created to document the policies and procedures developed for each key financial process and class of transaction specific to the District. The manual has been divided into a number of sections representing the key financial processes and classes of transaction, with specific policies and procedures developed for each. Each section includes a description of the process, the policy related to that particular process, and the procedures to perform the functions of the process.

Employees should use the manual to ensure their understanding and compliance with the District’s finance policies and procedures. It is also intended for use in training new employees, and to assist employees in performing certain functions in the absence of the responsible employee. As such, it is intended to be complete and straightforward, so as to enable the performance of each function by another similarly skilled individual, with minimum direction and training.

The purpose of this manual is to set forth the general accounting policies and provide an overview of the procedures involved in processing the various financial transactions using a computerized accounting system.

### Effective Systems of Internal Control

#### **Description:**

Internal controls, which are an integral part of any organization, are put into place largely to allow management to monitor operations, identify business risks, and generate pertinent information, both financial and nonfinancial, to drive needed action.

The nature of the controls put into place in any organization depends on a number of factors, including its size and complexity, the industry in which it operates, the regulatory and competitive environments, and the organizational structure and management philosophy. Although having an effective system of internal control does not guarantee accuracy or absolute assurance of misstatements, they can reduce the risk of significant misstatements.

#### **Policy:**

The District should maintain an effective system of internal control in order to monitor compliance with policies and procedures established by management.

Internal controls can be divided into two areas: accounting controls and administrative controls. Administrative controls deal with the operations of the business, whereas the

accounting controls deal with accounting for such operations. This manual focuses on internal accounting controls, although there may be some overlap between the two. Accounting controls should be designed to achieve the five basic objectives:

**Validation** – Validation is the examination of documentation, by someone with an understanding of the accounting system, for evidence that a recorded transaction actually took place and that it occurred in accordance with the prescribed procedures. As systems grow more sophisticated, validation is a built-in component whereby the transactions test themselves against predetermined exceptions. For example, only goods received are recorded on a receiving report, and only goods shipped appear on a shipping report or bill of lading. The vendor’s invoice can then be compared to the receiving report and the sales invoice can be compared to the shipping report. Another example confirms that all relevant details of a transaction are properly recorded: the nature, quality, and condition of goods received are checked by counting, weighing, and inspecting and recorded at time of receipt.

**Accuracy** – The accuracy of amounts and account classification is achieved by establishing control tasks to check calculations, extensions, additions, and account classifications. The control objective is to be certain that each transaction is recorded at the correct amount, in the appropriate account, in the right time period. For example, one might “double-check” another individual’s work on sales invoices by repeating the calculations, extensions, and additions and reviewing the account distributions.

Control tasks, which ensure that transactions are recorded and reported in the proper accounting period, are essential to accurate financial reporting. For example, when goods are received they should be checked and recorded at the time of receipt. The receiving records should then be matched with the related vendors’ invoices as a further check on the timely recording of transactions.

**Completeness** – Completeness of control tasks ensures that all transactions are initially recorded on a control document and accepted for processing once and once only. Completeness controls are needed to ensure proper summarization of information and proper preparation of financial reports. To ensure proper summarization of recorded transactions as well as a final check of completeness, subsidiary ledgers and journals with control accounts need to be maintained. This is because individual transactions are the source of the ultimate product – financial reports.

Completeness can be achieved by using two techniques. One is to sequentially number all transactions via documents as soon as the transactions occur and then apply the control task of accounting for all the numbered documents completed in the processing. The use of “control totals” also provides information by which control is exercised. This is done by totaling the critical numbers before and after processing. When the two totals agree, one assumes that the processing is complete.

**Maintenance** – The objective of the maintenance controls is to monitor accounting records after the entry of transactions to ensure that they continue to reflect accurately the

operations of the business. The control system should provide systematic responses to errors when they occur, to changed conditions, and to new types of transactions. The maintenance function should be accomplished principally by the operation of the system itself. Control maintenance policies require procedures, decisions, documentation, and subsequent review by a responsible authorized individual. Disciplinary control tasks, such as supervision and segregation of duties, should ensure that the internal control system is operating as planned.

**Physical Security** – It is important in all organizations that the assets are adequately protected. Physical security of assets requires that access to assets be limited to authorized personnel. One means to limit access to assets and related accounting records is through the use of physical controls. Protection devices restrict unauthorized personnel from obtaining direct access to assets or indirect access through accounting records which could be used to misappropriate assets. Locked storage facilities restrict access to inventories, and locked cash drawers prevent access to petty cash. Transaction recording equipment limits access to assets by limiting the number of employees involved in recording and posting transactions, thereby minimizing the possibility of fraudulent misrepresentation.

**Procedures:**

The procedures provided below are *general* in nature to maintain an effective internal control system in any organization. Procedures *specific* to each key financial process/class of transaction of the District are provided in the sections throughout this manual, as listed in the table of contents.

**A. Determination of Validity**

Review all transactions and determine the validity of such (i.e., appropriate approvals have been obtained and/or comparisons have been made to the underlying documentation).

**B. Control of Documents**

Enter all transactions on a control document.

1. If a document is internally generated it should be pre-numbered and physical control should be maintained over unissued documents.
2. If the document is prepared externally it should be numbered immediately upon receipt, in sequential order.

**C. Check for Accuracy**

Check the mathematical accuracy of all supporting documents. The individual performing the check should initial or sign the document. The extent of checking can be either:

1. 100% recalculation; or
2. a check of amounts above (or below) a specified amount.



- D. Record in Appropriate Journals**  
As transactions are completed (and/or matched with other supporting documentation), enter into the appropriate journals or subsidiary ledger with a notation or cross-reference indicating the completeness of the transactions.
- E. Check for Completeness**  
Review the numerical control of items that have not been matched with supporting documentation (if required) or are not complete.
- F. Investigation of Unprocessed Transactions**  
Periodically investigate unprocessed transactions, performed by a person other than the record keeper, and corrective action taken.
- G. Segregation of Duties**  
Establish a separate control account to account for the completed items, which should be performed by an individual independent of the custodian of the journals or registers.
- H. Performance of Monthly Reconciliations**  
Perform monthly reconciliations between subsidiary records and control accounts to ensure that postings are correct and adjustments have been properly processed.
- I. Timely Investigation of Differences**  
Investigate all differences on a timely basis.
- J. Safeguarding of All Accounting Records**  
Safeguard all assets and the accounting records to prevent theft.

## **FINANCE POLICIES**

### **Policy Goals**

The comprehensive fiscal policies shall provide guidelines and goals that will influence and guide the financial management practices of the District. Fiscal policies that are adopted, adhered to, and regularly reviewed are recognized as a cornerstone of sound financial management. Effective fiscal policies should provide several essential benefits:

- Enhance short-term and long-term financial credit ability by helping to achieve high credit and bond ratings.
- Promote long-range financial stability by establishing clear and consistent guidelines.
- Direct attention to the total financial picture of the District rather than individual issues.
- Link long range financial planning with daily operations.

### **Policy Objectives**

By adhering to both the short and long-term fiscal policies, the District will achieve eight fundamentally sound financial objectives of a successful organization. These objectives may not be immediately achievable but through financial monitoring and control, they will eventually be realized. The principle objectives of sound financial management are:

- Synchronize the planning system with major capital investments: the Capital Improvement Plan (CIP).
- Identify and coordinate operational impacts of major capital investments.
- Reflect fiscal restraint in the annual budget, maintaining a managed reserve of not less than 90 days (3 months) of total operating expenses.
- Keep annual expenditures within revenue forecasts.
- Maintain a cash management system ensuring legality, security and liquidity.
- Evaluate cost effectiveness of departments through benchmarking and streamlining of operations where possible.
- Continue to diversify the District's revenue base.

## **LONG RANGE FISCAL POLICIES**

These policies will be developed based upon the Board's directives. The policies will be reviewed annually, and amended on an as-needed basis. Those policies that are adopted within the time frame for inclusion will be budgeted accordingly.

### **Decision Making and Analysis Policy**

The District's strategic/business planning and budgeting decisions are based on a number of advanced statistical analyses and economic/financial modeling. These specific tools are described below.

### **Financial Forecasting**

The District will develop and annually update a five-year financial forecast, which will include projections of revenues, expenditures and future costs and financing of capital improvements and other projects that are included in the capital budget and the operating budget. Historical growth rates, inflation assumptions, and District expenditure priorities will all be used in developing the forecast. This tool is used as a planning document for developing the budget guidelines and for evaluating the future impact of current year decisions.

The District will strive to develop a financial trend monitoring system. Where possible, trend indicators will be developed and tracked for specific elements of the District's fiscal policy and will include, but not be limited to:

- Revenue - Per Ride(er), Ad Valorem, per Service Contract
- Expenditures - Per Ride(er), Per Hour, Fixed Cost, Fringe Benefits
- Operating Positions – Deficit/Surplus, Reserve Balance
- Capital - Capital Outlay, Maintenance

### **Revenue Policy**

Revenues will be monitored regularly and compared to established prior year trends to ensure collections are consistent with the trends. When collections deviate from the trend, corrective action will be taken immediately.

### **Revenue Forecasting**

The District shall strive to maintain a diversified and stable revenue structure in order to shelter the District from short-term fluctuations in any one-revenue source. Projection of revenues and other resources are critical in order to understand the level of funding available for operations and capital purchases. Projections for future budget periods help determine the likelihood that operations can be sustained at current levels, and highlight future financial issues to be addressed. Preparing revenue projections also enhances the District's understanding of revenue sensitivity to changes in assumptions and to controllable factors such as changes to the fare structure and contract service rates. The District will prepare multi-year projections of major revenues and other resources.

### **Revenue Maximization & Diversification**

The District shall attempt to maximize all appropriate revenue sources to achieve an effective mix of revenues, and shall continually seek new sources of revenue to broaden

its revenue base. The District shall annually develop and update multi-year major revenue projections. Ad valorem tax levies shall not exceed statutory millage rates. In summary, the District shall adhere to the following revenue guidelines:

- The District will estimate its annual revenues by source.
- The District will periodically recalculate the full cost of operations currently supported by farebox recovery and outside revenue sources to identify the impact of inflation and other cost increases.
- The District will to maintain a stable and diversified revenue system to insulate it from short-term fluctuations in any one-revenue source.

The District encourages the diversity of revenue sources. All revenue sources have particular characteristics in terms of stability, growth, sensitivity to inflation or business cycle effects, and impact on tax and taxpayers. Diverse revenue sources can improve the District's ability to handle fluctuations in revenues and potentially help to better distribute the cost of providing service. A forecast of revenues and past collection history of at least five years will be prepared annually as part of the budget overview and reviewed prior to annual fiscal policy adoption.

### **Ad Valorem Taxes**

Ad Valorem tax revenues occasionally increase rapidly when assessed valuations increase and millage is not rolled back. Ad Valorem taxes are used primarily to fund general District operations.

### **Use of Current Revenues**

Although a number of options are available for financing the proposed capital improvement program, including local dollars and grants, it shall be the policy of the District to balance the use of these funding sources against the ability to utilize current revenue. The decision for using local dollars to fund a capital project shall be based on the merits of the particular project in relation to an agreed upon set of criteria. Initiatives that add to the operating expenditure base should be carefully reviewed and minimized (e.g., capital expenditures that significantly increase ongoing operating expenses without sustainable and offsetting long-term revenue plan).

### **Grants**

It shall be the policy of the District that all applications and acceptance of grant funds be approved by the Board of District Commissioners where the required matching contribution, if any, is greater than 80% of the total project. Approval may be given during the annual budget process, or may be presented as a separate Board item during the fiscal year if the grant has not been budgeted. Each grant application shall be reviewed for the appropriateness and desirability of the program or service, the availability of match dollars, and the projected impact on program continuation and future funding requirements.

Upon completion of the grant or project, each project shall be reviewed on a case-by-case basis to determine whether the program should be continued utilizing District funds. The decision to continue the program or project shall be made during the budget review

process. The District shall have no obligation to continue either grant-funded positions or grant funded programs if continued grant funding is not available. Based upon the Board's Strategic Objectives and preliminary budget guidelines, staff will make Grant allocation recommendations to the Board.

### **Fund Balance**

Fund Balances are monies which are not expended in a previous fiscal year. Components of fund balance are categorized as:

- Non-spendable - Inherently non-spendable (e.g., endowments, inventories of supplies)
- Restricted - Resources subjected to externally enforceable legal restriction, (e.g., Creditors, Donors, Grantors)
- Committed - Self imposed limitations set by governing body
- Assigned - Intended use of resources
- Unassigned – Total fund balance in excess of non-spendable, restricted, committed and assigned

Once a fiscal year has ended and is officially closed, any additional fund balance recognized (the difference between the budget and actual), unless it is grant funds, will be placed into reserves, grant funds will automatically be reallocated, if necessary, and subject to FTA or FDOT budget revision guidelines. When the reserves are at the level established for the fund, the excess funds will be identified and appropriated when possible, to non-recurring expenditures. Primary consideration will be for capital replacement.

### **Investment Strategy**

Maintaining the safety of the principal of the District's public investment is the highest priority in effective cash management. The secondary priorities are the maintenance of liquidity of the investment and optimization of the rate of return within the parameters of the Florida Statutes, respectively. Funds held for future capital projects shall also be invested in accordance with these objectives.

The District shall invest funds not immediately needed for current operations under an aggressive but prudent investment program, targeting 100% of cash balances for investment. The investment instruments must meet the criteria below in order of importance:

- Legality
- Safety of principal
- Liquidity
- Yield

The District's full Investment Policy was adopted on September 20, 1995 and revised in 2010.

### **Capital Projects Policy**

The District will adopt a Capital Improvement Plan / Program of Projects (CIP/POP) annually. Capital projects to be included in the plan are those with a life span at least one (1) year and a total cost of more than \$5,000. All capital improvements will be made in accordance with the CIP/POP as adopted.

Adopted budgets for CIP/POP projects will be based upon the adopted CIP/pop for the year applicable. The District will coordinate adoption of capital budgets with adoption of operating budgets. Funding issues will be discussed with the Board during review of the CIP/pop. Increases above the continued level of funding will identify the additional revenue source(s) needed to fund the projects.

### **Capital Improvement Program**

The District Board shall annually review a five-year Capital Improvement Program (CIP). The CIP is designed to balance the need for transit services with the fiscal capability of the District to meet those needs. The CIP serves as the planning guide for the implementation of projects in the District. The CIP process provides a framework for careful development of reliable capital expenditure, and revenue estimates. The CIP is an integral element of the District's budgeting process.

Once the Board has approved the CIP/POP, the first year shall represent the budget for the upcoming fiscal year. Once the project has been adopted in the budget, the budget will remain constant unless the CIP/POP is modified and approved by the Board. This will allow re-appropriation of the budget as necessary (allocation of fund balance) from year to year as long as the project is accurately presented on the CIP/POP.

### **Evaluate Capital Acquisition Alternatives**

The District shall develop specific capital project options for addressing capital needs that are consistent with financial, programmatic, and capital policies and should evaluate alternatives for acquiring capital assets.

Capital planning is necessary to give adequate consideration to longer range needs and goals, evaluate funding requirements and options, and achieve consensus on the physical development of the transit system. An evaluation of alternative techniques helps ensure that the best approach for providing use of a capital asset or facility is chosen based on the policies and goals of the District.

### **Asset Capitalization**

The implementation of the Governmental Accounting Standards Board (GASB) release number 34 forces all governments to capitalize infrastructure assets for financial statement presentation. The following set of guidelines is intended to document the policies and procedures governing how assets will be accounted for on the District's financial statements.

Capital assets will be grouped by category. The categories are intended to provide meaningful classifications that make the financial statement presentation both logical and as simple as possible. The following categories will apply to all fixed assets:

- I. Land and Land Improvements
- II. Buildings
- III. Rolling Stock
- IV. Shop and Support Equipment
- V. Office Furnishings and Equipment
- VI. Leasehold Improvements
- VII. Construction Work in Progress
- VIII. Leased Property (Capital)
- IX. Intangible Assets

**Capitalization Guidelines**

Florida Statutes 274.02 requires the Chief Financial Officer to establish by rule the requirements for the recording of property and for the periodic review of property for inventory purposes. Henceforth, the following capitalization thresholds will apply. District staff will continue to track assets using the dollar thresholds prescribed in these guidelines, but assets below the following dollar thresholds will be expensed in the year of purchase.

I. Land and Land Improvements – All purchased land will be capitalized at historical cost. Donated land for specific purposes which serves a public benefit will be capitalized at fair market value as of the date of the gift. This would include land for bus shelters, bus deployment pads, future construction, etc. Fair market value will be determined by the District counsel during the transfer process, and will be evidenced by reference to documentary stamps from the transaction.

It is still appropriate to maintain an inventory of those properties owned by the District.

Improvements to land for less than \$5,000 will not be subject to capitalization. Certain land improvements are not subject to depreciation, or to financial reporting under the Modified Approach, and distinctions between types will be necessary.

II. Buildings – New constructions of buildings for less than \$5,000 will not be subject to capitalization.

III. Rolling Stock – Rolling Stock will be capitalized at historical purchase price.

IV. Shop and Support Equipment – Shop and Support Equipment purchased for less than \$1,000 will not be subject to capitalization.

V. Office Furnishings and Equipment – Office Furnishings and Equipment purchased for less than \$1,000 will not be subject to capitalization.

VI. Leasehold Improvements –Improvements to buildings which are leased, and exceed \$1,000, will be capitalized in this category.

VII. Construction Work in Progress – All Work in Progress for Construction projects (Buildings, Shelters, Improvements) that are anticipated to exceed \$5,000 will be capitalized.

VIII. Leased Property – All lease categorized as capital leases under Statement of Financial Accounting Standards No. 13 that exceed \$5,000 will be capitalized.

IX. Intangible Assets – Intangible assets purchased or internally generated for less than \$1,000 will not be subject to capitalization. For capital asset reporting, intangible assets are assets that lack physical substance and have a nonfinancial nature such as computer software, easements, etc.

Donated infrastructure will be capitalized based on documents provided by the individual developer. These assets are most frequently supported by a “bill of sale” from the developer that evidences the developers’ cost for the assets, which also represents Fair Market Value.

### **Reserve Policy**

The District shall set aside reserves to address unforeseen and unexpected events and to offset unexpected downturns in revenues from budgeted estimates. Sufficient levels of reserves can ensure continued orderly operation and tax structure stability. It is an objective of the District Board to maintain a managed reserve in the operating fund at a level sufficient for temporary financing of unforeseen emergency needs and to permit orderly adjustment to changes resulting from termination of revenue sources through actions of other governmental bodies.

### **Risk Management**

The District will protect its assets by maintaining adequate insurance coverage. The District shall strive to reduce accidental losses that would endanger personnel and property. The District will continue to analyze all insurance alternatives and periodically assess each to ensure the best coverage overall is maintained.

### **Financial Planning**

Financial planning expands the District's awareness of options, potential problems, and opportunities. Long range revenue, expenditure, service implications of continuing or ending existing programs or adding new programs can be identified. The financial planning process helps shape decisions and allows necessary and corrective action to be taken before problems become more severe.

### **Department Performance**

The District shall identify and assess the departments and services that it provides, their intended purpose, and factors that could affect their provision in the future.



Changes in District conditions or other factors may result in a department or service no longer addressing the needs it was intended to serve. Also, changes in the operating environment may affect the cost or effectiveness of service delivery in the future. These changes must be understood before an assessment can be made of whether adjustments should be made. Each department has performance indicators, which are reviewed quarterly. In addition, each department has established benchmarks, which shall be reviewed during budget preparation.

### **Employee Wage and Compensation**

The District shall review all employee classifications and total payroll and benefits package for competitiveness with the market, including the private sector where applicable, at least every four years, and make such adjustments as are necessary to maintain fair and equitable compensation for all employees. It is a goal of the Board to treat employees equally with respect to pay, benefits and advancement opportunities.

### **Other Postemployment Benefits (OPEB)**

The Government Accounting Standards Board (GASB) statement number forty-five (45), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, addresses how state and local governments should account for and report their costs and obligations related to postemployment healthcare and other nonpension benefits. Collectively, these benefits are commonly referred to as *other postemployment benefits*, or *OPEB*.

The statement generally requires that state and local governmental employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

Because the only OPEB offered by the District is the ability to remain a part of the District-sponsored health plan (at no cost to the District), the only OPEB liability is the implicit rate subsidy being paid by the District. An analysis shall be conducted annually to determine whether this liability is material or immaterial.

### **ANNUAL POLICIES**

The Board will annually adopt a balanced budget as their yearly operating and capital plan. The budget will balance expenditures with revenues and be adopted as per the established timetable of the Truth in Millage Act (TRIM).

The annual budget will reflect revenue sources and expenditures of the District within each Department. The District's goal will be to pay for all recurring expenditures with recurring revenues and use nonrecurring revenues for nonrecurring expenditures. If a deficit appears to be forthcoming, the Board shall, upon recommendation of management, reduce appropriations or identify revenues, which could be increased. The budget will be

developed based upon guidelines that are established by the Board during an annual review during the budget preparation process.

**Financial Management**

There shall be monthly reporting for each department within the District. Each department will review the reports to monitor expenditures. In addition to the monthly reports, all revenue resources will periodically be reviewed.

**Audits**

In accordance with Florida Statutes, and FTA and FDOT grantee requirements, the District shall provide for an annual independent audit of its financial statements.

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Approved by: \_\_\_\_\_  
Tom Phillips, Executive Director

## **ACCOUNTING SYSTEM / PROCEDURES**

The District accounting system is operated in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), and has also been designed to satisfy the requirements of the Florida Uniform Accounting system as required by Florida Statute 218.33. The District operates under a fiscal year beginning October 1 and ending September 30 in accordance with Florida Statute 218.33.

The accounting system that the District uses was purchased from CYMA Corporation and consists of the Purchasing module, the Accounts Payable module (AP), the Accounts Receivable module (AR), the Payroll module (PR), and the General Ledger module (GL). The procedures for operating these modules are contained in a separate section. The District uses BNA Software for its Fixed Asset system.

In order to account for the various grants of the District, a series of accounts have been established within the GL. The purpose of the grant accounts is to account for specific grant activities in accordance with special regulations, restrictions, or limitations.

## **CYMA ACCOUNTING SYSTEM**

The District Finance Department began using CYMA IV Accounting for Windows, Not-For Profit Edition, version 9, effective 01/01/2007. The current version of the CYMA system is 11.4.1. The following is a summary of the CYMA Accounting for Windows system. Detailed procedures are contained within the separate Help functions for each module.

## **SYSTEM ADMINISTRATION**

The Chief Finance Officer is responsible for determining which employees are able to access the CYMA Accounting system and what modules and functions will be available to them. The System Administration module controls the modules that can be accessed and also the functions available within the individual modules. This security layer prevents operators from performing prohibited tasks.

Each operator has a unique password for accessing the system. All transactions entered into CYMA are tagged with the login ID of the operator who accessed the system. Each CYMA operator is held responsible for every transaction entered with his/her login name. For this reason it is vital that no one divulges his/her CYMA password to anyone else.

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## **GENERAL LEDGER MODULE**

The General Ledger module is used to enter and maintain the chart of accounts, enter journal entries and report on balances and/or transactions. The online system allows inquiry against actual and historical balances and posted transactions, editing and validation of journal entries entered into the system, and maintenance of the chart of accounts. The real-time system allows immediate update of GL accounts, the chart of accounts, and journal entries. Account balances and posted transactions are updated by the Chief Financial Officer as needed, but not less than weekly.

### **Journal Entries**

The input of journal entries is restricted to the Finance Department, and is assigned to the financial analysts by the Chief Financial Officer. These entries are then reviewed and posted by the Chief Financial Officer, or another analyst.

### **Viewing and Correcting Journal Entries**

Previously entered journal entries can be viewed on the Report Journal Entry Listings screen. Incorrect journal entries can be unposted using the Process Journal Entry screen. Unposting of journal entries can only be done by the Chief Financial Officer.

### **Adding/Changing Account Numbers**

The setup and maintenance of GL Account Numbers is done within the Finance Department by the Chief Financial Officer.

## **PURCHASING MODULE**

The purchasing module is used by the Procurement department to create purchase orders.

### **Requisitions**

Requisitions are created in the Aestiva web-based Requisition system. Once a requisition has been approved in Aestiva, it is converted into a Purchase Order in CYMA by the Procurement Department.

### **Purchase Orders**

The Procurement Department creates Purchase Orders based upon Requisitions that have been approved in Aestiva. When an invoice is entered into Accounts Payable that has a purchase order, the description, quantity, unit price and amount will automatically be pre-populated in CYMA. Purchase orders are either mailed or faxed to the vendors.

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## **Reports**

The Purchasing module includes reports that may be used to assist in balancing open obligations to the General Ledger. Reports are also available that show outstanding requisitions and purchase orders.

## **Security**

Only the Purchasing Dept. and the Chief Financial Officer within the Finance Department have the security to enter and modify purchase orders.

## **ACCOUNTS PAYABLE MODULE**

The CYMA Accounts Payable module contains information on vendors and their invoices. A/P controls the payment of invoices and keeps the historical information on invoices and vendors. A/P is also used to enter and maintain vendors and to write and cancel checks. Access to enter and process invoices in the Accounts Payable module is restricted to the primary employee (Financial Analyst) and Chief Financial Officer, with access being granted to another employee when needed for backup purposes. Detailed instructions for the entry and processing of invoices are contained in the A/P Module.

## **Invoice Entry**

Invoices are received from the vendor by the Finance Department, stamped with the date the invoice was received, and forwarded to the responsible department for signatory approval. The responsible department matches the invoice to the supporting documents and verifies that the invoice is complete, proper, and valid. The responsible department then sends the signed invoice along with any supporting documentation to the Finance Department. The A/P employee then checks the signature(s) and the GL account coding to determine that it is a valid account and appropriate for the type of expenditure. This check also ensures that the proper form was used to initiate payment. After checking the invoices (and credit memos), they are entered into CYMA and initialed by the A/P Associate.

For maintenance invoices, a cover sheet is prepared by the maintenance department, approved by the department head, which includes all necessary information to process the invoice. All other invoices are used in their original form with cover sheet.

## **Vendor Setup and Maintenance**

Vendors are set up and maintained in the A/P module. W-9 forms are sent out to each 1099 vendor if applicable and are kept on file in the Finance Dept. Only the Chief Financial Officer and Procurement departments have the security to set up and maintain vendors.

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## **Payments**

Payments are initiated in the A/P module of CYMA. When due, invoices are selected for payment by the A/P employee and approved by the Chief Finance Officer. Checks are printed from CYMA and along with invoices are forwarded to the Chief Finance Officer for signature (two signatures are required on all checks – see separate signature policy and signers). Checks are then returned to A/P employee for mailing; paid invoices are filed alphabetically by vendor.

## **Reports**

Accounts Payable comes with a variety of reports - most of which are input, invoice, payment or vendor related. There are several Invoice Register reports which are used to reconcile unpaid invoices with the GL payable balances.

## **Accounts Payable/Payment Procedures**

The primary purpose of the Accounts Payable/Payment Procedures is to establish and maintain adequate controls to ensure that all costs incurred are reasonable and allowable under OMB Circular A-87 and FTA Grant guidelines (specifically 49 CFR 18.20(b)(3) Internal Control).

## **Prepare Invoices for Payment**

- All invoices received are forwarded to the Finance Dept. for payment.
- The majority of invoices are for purchase of materials and supplies to be used by the Maintenance Department. Such invoices are approved by the Maintenance Dept. Manager (or another employee as assigned by the Executive Director), and forwarded to Finance with the appropriate receiving documentation.
- The Accounting personnel will verify the approval signature and receiving documents, attach a copy of the purchase order (if applicable and not already included), code G/L account number, enter into CYMA A/P system, and initial that the process has been completed in accordance with these procedures.
- Periodically (normally weekly) invoices are forwarded to Chief Finance Officer for final approval for payment. Chief Finance Officer initials that the review process has been completed, and that all policies and procedures have been adhered to.

## **Payment of Invoices**

- Accounting employee prints checks from CYMA A/P system, along with the check register, matches checks with approved invoices and forwards to the Chief Finance Officer for signatures (two signatures are required on all checks).
- Accounting employee receives signed checks with invoices, staples bottom part of two-part check to paid invoice, and retains in current paid invoice files.
- Accounting employee then mails or distributes checks to vendors or payees

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- The Chief Finance Officer, one (1) Accounting Analyst, the Director of HR & Risk Mgmt., the Director of Revenue Service, and Executive Director are the internal authorized signers. Checks in the amount of \$25,000 or more require at least one of the two signatures: Executive Director or Board Member.

## **PAYROLL**

The primary purpose of the Payroll Procedures is to establish and maintain adequate controls to ensure that all payroll costs incurred are properly paid and recorded.

The Time America, Inc. TA100 PRO Automated Time and Attendance System is used to record all hourly employees' time via a RFID chip imbedded in each employee proximity badge. Employees "swipe" their proximity badge over a wall-mounted time clock which records the time and employee ID. This data is then downloaded into the TA100 PRO system in the Finance Dept. by the payroll employee on a daily basis.

### **Preparing Payroll**

- The payroll employee "downloads" all hourly-employee time records from the time-clocks using the TA100 time system.
- Time sheets are printed for each employee, including exempt (not using time clocks) and distributes to departments for approval.
- The appropriate supervisory personnel in each department reviews the printed time sheets, making a note of any changes that have to be made, such as adjustments to timeclock entries, pay differentials, etc., and signs each timesheet as approved (any changes to timeclock entries must also be signed by the employees effective 5/1/07).
- Timesheets are returned to payroll employee and changes are made in the TA100 time system.
- Hours for each employee are then input into the CYMA payroll accounting system by an accounting employee other than the payroll employee (see separate procedures for detail processes involved in using the TA100 time system and the CYMA payroll system).
- Total hours are reconciled between the two systems prior to printing the payroll checks.

### **Printing Payroll Checks**

- Payroll employee prints checks from the CYMA payroll system, along with the check register, and forwards to the Chief Finance Officer for signatures (two signatures required on all checks).

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Tom Phillips, Executive Director

- Payroll employee receives the signed checks, detaches the bottom part of the three-part check and along with other Accounting employee(s) puts them into envelopes.
- Payroll employee then forwards checks to the Human Resources department for distribution to employees.
- The Chief Finance Officer, one (1) Accounting Analyst, the Director of HR & Risk Mgmt., the Director of Revenue Service, and Executive Director are the internal authorized signers.

## **DETAILED PAYROLL PROCEDURES** **(TA100 and CYMA)**

### **PHASE I**

- I. Download from each time clock.
  - A. Main (Located in the break room of the main office)
  - B. Shop (Located in the hall next to the maintenance manager's office)
  - C. Operations (Located in the Operations Portable)
  
- II. Get "Punch Data" by selecting the "TA100Pro" icon and logging in.
  - A. Select "Communications" on the menu bar.
  - B. Select "Poll" from the drop down menu.
  - C. Select "Add All" and then "Poll". (You can also select individual clocks if needed.)
  - D. Note: Depending on circumstances:
    1. If a clock poll fails then select a single clock to poll.
    2. If this fails check to make sure that the time clock is plugged in and powered on.
    3. With power to the time clock on, Ping the device via the command prompt to verify network connectivity.
    4. If necessary, power cycle the time clock to reestablish the network connection.
    5. If the TA100Pro "key" is removed from the original UBS port on the back of the hard drive you will have to change the Port number under "Communications" on the menu bar. (See the TA100Pro Manual for additional assistance).
    6. If unable to troubleshoot, send an email to [techsupport@ridecitrus.com](mailto:techsupport@ridecitrus.com) with an explanation of the problem. The IT Analyst will assist in resolving the problem.
  - E. As you Poll each clock you should see a series of numbers and or names come across your screen. Once the polling is done you will see a box that says "Processing Punches". (This should take a few seconds. If you haven't polled for a couple of days this will take several minutes due to the larger volume of punches to process.)
  - F. Once the polling is done, "Close" the "Clock Selection" screen.



- G. Go to “Daily Operations” and then “Employee” to view the timesheets by name. You can also sort this screen by employee “Code”.
- H. You can view previous week(s) punches and print individual timesheets from this screen. (To print by group or department “Close” this screen and proceed to the next step.)

III. Printing Timesheets for supervisor approval.

- A. Timesheets are to be printed for the prior week every Monday and distributed to the supervisors by 10am. (Or the next business day if Monday is a holiday.)
- B. From the main screen select “Reports” on the menu bar.
- C. Select “Period Reports” from the drop down menu.
- D. Select “Time Card (One Per Page)” and make sure “Individuals” is also selected at the bottom and click “Run”.
- E. Under “Date Range” select “Pay Period” and change the “Pay Periods Back” to “1”. (Even though we pay employees on a two week basis it is easier to work with timesheets one week at a time. You can also select “Special” to customize the dates you will see on the timesheet report.)
- F. Under “Employees”, select “Active”.
- G. You now have the option to print all employees together or to print by “Group”.
- H. Once you have decided who you want to print, click “OK”.
- I. The next screen gives you additional reporting parameters. “Status” should be “Both”, “Sort By” should be “Name” and “Group By” should be “None”. (That is as long as you’re printing only one group at a time.)
- J. “Output To” can be set to “Screen” (to ensure you’re printing the right report) and “Printer”. (When you are more comfortable with the process you can skip having to show the report on the “Screen”.)
- K. Once timesheets are printed, include a coversheet (and a holiday reminder memo if needed) and distribute to the managers and supervisors.

IV. Managers and supervisors will review the time card of each employee.

- A. Make proper corrections if necessary. (Missed punches or deduct lunches for employees that are not able to clock out due to route constraints.)
- B. Apply benefit time as requested and turn in the proper “Benefit Request” form to payroll.
- C. Indicate holiday time for approved holidays.
- D. Return timesheets to Payroll no later than 5pm Monday. (Day of the week and times are subject to change.)

**PHASE II**

- I. Review of Approved time cards from departments.
  - A. Match time card to computer for each employee.
  - B. Enter corrections and adjustments as required.

- C. You will apply the time adjustments in the Standard Time format. TA100Pro will translate your entry into Mathematical Time.
  - D. Enter approved benefit time as requested. (Also make an entry in Time Source.)
  - E. Enter holiday time when necessary. (Also make an entry in Time Source.)
  - F. Make sure total hours are correct. (TA100Pro will show a total for each regular and overtime hours. Then it will show a total of both together.)
- II. Printing payroll worksheets for entry into CYMA.
- A. Make adjustments if necessary on each employee worksheet.
  - B. Indicate date, type, and number of hours (i.e. Training, Lead, Handy Bus, etc...) to adjust when making entries into CYMA.
  - C. Make sure totals balance with worksheets.
- III. Printing an "Hours Report" in TA100Pro.
- A. Select "Reports" on the menu bar and "Period Reports".
  - B. Select the "Hours" report and then "Run".
  - C. You have the same options available as printing a regular timesheet but this report will show only hourly totals. (REG, OT1 & combined Totals)

### PHASE III

- I. Enter information from worksheet to CYMA payroll module
- A. Go to "ENTER" on the menu bar.
  - B. You can choose "Payroll" or "Quick Payroll". "Payroll" allows you to enter each person one at a time and make any special adjustments like pay differentials, bonuses, or advances.
    - 1. Employee number (ex: ADD999) or use the "magnifying glass" to search for an employee.
    - 2. Select Earnings Type "Hourly" and or "Overtime".
    - 3. Tab to the "Hours" & enter the amounts from the worksheets.
    - 4. Tab again & click "save" at the bottom of the screen.
    - 5. If you need to make adjustments like other earnings, bonuses, or advances you would click on the "Default & Prompt Amounts" tab.
    - 6. You can then enter the dollar amounts & click "save".
    - 7. If there are not any features under this tab you will have to cancel out of this screen and go to the employee's profile to add the feature.
  - C. Check list
    - 1. Regular hours
    - 2. Overtime hours (Benefit time is paid at straight time)
    - 3. Total hours (must balance to worksheet)
  - D. Go to "Process" on the menu bar.
    - 1. Calculate Payroll

2. Either chose to “Select All” or you may click on individual people to calculate.
3. Generate.
4. Calculate.

II. Balance the “Proof” report to the “Hours” report from T.A.

1. Total hours should match worksheet.
2. Make sure each person’s GL # is correct.
3. If they do not match you must make sure the “Proof” report matches the hours on the worksheets.

**Phase IV**

I. Printing Checks

- A. Go to “Process” on the menu bar.
- B. Once Generate and Calculate is completed and hours match. Click Print Check.
  1. Bank ID is 10050 for the Wachovia – FL account. (payroll account)
  2. Check Date – verify with Chief Finance Officer date to be used.
  3. Check Number – it defaults to the next check in sequence
  4. Click on “Check Count” to verify how many checks are ready to print.
  5. “Sort By” should always be “Department”
  6. Verify printer selected is the one you are using.
  7. Change Direct Deposit File Path to reflect preapproved file directory name.
  8. Place checks in printer, face down with the check part closest to you.
  9. Print

II. Payroll Check Register

- A. Go to “Report” on the menu bar
- B. Current Period Reports
- C. Current Check Register then click “Continue”
- D. Select “Printer” & “Run”

III. Payroll Journal – this report gives you exact detail of the checks.

- A. Go to “Report” on the menu bar
- B. Current Period Reports
- C. Current Payroll Journal then click “Continue”
- D. Select “Printer & “Run”.

IV. Deduction Register

- A. Go to “Report” on the menu bar

- B. Current Period Reports
- C. Current Deduction Register then click “Continue”
- D. Select “Printer & “Run”.
  1. Use the child support information to balance to the WWW.EXPERTPAY.COM profile & pay this online.
  2. Use the Defferred Comp Matched & Un-Matched information to balance to the WWW.NRSSERVICECENTER.COM profile & pay this online.
- E. Prepare Deduction Register for the following to pay:
  1. Credit Union (AP Associate to Fax list for AutoPay)
  2. Child Support not set up for EFT. (AP Associate prepares checks to include remittance coupons)
  3. Department of Education (AP Associate prepares check)
  4. United Way (AP Associate prepares check)
  5. Or other court ordered garnishments.
  6. Nationwide Retirement (WebPay via online access)

#### **Phase V**

- I. Posting Payroll to General Ledger
  - A. Post Current Payroll to General Ledger (creates entry in GL to be posted by Chief Finance Officer)
  - B. Print GL Distribution and PR Tax Summary reports
  - C. Close Payroll

#### **PASS SALES REVENUE - DAILY COUNT PROCEDURES**

- Obtain Control Log located in the Finance Department. Gather necessary items for count ie: keys, for the pass sales vault also located in the finance dept, inside the lock box and a deposit bank bag. Take to count room.
- Sign in Control Log (both counter and observer) and use current date. Add start time for pass sales deposit.
- Retrieve pass sale receipt book from front desk clerk and make copies of beginning to ending pass receipts from previous day. Give receipt book back to front desk clerk.
- Count Clerk open’s the safe box (located behind front desk) retrieve all envelopes dropped from previous day. The observer reassures safe box is empty. Safe box is locked and both counter and observer take the envelopes and receipt book copies to the count room for verification and count
- Count Clerk opens all envelopes and verifies cash or check amounts to original receipt while observer compares all information being stated by counter on the

- receipt copies made. The count clerk must check amount box, type of payment, and initial and date the top of each receipt and the observer must do the same.
- Count Clerk runs a tape of each type of receipt (cash, credit card, check/money order) and a grand total. The observer takes the tape and verifies to each receipt and attaches tape to the front of the copied receipt log
  - Observer then counts all currency and puts it into an envelope. And completes the deposit slip for the general checking account. Put deposit slip and envelope, checks/money orders into a deposit bag
  - Then Count Clerk takes each original receipt and puts them in numerical order, and all type of passes sold, quantity, and monies used for payment into deposit spread sheet located at F:\Accounting\Deposits Spreadsheet\ select year.
  - Count Clerk prints out deposit sheet and signs and dates (confirming the totals match deposit going to the bank) then passes to counter to sign and date
  - Original receipts are attached to the back of a copy of the deposit spread sheet and attached with the copied receipt book pages
  - Count clerk goes to front desk and initials and dates top of each receipt in the original book to match the copies of such
  - Complete control log, both counter and observer signs out and enters totals (cash, checks, and total deposit) and initials to verify amounts written up in deposit and the ending time
  - Control log is filed back on the bookshelf and the keys to the safe box are put back in the lock box in the finance dept.

## **PASSES ISSUED / INVENTORY PROCEDURES**

Bus passes are secured in a locked cabinet, located in the vault room, except for a working supply kept at the front desk. All requests for passes are controlled by the Finance Department. Following are the procedures used in the process of issuing passes.

### **Issuing of Passes from Inventory**

- Each day pass inventory must be updated for all passes requested from the finance department by front desk or other departments.
- A Request Form for Passes must be filled out by Finance and signed by requestor.
- Finance clerk obtains passes from secured cabinet in vault room and records pass types and numbers on Form.
- Passes are delivered to requester who signs Form as passes have been received.
- Another Finance clerk records pass numbers into Excel spreadsheet "Pass Control Inventory".

### **Inventory of Passes**

- Periodic pass inventory takes place by finance employee and observer.

- The finance clerk and observer count passes at front desk and vault room, verifying pass numbers and types of passes
- Compare passes counted to excel spreadsheet "Pass Control Inventory" and reconcile actual inventory to Pass Control Inventory.
- Account for any differences and document.

### **FAREBOX DAILY REVENUE COUNT PROCEDURES** **(Also refer to Pass Sale Procedures)**

- Obtain Fare revenue control log located Finance Department
- Counter and Observer proceed to secured count room (with camera monitoring)
- On computer in count room access files at F:Acctg-finance/farebox counting sheets/*selectFY/select current month*,
- Assemble all items needed to begin count, i.e.; plastic gloves, manifest, bags, tags, boxes for dumping monies, deposit book, money bands.
- Attach bags to coin counter, hold down the clear key while powering on machine to clear all previous totals.
- Both observer and counter then dress in protective count coveralls & gloves.
- Retrieve money from vault to begin verification process; turn on currency counter and pull cart up to computer used for counting.
- Count clerk runs coins through coin counter to verify totals on spreadsheet on the computer, and runs currency through currency counter to verify all totals.
- Accept tape on coin counter and write date monies applied to at top of tape to determine type of revenue
- Observer clerk runs remaining currency through the currency counter, bands all necessary currency, puts into bag with deposit slip (currency only), which is written up by count clerk, the bag is then sealed.
- Observer writes up manifest from tape ran from the coin counter and deposit slip from currency and uses this total to make up bag tags to attach to each bag for complete deposit
- Give completed manifest copies and original spreadsheet to assigned accounting clerk for journal posting
- Loose coins (not counted in coin count machine) are secured separately in the vault, recorded daily and deposited monthly.

## **Receivables / Receipts Procedures**

The primary purpose of the Accounts Receivable/Receipts Procedures is to establish and maintain adequate controls to ensure that all non-fare Receivables and Receipts are accounted for properly and in compliance with FTA Grant guidelines (specifically 49 CFR 18.20(b)(3) Internal Control).

### Prepare Invoices For Billing:

Invoice billing is limited to the few customers ordering bus fare passes in bulk, and customers with advertising or service contracts. The following basic procedures are followed:

- In CYMA; log into CYMA and Accounts Receivable module.
- Enter – Invoices
- New
- Verify Date; Posting Date to be the dates you want to use.
- Customer (F4 will bring up a list of customers to chose from)
- Verify information in all fields to be accurate
- Enter Purchase Order Number and/or reference number
- Product ID – F4 for list
- Enter Quantity
- Enter Unit Price
- Verify default GL account number make necessary changes
- Save
- Process – Generate/Print Invoices
- Print Proof
- Forward Proof listing to Chief Finance Officer for approval.
- Generate/Print
- Forward to customers for payment.

### Receipts (non-fares):

Non-fare receipts are received by mail, over-the-counter, or online, either in the form of cash, check, money order, or credit card. An imprest cash fund is maintained at the reception area and balanced daily (refer to pass sales procedures). Checks received by mail are forwarded to the Finance dept. where the accounting employee prepares the deposit as follows:

- Stamp check with “For Deposit Only”
- Log into Wells Fargo portal
- Run Check through Teller Digital Check scanner
- Copy Check
- Print Deposit information from Wells Fargo portal
- Access spreadsheet Deposit Form located at F:Acct-Fin\Deposits Spreadsheet\ [current year]
- Fill in all necessary information, such as vendor name, invoice numbers if any, and check amount as back up for deposit being made.

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- Change header to reflect the account code for that deposit to be used when posting to cash receipts journal.
- Make 2 copies of each check to attach to back of spreadsheet
- File Deposits in appropriate file for given month.
- File original check in box; paperclip calculation tape with date deposited to check.

## **FRONT DESK RECEIPT PROCEDURES**

### **Use 3-Part Receipt as follows:**

**Original White Copy:** Clip to Payment-Write Receipt # on Envelope, Seal & Drop in Slotted Mini-Safe

**Yellow Copy:** Give to Customer with Passes

**Pink Copy:** Stays in Receipt Book

### **Completing Receipt Form:**

- Date
- Check Number (if payment is made by check)
- Name of Person/Organization Receiving Passes
- Total \$ Amount Received
- Quantity & Type of Passes and Pass Numbers
- Check-Off Means of Payment
- Amounts Paid
- Name of Employee Selling Passes/Receiving Payment
- Extra Space if Needed

If an error is made on receipt or customer changes their mind, write "VOID" across receipt; write receipt # on envelope; enclose white & yellow copy, and seal. Drop in slotted mini-safe. Proceed to next numbered receipt.

## **INVENTORY RECONCILIATION PROCEDURES**

Inventory consists solely of spare parts used by the Maintenance department, where a perpetual inventory is maintained using the iMaint software program. This inventory includes quantities as well as cost. On a monthly basis the Inventory Valuation Report is forwarded to the Finance Dept. for usage of spare parts inventory. Reconciliation of these reports in Finance is outlined below.

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- The accounts payable process records all purchases of inventory into the GL (see separate Accounts Payable/Payment Processing procedures).
- Accounting employee reviews monthly inventory usage reports received from Maintenance Dept. prepared from iMaint program. Review for reasonableness and follow up on any unusual items.
- Monthly, a GL adjustment is made by the financial analyst to record actual inventory amount. (This entry will be to reduce Inventory and increase Materials and Supplies Expense).
- Annually, in conjunction with the Independent Audit, a year-end inventory is taken and adjusted by the Finance Department.

### **FIXED ASSET RECORDING AND RECONCILIATION PROCEDURES**

Fixed Assets consist primarily of Rolling stock, equipment and furnishings. The purpose of these procedures is to establish controls to account for such assets and comply with the requirements of 49 CFR 18.20(b)(3) Internal Controls and 18.32(d)(1) Equipment Management Requirements. BNA Software is maintained for recording purchases, dispositions and balances for each category and in total, along with the related depreciation. Following are the basic procedures followed to record and reconcile fixed assets.

- Any disbursements for Fixed Assets must follow the Finance Policies and Procedures for Accounts Payable/Payments.
- Any disbursements that are capitalized as fixed assets are entered into BNA by the Finance Dept.
- All capitalized assets are tagged with an asset ID number, which is tracked within the database. The database shall also include other documentation required by 49CFR18.32(d)(1).
- A physical inventory of the assets shall be taken at least once every two years, to be coordinated between the Maintenance Dept. and Finance.
- All dispositions will be made in accordance with 49CFR18.32(e). Appropriate documentation shall be maintained in the Finance Dept.
- The database shall be reconciled with the GL by the Financial Analyst annually during the year end procedures.

### **FIXED ASSET REVIEW FOR IMPAIRMENT / ESTIMATED USEFUL LIFE**

Annually, a review shall be conducted to identify any impaired assets, as defined in Governmental Accounting Standards Board Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*.

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The review shall be conducted with the Financial Analyst, Chief Financial Officer, and District staff responsible for the custody of each capital asset. The review shall be conducted to identify any assets that have suffered a loss in value as a result of damage, obsolescence, change in manner or duration of usage, or as a result of changing laws and / or regulations. An asset shall be considered impaired if both (a) the decline in utility of the asset is large in magnitude, and (b) the event or change in circumstance is outside the normal life of the asset.

In the event that an asset is deemed to be impaired, the asset value will be reported at the lower of the carrying value or fair value.

This procedure shall also include a review of the asset's estimated useful life. In the event that an asset is determined to have a reduced useful life compared to the initial estimate, an adjustment will be made to the depreciation schedule for that asset.

### **FUND BALANCE POLICY**

The District has adopted a Fund Balance policy that includes guidance on the nature and classification of the Enterprise fund, and any reported fund balance components.

This policy also governs that required amount of reserve funds to be maintained to meet cash flow needs and to ensure solvency.

### **COST ALLOCATION PLANS**

The District shall update annually, any Cost Allocation Plans on file with the FTA or FDOT.

- a. General. Under federally funded grant or cooperative agreement programs, recipients may incur costs of both a direct and indirect nature. A cost allocation plan is required if a recipient desires to charge indirect program-related costs to an FTA project.
- b. Definitions.
  - (1) Direct costs are those that can be identified specifically with a particular project. These costs may be charged directly to a grant or cooperative agreement project.
  - (2) Indirect costs are those that are incurred for a common or joint purpose benefiting more than one cost objective;

- (a) Not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved; and
- (b) Originating in each of the recipient's operating or organizational units (as well as those incurred by others in supplying goods, services, and facilities to each unit).

Examples of indirect costs are operation and maintenance of buildings and expenses of other non-project related management and their immediate staff. Principles and standards for determining costs applicable to grants, cooperative agreements, and contracts with recipients that are state or local agencies are presented in OMB Circular A-87.

c. Types of Plans. There are two types of cost allocation plans presented in OMB Circular A-87:

(1) The first plan covers the distribution of costs of support services provided by a state/local government to its operating agencies and is referred to as a state or local government-wide central service cost allocation plan.

(2) The second plan covers distribution of costs within an individual recipient or contractor (i.e., operative) agency, including costs of services allocated to it under the state or local government-wide central service cost allocation plan, for all work performed by that agency. This second type of plan is commonly referred to as an indirect cost plan.

The District shall keep and update two (2) cost allocation plans on file with the FTA and / or FDOT:

1. **Operating Cost Allocation Plan.** The Operating Cost Allocation Plan shall be an entity-wide cost allocation plan that allocates total operating costs to each respective mode of operation (MB, DR, Van Pool, etc).
2. **Preventive Maintenance Cost Allocation Plan.** The Preventive Maintenance Cost Allocation Plan shall be a departmental cost allocation plan the allocation of preventive maintenance costs (labor, fringe benefits, etc.).

## FEDERAL GRANTS REPORTING (TEAM) PROCEDURES

The District is required to file a quarterly Federal Financial Report (“FFR”) and Milestone Status Report (“MSR”) for each open FTA grant. These reports summarize the financial status (dollars spent, obligated, and reimbursed) and project status (project timeline and description) for each grant. Reporting is performed in the TEAM-Web online application.

### Federal Financial Report

The following is information for reporting the Federal Financial Report:

#### I. Summary Tab

1. *Employer Identification Number (EIN)* – Enter the Employer Identification Number. The EIN is also known as a Federal Tax Identification Number
2. *Work in Progress/Submit Report* – Select “Work in Progress” or “Submit Report”. Select “Work in Progress” to prepare the report. Once the report is complete and ready for submission, select “Submit Report”.
3. *Report Type* – Select whether the report is Quarterly, Monthly, Annual or Other
4. *Period* – Enter the reporting period from the drop-down menu.
5. *Final Report?* – Enter if the report is final or not. In the drop down menu select, “Yes, Final Report” or “No, Not Final Report”. The report will be final if all the activities in the grant are completed, the funds are drawn down, there are no unliquidated obligations, and the milestones are closed. Once the final report is submitted, the grant is ready for closeout. Please notify your Regional Program Manager.
6. *Indirect Expense* – If a grantee is charging indirect costs to the grant, complete this section. Enter to total amount of indirect expenses incurred on a cumulative basis. Please note that a grantee must have an approved cost allocation plan in order to incur these expenses.
  - a. *Type* – Enter indirect expense type from the drop down menu
  - b. *Rate* – Rate approved by the cognizant agency
  - c. *Base* – Total base amount from which the indirect cost rate is determined
  - d. *Period from / Period to* – The period covered by the approved rate
  - e. *Amount Charged* – Total amount of indirect expenses charged to the grant on a cumulative basis
  - f. *Federal Share* – Federal share of the indirect expenses charged

II. Financial Status - the information in this section is on a cumulative basis, except for the three expenditures lines.

- A. *Federal Cash on Hand* at beginning of period – Enter any cash on hand if any at the beginning of the grant. In most instances, this line will be zero.

- B. *Federal Cash Receipts* - Enter the cumulative amount of actual cash received from FTA for this grant as of the reporting period end date. Report this amount on a cash basis
- C. *Federal Cash Disbursements* - The cumulative amount of Federal fund disbursed as of the reporting period end date. Disbursements are the sum of actual cash disbursements for direct charges for goods and services, the amount of indirect expenses charged to the grant, and the amount of payments made to subrecipients and contractors. Report this amount on a cash basis
- D. *Federal Cash on Hand at End of Period* – This is the sum of lines A + B – C and it is populated by TEAM. If there is Cash on Hand, FTA requires an explanation in the Remarks and Certification Tab, explaining why the drawdown was made prematurely or other reasons for the excess cash.
- E. *Total Federal Funds Authorized* – This is the total amount of all federal funds in the grant including amendments. TEAM populates this field.
- F. *Federal Share of Expenditures* – Of the total project costs, enter the amount FTA will participate. You can enter this information in either the “This Period” section or the “Cumulative section”; however do not enter in both sections. Expenditures are the total project costs (less any rebates, refunds or other credits) incurred on the accrual basis of accounting. Example of expenditures are: (1) the sum of cash disbursements for direct charges for property and services; (2) the amount of indirect expense incurred; (3) the amount of in-kind contributions, and (4) net increase or decrease in Accounts Payable or Accrued Expenses
- G. *Recipient Share of Expenditures* – Of the total project costs, enter the amount the grantee will pay. You can enter this information in either the “This Period” section or the “Cumulative section”; however do not enter in both sections. Enter the recipient share of actual cash disbursements or outlays (less any rebates, refunds, or other credits) including payments to subrecipients and contractors. This amount may include the value of allowable third party in-kind contributions. Note: On the final report, this line should be equal to the Total Recipient Share Required (Line N). Report this amount on an accrual basis
- H. *Total Expenditures* – Total of all expenditures (total project costs) as of the end of the reporting period. TEAM populates this field – lines F + G.
- I. *Federal Share of Unliquidated Obligations* - Enter the Federal portion of unliquidated obligations (binding commitments entered into for goods and services not yet received. On the final report, this line should be zero. Report this amount on an accrual basis
- J. *Recipient Share of Unliquidated Obligations* – Enter the local share of unliquidated obligations.

- K. *Total Unliquidated Obligations* – Total of grantee binding commitments entered into for goods and services not yet received. TEAM populates this field – lines I + J.
- L. *Total Federal Share* - The total FTA is expected to contribute to the Total Project Costs. This is the sum of Federal Share of Expenditures (Line F) and Federal Share of Unliquidated Obligations (Line I). TEAM populates this field – lines F + I.
- M. *Unobligated Balance of Federal Funds* – Federal share of the grant the grantee has not entered into a binding commitment. TEAM populates this field – lines E - L.
- N. *Total Recipient Share Required* – This amount represents the total required recipient share for the grant including amendments. The required recipient share should include all matching and cost sharing provided by recipients and third-party providers to meet the level required by FTA. TEAM populates this field.
- O. *Remaining Recipient Share to be Provided* – The Total Recipient Share required (Line N) minus the sum of Recipient Share of Expenditures (Line G) and the Recipient Share of Unliquidated Obligations (Line J). TEAM populates this field.
- P. *Federal Program Income on Hand at the Beginning of the Reporting Period* – Enter any unspent Federal Program Income on hand at the beginning of the grant. In most instances, this line will be zero.
- Q. *Total Federal Program Income Earned* - Enter the amount of Federal program income earned as of the end of the reporting period. Program income is gross income received by the grantee or subgrantee directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period. Examples: income from (1) fees for services performed, (2) from the use or rental of real or personal property acquired with grant funds, (3) from the sale of advertising and concessions, and (4) from the sale of commodities or items fabricated under a grant agreement.
- R. *Federal Program Income Expended in Accordance with the Deduction Alternative* - Enter the amount of program income that was used to reduce the Federal share of the total project cost. **Only to be used if the grantee does not exercise the provisions of the Common Rule @ 49 CFR part 18.25(g)(5).** As a rule of thumb, this field is zero.
- S. *Federal Program Income Expended in Accordance with the Addition Alternative* – FTA does not allow this method – this field is zero.
- T. *Federal Program Income Expended on Allowable Transit Capital and Operating Expenses* - Of the Federal program income earned, enter the amount the grantee is allowed to spent on allowable transit capital and

operating expenses as provided in the Common Rule at 49 CFR part 18.25(g)(5)

U. *Unexpended Federal Program Income* - TEAM populates this field.

### **III. Remarks and Certifications**

1. *Recipient Remarks* - This box is for the grantee to provide comments and provide any explanations or information deemed necessary for the review of the report.
2. *Certification checkbox* – Before submitting the report, check the certification box. Please note the certification language. The name of the TEAM user and the date is automatically populated.
3. *FTA Remarks* – This box is for the FTA reviewer to provide comments for both the FFR and MPR. Once FTA completes the review of the data, the reviewer will enter any comments in this box. The reviewer will contact the grantee by email if FTA added comments

### **Federal Financial Report Procedures**

It shall be the responsibility of the Chief Financial Officer or Financial Analyst to complete the quarterly FFRs no later than 30 days after the end of the fiscal quarter. The information to be reported on the FFR is contained in CYMA, under Fund 9.

To complete the FFR:

1. Query the G/L detail for all Fund 9 grant accounts (9-149-XXX-XXXX), where XXX-XXXX represents the FTA grant number sequence.
2. Export the data to an .xls file for inclusion in the Grant Reconciliation file, located in each grant folder under F:\ACCTG-FINANCE\Grants\Federal\
3. For each grant with activity in the fiscal quarter, copy the G/L detail to the G/L Detail tab in the .xls file.
4. Copy the previous fiscal quarter summary tab and update the beginning balance formulas to reflect the previous quarter ending balance and zero out the current quarter activity.
5. For each ALI, reference the G/L detail information on the G/L Detail tab for the current G/L information.
6. In TEAM, enter the relevant information in the FFR form, and certify when complete.
7. Submit the FFR

### **Milestone Status Report Procedures**

It shall be the responsibility of the Chief Financial Officer or Financial Analyst to complete the quarterly MSRs no later than 30 days after the end of the fiscal quarter. The information to be reported on the MSR can be obtained from the project manager responsible for each grant ALI.

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Tom Phillips, Executive Director

To complete the MSR:

1. In TEAM, select the appropriate grant, and select MSR from the menu.
2. For each Activity Line Item (ALI) update the start and completion dates for all open projects, if necessary.
3. For each open ALI/Milestone, provide a descriptive update for that specific project, including significant progress accomplished during the quarter, and any reasons for adjusting timeline, including project delays for any reason.
4. Submit the MSR.

### **FEDERAL GRANTS PAYMENT REQUEST PROCEDURES**

The Executive Director or Chief Finance Officer are authorized to request payment using the FTA TEAM-Web “ECHO” process. After proper grant expenditure and disbursement have taken place, and after the disbursement has been “paid” by the bank, the following procedures relate to requesting the grant funds for reimbursement.

- Identify if funds are available in grant
  - o Excel Grant Balance Spreadsheet -F:Accounting/Grants/Balance
  - o Team
- Sign on to ECHO-Web
- Initiate Funds Transfer Request
- Print request and stamp “Preparer/Reviewer.” Sign as Preparer.
- Include proper supporting documentation (invoices and checks) and request Executive Director approval
- Enter grant funds receivable in CYMA
  - o Debit G/L FTA Grant funds receivable (operating or capital)
  - o Credit G/L FTA Grant Funds Receivable (operating or capital)
- When funds received via ACH deposit in bank acct 1992 enter in CYMA and print copy of ACH deposit
  - o Debit G/L Wells Fargo Operating Account
  - o Credit G/L FTA Grant Funds Receivable
  - o Note on echo request date funds received and posted to G/L and attach copy of ACH deposit
  - o Note on excel annual audit spreadsheet- date funds received

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Tom Phillips, Executive Director



## **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (SEFA) COMPILATION AND REVIEW**

The preparation of the annual Schedule of Expenditures of Federal Awards and State Financial Assistance (“SEFA”) is a requirement under OMB Circular A-133. The preparation and review of this schedule is audited in accordance with State and Federal Single Audit Act, and is meant to ensure that state and federal funds are expended properly.

The following are the procedures to be followed for the preparation of the SEFA:

1. The general ledger details for all state and federal grant accounts should be pulled from CYMA, and compared to the trial balance to ensure that all grants are reviewed
2. For state grants, the expenditures are to be reviewed to ensure that they are reimbursable costs under the terms of the Joint Participation Agreement (“JPA”) or grant agreement. For federal grants, the expenditures are to be reviewed to ensure that they are reimbursable costs under the grant agreement, and also the project description for the respective Activity Line Item (“ALI”)
3. For federal grants, the expenditures are to be summarized by ALI for each grant and entered into the grant summary schedule.
4. Once all costs have been summarized, the formulas in the spreadsheet are to be checked to ensure proper calculation of the annual costs charged to each grant.
5. Once all calculations have been verified, the total annual expenditures from each grant are to be entered into the SEFA.

The following are the procedures to be followed for the review of the SEFA:

1. Once the SEFA has been prepared, the reviewer is to review the procedures for the preparation of the schedule.
2. The reviewer is to verify that each step of the preparation has been followed, including the verification that all costs charged to the grant are reimbursable costs by reviewing the JPA or grant agreement.
3. The reviewer is to verify that each amount on the SEFA matches the amount shown on the summary schedule
4. The reviewer is to verify that all grant identifying information (Grant number, CFDA, etc) is also correct.

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Tom Phillips, Executive Director

**APPENDE X I**Prompt Payment Administrative Policy**ADMINISTRATIVE POLICY**

The Florida Prompt Payment Act ("ACT") codifies a policy in the State of Florida that requires all government entities to pay vendors for purchases in a timely manner; and includes procedures that define promptness of payment, and outlines the procedures that shall be followed for disputes between vendors and government entities.

The ACT mandates that "to pay in a timely manner" means payments to vendors by local governments shall be due not later than 45 calendar days from the due date specified in the ACT (or 20 business days for construction contracts).

To abide by the ACT's timely manner standard of 45 calendar days (or 20 business days), the District has adopted the following administrative policy. This policy shall incorporate the "Florida Prompt Payment Act" (Ch. 89-297, s 4, Laws of Fl.) and as it may in the future be amended.

**A. PROPER INVOICE REQUIREMENTS**

To process payment for goods and/or services received, it is essential that the Finance Department receive a proper invoice which is acceptable to the LAMTD. Following are the requirements for an invoice to be considered a proper invoice for payment:

1. Name of Vendor
2. Address of vendor where payment is to be mailed
3. Delivery date, delivery location, and delivery terms as set forth on the LAMTD purchase order for goods or services
4. LAMTD purchase order number as required under the LAMTD's Purchasing Policies and Procedures Manual
5. Emergency purchases (those which may not involve the use of a purchase order) should indicate the name of employee or LAMTD representative who requested the purchase
6. The vendor's payment terms and invoice date
7. The taxpayer identification number for vendors who are not incorporated

8. For invoices involving the purchase of goods, the invoice should contain the following information which is accurate, complete and consistent with the authorizing purchase document or verbal order:
  - a. Item description
  - b. Quantity purchased
  - c. Unit price
  - d. Extended total price for each item
  - e. Total amount of invoice with applicable discounts
  
9. For invoices that involve the rendering of services, the invoice should contain the following information applicable to the purchase which is accurate, complete, and consistent with the authorizing purchase document or verbal order:
  - a. Itemized description of services performed
  - b. Date services were rendered
  - c. Billing method for services performed (approved hourly rates, percentage of completion, cost plus fixed fee, direct (actual) costs, etc.)
  - d. Itemization of other direct reimbursable costs (description, amount)
  
10. Any other information required by written agreement or contract with the LAMTD of Lakeland.

## **B. DELIVERY AND ACCEPTANCE**

All invoices and correspondence concerning invoices relating to the District shall be delivered to Lakeland Area Mass Transit District, Finance Department, PO Box 1687, Lakeland, FL 33802.

Goods and services WILL NOT be deemed received by the LAMTD even though physical delivery has occurred if the vendor has not complied with all terms of the purchase order and/or other contractual agreement. The LAMTD may refuse acceptance of any portion or all services or goods delivered. In this event, the LAMTD may make payment based upon the actual portion of goods or services received and accepted by the LAMTD.

## **C. CALCULATION OF PAYMENT DUE DATE**

Each invoice received by the Finance Department shall be marked as having been received (date stamped) on the date on which it is first delivered to the Finance Department. The date marked shall be the date on which the invoice is received. In addition, each department for which goods and/or services are received shall indicate on the receiving document the date such goods or services were received, and said date shall be the ACTUAL date of receipt of goods and/or services.

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The Finance Department shall make payment to the vendor no later than 45 days (or 20 business days for construction contracts) from the date on which a proper invoice is received by the Finance Department.

#### **D. NOTIFICATION OF IMPROPER INVOICE**

Generally, when the LAMTD receives an improper invoice, which may result in payment being delayed in excess of 45 calendar days, the LAMTD will attempt to notify the vendor within 10 days after the improper invoice is received and indicate what corrective action is needed to make the invoice a proper invoice. The LAMTD shall not be obligated to return the invoice. Upon notification that the invoice is improper, the vendor should immediately take corrective action by issuing a replacement invoice which is a proper invoice.

#### **E. APPOINTMENT OF HEARING OFFICER**

The LAMTD Executive Director or his/her designee is hereby appointed as the Prompt Payment Hearing Officer. The responsibility of the Hearing Officer is to render decisions regarding the compliance with Florida's Prompt Payment Act and District policies and procedures. Hearing Officer decisions shall be rendered exclusively for, and limited to, disputes that directly relate to the promptness of payment by the LAMTD to vendors. The rendering of the Hearing Officer's decision shall be final. The Prompt Payment Hearing Officer may adopt such written rules and procedures as the Hearing Officer deems appropriate for the exercise of responsibility to render decisions, so long as such written rules and procedures are approved by the Chief Financial Officer, and are not inconsistent with the Florida Prompt Payment Act or this resolution. The Finance Department shall provide administrative support to the Hearing Officer. This support shall extend to administrative assistance, document control, records management, and other support necessary for the Hearing Officer to render decisions.

#### **F. DISPUTE RESOLUTION PROCEDURES**

A dispute may arise between the LAMTD and a vendor as a result of the vendor's assertion that the LAMTD has failed to pay the vendor's invoice within 45 calendar days after receipt of the invoice. The dispute should focus upon the calculated date that payment was due from the LAMTD to the vendor, and whether the LAMTD rendered payment to the vendor within the appropriate timeframe. The Hearing Officer shall decide the issues and rule upon said issues. The Hearing Officer is expressly prohibited from deciding issues as to whether performance of a contract has taken place or whether the LAMTD is obligated to make payment for a purchase. The scope of the Hearing Officer's authority is exclusively limited to issues of when the LAMTD was required to render payment and whether the LAMTD rendered payment in accordance with this policy. The Hearing Officer's decision carries no prejudice to any remedy either party may have at law or in equity.

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Proceedings shall take place within the timeframe set forth in the Florida Prompt Payment Act.

The Hearing Officer shall render a final written decision. The written decision shall iterate the facts specifically and state separately a conclusion. The Hearing Officer shall have a duty to review the evidence and shall not announce a decision before a finding of fact and making a conclusion.

The Hearing Officer shall, within 5 days of rendering a decision, mail or deliver a written copy of the final order to both the District Chief Finance Officer and the vendor. There shall be no appeal of the Hearing Officer's finding to the LAMTD Board of Directors.

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Tom Phillips, Executive Director

## APPENDEX II

OMB Circular 87 (Excerpts)**OMB CIRCULAR A-87 (REVISED 5/4/95, As Further Amended 8/29/97)**GENERAL PRINCIPLES FOR DETERMINING  
ALLOWABLE COSTS

*Note: This is a condensed version of the circular. The full version is available at  
P:\FINANCE\ACCOUNTS PAYABLE\ACCTSPAY\OMBA87.DOC.*

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## ATTACHMENT A

Circular No. A-87

**A. Purpose and Scope**

1. Objectives. This Attachment establishes principles for determining the allowable costs incurred by State, local, and federally-recognized Indian tribal governments (governmental units) under grants, cost reimbursement contracts, and other agreements with the Federal Government (collectively referred to in this Circular as "Federal awards").
2. Policy guides.
  - a. The application of these principles is based on the fundamental premises that:
    1. Governmental units are responsible for the efficient and effective administration of Federal awards through the application of sound management practices.
    2. Governmental units assume responsibility for administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal award.
    3. Each governmental unit, in recognition of its own unique combination of staff, facilities, and experience, will have the primary responsibility for employing whatever form of

organization and management techniques may be necessary to assure proper and efficient administration of Federal awards.

**B. Basic Guidelines**

1. Factors affecting allow ability of costs. To be allowable under Federal awards, costs must meet the following general criteria:
  - a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
  - b. Be allocable to Federal awards under the provisions of this Circular.
  - c. Be authorized or not prohibited under State or local laws or regulations.
  - d. Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
  - e. Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.
  - f. Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
  - g. Except as otherwise provided for in this Circular, be determined in accordance with generally accepted accounting principles.
  - h. Be adequately documented.
2. Reasonable costs. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when governmental units or components are predominately federally- funded. In determining reasonableness of a given cost, consideration shall be given to:
  - a. Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the governmental unit or the

performance of the Federal award.

- b. The restraints or requirements imposed by such factors as: sound business practices; arms length bargaining; Federal, State and other laws and regulations; and, terms and conditions of the Federal award.
  - c. Market prices for comparable goods or services.
  - d. Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the governmental unit, its employees, the public at large, and the Federal Government.
  - e. Significant deviations from the established practices of the governmental unit which may unjustifiably increase the Federal award's cost.
3. Allocable costs.
    - a. A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received.
  4. Applicable credits.
    - a. Applicable credits refer to those receipts or reduction of expenditure-type transactions that offset or reduce expense items allocable to Federal awards as direct or indirect costs. Examples of such transactions are: purchase discounts, rebates or allowances, recoveries or indemnities on losses, insurance refunds or rebates, and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the governmental unit relate to allowable costs, they shall be credited to the Federal award either as a cost reduction or cash refund, as appropriate.



## ATTACHMENT B

Circular No. A-87

**SELECTED ITEMS OF COST**

Sections 1 through 42 provide principles to be applied in establishing the allowability or unallowability of certain items of cost. These principles apply whether a cost is treated as direct or indirect. A cost is allowable for Federal reimbursement only to the extent of benefits received by Federal awards and its conformance with the general policies and principles stated in Attachment A to this Circular. Failure to mention a particular item of cost in these sections is not intended to imply that it is either allowable or unallowable; rather, determination of allowability in each case should be based on the treatment or standards provided for similar or related items of cost.

*Note: Those types of costs that will never be encountered on a requisition or DPO, such as payroll and depreciation, have been eliminated from this list. Unallowable costs are in bold and italics.*

1. Accounting.

The cost of establishing and maintaining accounting and other information systems is allowable.

2. Advertising and public relations costs.

- a. The term "advertising costs" means the costs of advertising media and corollary administrative costs. Advertising media include magazines, newspapers, radio and television programs, direct mail, exhibits, and the like.
- b. The term "public relations" includes community relations and means those activities dedicated to maintaining the image of the governmental unit or maintaining or promoting understanding and favorable relations with the community or public at large or any segment of the public.
- c. Advertising costs are allowable only when incurred for the recruitment of personnel, the procurement of goods and services, the disposal of surplus materials, and any other specific purposes necessary to meet the requirements of the Federal award. Advertising costs associated with the disposal of surplus materials are not allowable where all disposal costs are reimbursed based on a standard rate as specified in the grants management common rule.
- d. Public relations costs are allowable when:
  1. Specifically required by the Federal award and then only as a direct cost;

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2. Incurred to communicate with the public and press pertaining to specific activities or accomplishments that result from performance of the Federal award and then only as a direct cost; or
  3. Necessary to conduct general liaison with news media and government public relations officers, to the extent that such activities are limited to communication and liaison necessary to keep the public informed on matters of public concern, such as notices of Federal contract/grant awards, financial matters, etc.
- e. *Unallowable advertising and public relations costs include the following:*
1. *All advertising and public relations costs other than as specified in subsections c. and d.;*
  2. *Except as otherwise permitted by these cost principles, costs of conventions, meetings, or other events related to other activities of the governmental unit including:*
    - a. *Costs of displays, demonstrations, and exhibits;*
    - b. *Costs of meeting rooms, hospitality suites, and other special facilities used in conjunction with shows and other special events; and*
    - c. *Salaries and wages of employees engaged in setting up and displaying exhibits, making demonstrations, and providing briefings;*
  3. *Costs of promotional items and memorabilia, including models, gifts, and souvenirs; and*
  4. *Costs of advertising and public relations designed solely to promote the governmental unit.*
3. Advisory councils.
- Costs incurred by advisory councils or committees are allowable as a direct cost where authorized by the Federal awarding agency or as an indirect cost where allocable to Federal awards.
4. Alcoholic beverages.
- Costs of alcoholic beverages are unallowable.*
5. Audit services.

## APPENDIX I

The costs of audits are allowable provided that the audits were performed in accordance with the Single Audit Act, as implemented by Circular A-128, "Audits of State and Local Governments." [Note: In June 1997, OMB rescinded Circular A-128 and co-located all audit requirements in a re-titled Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."] Generally, the percentage of costs charged to Federal awards for a single audit shall not exceed the percentage derived by dividing Federal funds expended by total funds expended by the recipient or subrecipient (including program matching funds) during the fiscal year. The percentage may be exceeded only if appropriate documentation demonstrates higher actual costs.

Other audit costs are allowable if specifically approved by the awarding or cognizant agency as a direct cost to an award or included as an indirect cost in a cost allocation plan or rate.

6. Automatic electronic data processing.

The cost of data processing services is allowable (but see section 19, Equipment and other capital expenditures).

7. Bonding costs.

Costs of bonding employees and officials are allowable to the extent that such bonding is in accordance with sound business practice.

8. Budgeting.

Costs incurred for the development, preparation, presentation, and execution of budgets are allowable.

9. Communications.

Costs of telephone, mail, messenger, and similar communication services are allowable.

10. Contingencies.

***Contributions to a contingency reserve or any similar provision made for events the occurrence of which cannot be foretold with certainty as to time, or intensity, or with an assurance of their happening, are unallowable. The term "contingency reserve" excludes self-insurance reserves (see subsection 25.c.), pension plan reserves (see subsection 11.e.), and post-retirement health and other benefit reserves (see subsection 11.f.) computed using acceptable actuarial cost methods.***

11. Contributions and donations.

*Contributions and donations, including cash, property, and services, by governmental units to others, regardless of the recipient, are unallowable.*

12. Defense and prosecution of criminal and civil proceedings, and claims.

*a. The following costs are unallowable for contracts covered by 10 U.S.C. 2324(k), "Allowable costs under defense contracts."*

- 1. Costs incurred in defense of any civil or criminal fraud proceeding or similar proceeding (including filing of false certification brought by the United States where the contractor is found liable or has pleaded nolo contendere to a charge of fraud or similar proceeding (including filing of a false certification)).*
- 2. Costs incurred by a contractor in connection with any criminal, civil or administrative proceedings commenced by the United States or a State to the extent provided in 10 U.S.C. 2324(k).*

*b. Legal expenses required in the administration of Federal programs are allowable. Legal expenses for prosecution of claims against the Federal Government are unallowable.*

13. Disbursing service.

The cost of disbursing funds by the Treasurer or other designated officer is allowable.

14. Employee morale, health, and welfare costs.

The costs of health or first-aid clinics and/or infirmaries, recreational facilities, employee counseling services, employee information publications, and any related expenses incurred in accordance with a governmental unit's policy are allowable. Income generated from any of these activities will be offset against expenses.

15. Entertainment.

*Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) are unallowable.*

16. Equipment and other capital expenditures.

- a. As used in this section the following terms have the meanings as set forth below:
  1. "Capital expenditure" means the cost of the asset including the cost to put it in place. Capital expenditure for equipment means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges, such as taxes, duty, protective in transit insurance, freight, and installation may be included in, or excluded from, capital expenditure cost in accordance with the governmental unit's regular accounting practices.
  2. "Equipment" means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals the lesser of (a) the capitalization level established by the governmental unit for financial statement purposes, or (b) \$5000.
  3. "Other capital assets" mean buildings, land, and improvements to buildings or land that materially increase their value or useful life.
- b. Capital expenditures which are not charged directly to a Federal award may be recovered through use allowances or depreciation on buildings, capital improvements, and equipment (see section 15). See also section 38 for allowability of rental costs for buildings and equipment.
- c. Capital expenditures for equipment, including replacement equipment, other capital assets, and improvements which materially increase the value or useful life of equipment or other capital assets are allowable as a direct cost when approved by the awarding agency. Federal awarding agencies are authorized at their option to waive or delegate this approval requirement.
- d. Items of equipment with an acquisition cost of less than \$5000 are considered to be supplies and are allowable as direct costs of Federal awards without specific awarding agency approval.
- e. The unamortized portion of any equipment written off as a result of a change in capitalization levels may be recovered by (1) continuing to claim the otherwise allowable use allowances or depreciation charges on the equipment or by (2) amortizing the amount to be written off over a period of years negotiated with the cognizant agency.
- f. When replacing equipment purchased in whole or in part with Federal funds, the governmental unit may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement

property.

17. **Fines and penalties.**

*Fines, penalties, damages, and other settlements resulting from violations (or alleged violations) of, or failure of the governmental unit to comply with, Federal, State, local, or Indian tribal laws and regulations are unallowable except when incurred as a result of compliance with specific provisions of the Federal award or written instructions by the awarding agency authorizing in advance such payments.*

18. **Fund raising and investment management costs.**

- a. *Costs of organized fund raising, including financial campaigns, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions are unallowable, regardless of the purpose for which the funds will be used.*
- b. *Costs of investment counsel and staff and similar expenses incurred to enhance income from investments are unallowable. However, such costs associated with investments covering pension, self-insurance, or other funds which include Federal participation allowed by this Circular are allowable.*
- c. *Fund raising and investment activities shall be allocated an appropriate share of indirect costs under the conditions described in subsection C.3.b. of Attachment A.*

19. **General government expenses.**

- a. *The general costs of government are unallowable (except as provided in section 41). These include:*
  1. *Salaries and expenses of the Office of the Governor of a State or the chief executive of a political subdivision or the chief executives of federally-recognized Indian tribal governments;*
  2. *Salaries and other expenses of State legislatures, tribal councils, or similar local governmental bodies, such as District supervisors, city councils, school boards, etc., whether incurred for purposes of legislation or executive direction;*
  3. *Other general types of government services normally provided to the general public, such as fire and police, unless provided for as a direct cost in program regulations.*

20. Insurance and indemnification.

- a. Costs of insurance required or approved and maintained, pursuant to the Federal award, are allowable.
- b. Costs of other insurance in connection with the general conduct of activities are allowable subject to the following limitations:
  1. Types and extent and cost of coverage are in accordance with the governmental unit's policy and sound business practice.
  2. ***Costs of insurance or of contributions to any reserve covering the risk of loss of, or damage to, Federal Government property are unallowable except to the extent that the awarding agency has specifically required or approved such costs.***
- c. ***Actual losses which could have been covered by permissible insurance (through a self-insurance program or otherwise) are unallowable, unless expressly provided for in the Federal award or as described below. However, the Federal Government will participate in actual losses of a self insurance fund that are in excess of reserves. Costs incurred because of losses not covered under nominal deductible insurance coverage provided in keeping with sound management practice, and minor losses not covered by insurance, such as spoilage, breakage, and disappearance of small hand tools, which occur in the ordinary course of operations, are allowable.***
- d. Contributions to a reserve for certain self-insurance programs including workers compensation, unemployment compensation, and severance pay are allowable.
- e. Actual claims paid to or on behalf of employees or former employees for workers' compensation, unemployment compensation, severance pay, and similar employee benefits (e.g., subsection 11.f. for post retirement health benefits), are allowable in the year of payment provided (1) the governmental unit follows a consistent costing policy and (2) they are allocated as a general administrative expense to all activities of the governmental unit.
- f. Costs of commercial insurance that protects against the costs of the contractor for correction of the contractor's own defects in materials or workmanship are unallowable.

21. Interest.

- a. Costs incurred for interest on borrowed capital or the use of a governmental unit's own funds, however represented, are unallowable except as specifically

provided in subsection b. or authorized by Federal legislation.

22. **Lobbying.**

*The cost of certain influencing activities associated with obtaining grants, contracts, cooperative agreements, or loans is an unallowable cost.*

23. **Maintenance, operations, and repairs.**

Unless prohibited by law, the cost of utilities, insurance, security, janitorial services, elevator service, upkeep of grounds, necessary maintenance, normal repairs and alterations, and the like are allowable to the extent that they: (1) keep property (including Federal property, unless otherwise provided for) in an efficient operating condition, (2) do not add to the permanent value of property or appreciably prolong its intended life, and (3) are not otherwise included in rental or other charges for space. Costs which add to the permanent value of property or appreciably prolong its intended life shall be treated as capital expenditures (see sections 15 and 19).

24. **Materials and supplies.**

The cost of materials and supplies is allowable. Purchases should be charged at their actual prices after deducting all cash discounts, trade discounts, rebates, and allowances received. Withdrawals from general stores or stockrooms should be charged at cost under any recognized method of pricing, consistently applied. Incoming transportation charges are a proper part of materials and supply costs.

25. **Memberships, subscriptions, and professional activities.**

- a. Costs of the governmental unit's memberships in business, technical, and professional organizations are allowable.
- b. Costs of the governmental unit's subscriptions to business, professional, and technical periodicals are allowable.
- c. Costs of meetings and conferences where the primary purpose is the dissemination of technical information, including meals, transportation, rental of meeting facilities, and other incidental costs are allowable.
- d. Costs of membership in civic and community, social organizations are allowable as a direct cost with the approval of the Federal awarding agency.
- e. *Costs of membership in organizations substantially engaged in lobbying are unallowable.*

26. **Motor pools.**



The costs of a service organization which provides automobiles to user governmental units at a mileage or fixed rate and/or provides vehicle maintenance, inspection, and repair services are allowable.

27. Pre-award costs.

Pre-award costs are those incurred prior to the effective date of the award directly pursuant to the negotiation and in anticipation of the award where such costs are necessary to comply with the proposed delivery schedule or period of performance. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the award and only with the written approval of the awarding agency.

28. Professional service costs.

- a. Cost of professional and consultant services rendered by persons or organizations that are members of a particular profession or possess a special skill, whether or not officers or employees of the governmental unit, are allowable, subject to section 14 when reasonable in relation to the services rendered and when not contingent upon recovery of the costs from the Federal Government.
- b. Retainer fees supported by evidence of bona fide services available or rendered are allowable.

29. Proposal costs.

Costs of preparing proposals for potential Federal awards are allowable. Proposal costs should normally be treated as indirect costs and should be allocated to all activities of the governmental unit utilizing the cost allocation plan and indirect cost rate proposal. However, proposal costs may be charged directly to Federal awards with the prior approval of the Federal awarding agency.

30. Publication and printing costs.

Publication costs, including the costs of printing (including the processes of composition, plate-making, press work, and binding, and the end products produced by such processes), distribution, promotion, mailing, and general handling are allowable.

31. Rearrangements and alterations.

Costs incurred for ordinary and normal rearrangement and alteration of facilities are allowable. Special arrangements and alterations costs incurred specifically for

a Federal award are allowable with the prior approval of the Federal awarding agency.

32. Reconversion costs.

Costs incurred in the restoration or rehabilitation of the governmental unit's facilities to approximately the same condition existing immediately prior to commencement of Federal awards, less costs related to normal wear and tear, are allowable.

33. Rental costs.

- a. Subject to the limitations described in subsections b. through d. of this section, rental costs are allowable to the extent that the rates are reasonable in light of such factors as: rental costs of comparable property, if any; market conditions in the area; alternatives available; and, the type, life expectancy, condition, and value of the property leased.
- b. Rental costs under sale and leaseback arrangements are allowable only up to the amount that would be allowed had the governmental unit continued to own the property.
- c. Rental costs under less-than-arms-length leases are allowable only up to the amount that would be allowed had title to the property vested in the governmental unit. For this purpose, less-than-arms-length leases include, but are not limited to, those where:
  1. One party to the lease is able to control or substantially influence the actions of the other;
  2. Both parties are parts of the same governmental unit; or
  3. The governmental unit creates an authority or similar entity to acquire and lease the facilities to the governmental unit and other parties.
- d. Rental costs under leases which are required to be treated as capital leases under GAAP are allowable only up to the amount that would be allowed had the governmental unit purchased the property on the date the lease agreement was executed. This amount would include expenses such as depreciation or use allowance, maintenance, and insurance. The provisions of Financial Accounting Standards Board Statement 13 shall be used to determine whether a lease is a capital lease. Interest costs related to capital leases are allowable to the extent they meet the criteria in section 26.

34. Taxes.

- a. Taxes that a governmental unit is legally required to pay are allowable, except for self-assessed taxes that disproportionately affect Federal programs or changes in tax policies that disproportionately affect Federal programs. This provision becomes effective for taxes paid during the governmental unit's first fiscal year that begins on or after January 1, 1998, and applies thereafter.
- b. Gasoline taxes, motor vehicle fees, and other taxes that are in effect user fees for benefits provided to the Federal Government are allowable.

35. Training.

The cost of training provided for employee development is allowable.

36. Travel costs.

a. General.

Travel costs are allowable for expenses for transportation, lodging, subsistence, and related items incurred by employees traveling on official business. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip, and results in charges consistent with those normally allowed in like circumstances in non-federally-sponsored activities. Notwithstanding the provisions of section 23, travel costs of officials covered by that section, when specifically related to Federal awards, are allowable with the prior approval of a grantor agency.

b. Lodging and subsistence.

Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, shall be considered reasonable and allowable only to the extent such costs do not exceed charges normally allowed by the governmental unit in its regular operations as a result of the governmental unit's policy. In the absence of a written governmental unit policy regarding travel costs, the rates and amounts established under subchapter I of Chapter 57 of Title 5, United States Code "Travel and Subsistence Expenses; Mileage Allowances," or by the Administrator of General Services, or the President (or his designee) pursuant to any provisions of such subchapter shall be used as guidance for travel under Federal awards (41 U.S.C. 420, "Travel Expenses of Government Contractors").

c. Commercial air travel.

***Airfare costs in excess of the customary standard (coach or equivalent) airfare, are unallowable except when such accommodations would:*** require circuitous routing, require travel during unreasonable hours, excessively

prolong travel, greatly increase the duration of the flight, result in increased cost that would offset transportation savings, or offer accommodations not reasonably adequate for the medical needs of the traveler. Where a governmental unit can reasonably demonstrate to the awarding agency either the nonavailability of customary standard airfare or Federal Government contract airfare for individual trips or, on an overall basis, that it is the governmental unit's practice to make routine use of such airfare, specific determinations of nonavailability will generally not be questioned by the Federal Government, unless a pattern of avoidance is detected. However, in order for airfare costs in excess of the customary standard commercial airfare to be allowable, e.g., use of first-class airfare, the governmental unit must justify and document on a case-by-case basis the applicable condition(s) set forth above.

d. Air travel by other than commercial carrier.

Cost of travel by governmental unit-owned, -leased, or -chartered aircraft, as used in this section, includes the cost of lease, charter, operation (including personnel costs), maintenance, depreciation, interest, insurance, and other related costs. ***Costs of travel via governmental unit-owned, -leased, or -chartered aircraft are unallowable to the extent they exceed the cost of allowable commercial air travel, as provided for in subsection c.***

**LAKELAND AREA  
MASS TRANSIT DISTRICT  
(CITRUS CONNECTION)**

**(Revised)  
FINANCE DEPARTMENT  
POLICY AND PROCEDURES MANUAL**

**OCTOBER 1,  
2006**

Prepared by: \_\_\_\_\_  
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## **Finance Department Positions (Eff. 10/01/2006)**

### **CONTROLLER**

- Finance Dept. Manager
- Document review responsibilities/functions
- General Ledger
- Overall operation of Finance Dept.
- Grant accounting and reporting
- Board of Directors reporting
- Financial Statements

### **ACCOUNTING CLERK**

- Accounts Payable/Payment Processing (General)
- Cash Receipts Journal
- Farebox Receipts Accounting
- Pass Receipts Accounting
- A/R Register

### **ACCOUNTING CLERK**

- General Ledger Assistance
- Accounts Payable/Payment Processing (Maintenance)
- Payroll Second Primary
- Daily Cash Count
- Inventory Controls
- Farebox/GFI Cash Reconciliation

### **ACCOUNTING CLERK**

- Ridership Recording and Reporting
- GFI system Maintenance
- Special projects
- Advertising Billing
- Work Perk Billing
- Deposit preparation

### **PAYROLL COORDINATOR**

- Payroll Processing
- Pass Inventory Maintain

## **INTRODUCTION**

Lakeland Area Mass Transit District (The District) controls its operation through the development of an annual budget that must be adhered to in accordance with established policies.

To comply with these requirements and to insure that assets of the District are properly safeguarded against unauthorized use and abuse, the Finance Department has adopted the policies and procedures contained in this manual.

The purpose of this manual is to set forth the policies and provide an overview of the procedures involved in processing the various types of District financial transactions using a computerized accounting system, and in reporting on the results

This manual addresses the policies and procedures followed within the Finance Department, primarily the Accounts Payable Section the Payroll Section and the Accounting clerks.



## **ACCOUNTING SYSTEM**

The District accounting system is operated in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), and has also been designed to satisfy the requirements of the Florida Uniform Accounting system as required by Florida Statute 218.33. The District operates under a fiscal year beginning October 1 and ending September 30 in accordance with Florida Statute 218.33.

The accounting system that the District uses was purchased from CYMA Corporation and consists of the Purchasing module, the Accounts Payable module (AP), the Accounts Receivable module (AR), and the General Ledger module (GL). The procedures for operating these modules are contained in a separate section. The District uses BNA Software for its Fixed Asset system.

In order to account for the various grants of the District, a series of accounts have been established within the GL. The purpose of the grant accounts is to account for specific grant activities in accordance with special regulations, restrictions, or limitations.

## **CYMA ACCOUNTING SYSTEM**

LAMTD Finance Department began using CYMA IV Accounting for Windows, Not-For Profit Edition, version 9, effective 01/01/2007. Prior to then the DOS version of CYMA was used. The following is a summary of the CYMA Accounting for Windows system. Detailed procedures are contained within the separate Help functions for each module.

### **SYSTEM ADMINISTRATION**

The Controller are responsible for determining which operators are able to access the CYMA Accounting system and what modules and functions will be available to them. System Administration controls both the modules that can be accessed and also the functions available within the individual modules. This process also prevents operators from performing prohibited tasks.

Each operator has a unique password for accessing the system. All transactions entered into CYMA are tagged with the logon name of the operator who accessed the system. Each CYMA operator is held responsible for every transaction entered with his/her logon name. For this reason it is vital that no one divulges his/her CYMA password to anyone else.

## **GENERAL LEDGER MODULE**

The General Ledger module is used to enter and maintain the chart of accounts, enter journal entries and report on balances and/or transactions. The online system allows inquiry against actual and historical balances and posted transactions, edit and validation of journal entries entered into the system in the form of either standard or recurring journal entries, and maintenance of the chart of accounts. The real-time system allows immediate update of GL accounts, the chart of accounts, and journal entries. Account balances and posted transactions are updated by the Controller as needed, but at least monthly.

### **Journal Entries**

The input of journal entries is restricted to the Finance Department and are assigned to accounting clerks by the Controller. These entries are then reviewed and posted by the Controller.

### **Viewing and Correcting Journal Entries**

Previously entered journal entries can be viewed on the Report Journal Entry Listings screen. Incorrect journal entries can be unposted using the Process Journal Entry screen. Unposting of journal entries can only be done by the Controller.

### **Adding/Changing Account Numbers**

The setup and maintenance of GL Account Numbers is done within the Finance Dept. by the Controller.

## **PURCHASING MODULE**

The purchasing module is used by the Procurement department to enter requisitions which are then converted to purchase orders.

### **Requisitions**

Requisitions are entered by the Purchasing Dept via the Enter Purchase Order screen and selecting the Requisitions screen. They enter a description, quantity, estimated unit price, and forward to the department head for approval. It is then forwarded to the Finance Dept. for GL coding, then back to Purchasing for conversion to a purchase order.

### **Purchase Orders**

The Purchasing Dept. converts the requisitions entered by the departments into purchase orders. They can also enter purchase orders directly. When an invoice is entered into Accounts Payable that has a purchase order, the description, quantity, unit price and amount will automatically be filled in. Purchase orders are either mailed or faxed to the vendors.

### **Reports**

The Purchasing module does not include any reports that are suitable for use in balancing open obligations to the General Ledger. Several reports are available to show outstanding requisitions and purchase orders.

### **Security**

Only the Purchasing Dept. and the Controller within the Finance Department have the security to enter and modify purchase orders.

## **ACCOUNTS PAYABLE MODULE**

The CYMA Accounts Payable module contains information on vendors and their invoices. AP controls the payment of invoices and keeps the historical information on invoices and vendors. AP is also used to enter and maintain vendors and to write and cancel checks. Only the Accounts Payable Clerks and a few supervisory personnel in the Finance Department have the security to enter invoices. Detailed instructions for AP CYMA entry and are available within the AP Module itself.

### **Invoice Entry**

Invoices are received from the vendor by the appropriate Finance Division, stamped with the date the invoice was received and matched to the supporting documents prepared by the department that made the purchase. The AP clerk then checks the signatures and the GL account coding to determine that it is a valid account and appropriate for the type of merchandise or services purchased. This check also ensures that the proper form was used to initiate payment. After checking the invoices (and credit memos) are entered into CYMA and initialed by the AP clerk.

For maintenance invoices, a cover sheet is prepared by the maintenance department, approved by the department head, which will provide the person entering with key information regarding the invoices attached. All other invoices are used in their original form with cover sheet.

### **Vendor Setup and Maintenance**

Vendors are set up and maintained in the AP module. W-9 forms are sent out to each 1099 vendor if applicable and are kept on file in the Finance Dept. Only the Purchasing and Finance departments have the security to set up maintain vendors.

### **Payments**

Payments are initiated in the AP module of CYMA. When due, invoices are selected for payment by the AP clerk and approved by the Controller, who maintains control of all checks. Checks are printed from CYMA and along with invoices are forwarded to the Controller for signature (two signatures required on all checks – see separate signature policy and signers). Checks are then returned to AP clerk for mailing and paid invoices are filed alphabetically by vendor.

### **Reports**

Accounts Payable comes with a variety of reports most of which are either input, invoice, payment or vendor related. There are various Invoice Register reports which is used to reconcile unpaid invoices with the GL payable balances.

## **Accounts Payable/Payment Procedures**

**The primary purpose of the Accounts Payable/Payment Procedures is to establish and maintain adequate controls to ensure that all costs incurred are reasonable and allowable under OMB Circular A-87 and FTA Grant guidelines (specifically 49 CFR 18.20(b)(3) Internal Control).**

### **Prepare Invoices For Payment**

- All invoices received are forwarded to the Finance Dept. for payment
- The majority of invoices are for purchase of materials and supplies to be used by the maintenance department. Such invoices are approved by the maintenance dept. manager and forwarded to Finance with appropriate receiving documentation
- The Accounting clerk will verify for approval signature and receiving documents, attach purchase order copy if applicable, code G/L account number, enter into CYMA AP system and initials that process has been completed (“entered stamp” may or may not be used, depending on timeframe of when stamp was used)
- Periodically (normally weekly) invoices are forwarded to Controller for final approval for payment. Controller initials that review process has been completed.

### **Payment of Invoices**

- Accounting clerk prints checks from CYMA AP system, along with check register, matches checks with approved invoices and forwards to controller for signatures (two signatures required on all checks).
- Accounting clerk receives signed checks with invoices, staples bottom part of two-part check to paid invoice, and retains in current paid files. All checks require two signatures.
- Accounting clerk then mails or distributes checks to vendors or payees
- The Controller, Chief Financial Officer, Accountant, Operations Manager and Executive Director, are the in-house authorized signers. Checks in the amount of \$25,000 or more require at least one of the two signatures to be an authorized outside person (either a LAMTD Board Member or Executive Director).

## **Payroll Procedures**

**The primary purpose of the Payroll Procedures is to establish and maintain adequate controls to ensure that all payroll costs incurred are properly paid and recorded.**

**A Time America, Inc. TA100 PRO Automated Time and Attendance System is used to record all hourly employees time via a computer-chip imbedded in an employee ID card. Employees “swipe” a proximity badge over a wall-mounted time clock which records the time and employee ID. This data is then down-loaded into the TA100 PRO system in the Finance Dept. by the payroll coordinator on a daily basis.**

### **Preparing Payroll**

- The payroll coordinator “downloads” all hourly-employee time records from the time-clocks using the TA100 time system
- Time sheets are printed for each employee, including exempt (not using time clocks) and distributes to departments for approval
- The appropriate supervisory personnel in each department reviews the printed time sheets, making a note of any changes that have to be made, such as adjustments to timeclock entries, pay differentials, etc., and signs each timesheet as approved (any changes to timeclock entries must also be signed by the employees effective 5/1/07).
- Timesheets are returned to payroll coordinator and changes are made in the TA100 time system.
- Hours for each employee are then input into the CYMA payroll accounting system by an accounting coordinator other than the payroll coordinator (See separate procedures for detail processes involved in using the TA100 time system and the CYMA payroll system).
- Total hours are reconciled between the two systems prior to printing the payroll checks

**Printing Payroll Checks**

- Payroll coordinator prints checks from CYMA payroll system, along with check register, and forwards to controller for signatures (two signatures required on all checks).
- Payroll coordinator receives signed checks, detaches bottom part of three-part check and along with other accounting coordinator(s) puts them into envelopes.
- Payroll coordinator then forwards checks to the Human Resources department for distribution to employees
- The Controller, Operations manager and Executive director are the in-house authorized signers. If necessary, an outside signor can also be used for one of the signatures (either the Board of Director Secretary, or the Finance Director the Asst. Finance Director of the City of Lakeland, Florida).



**DETAILED PAYROLL PROCEDURES**  
**(TA100 and CYMA)**

**PHASE I**

- I. Download from each time clock
  - A. Main (Located in the break room of the main office)
  - B. Terminal (Located in the break room at the downtown terminal)
  - C. Shop (Located in the hall next to the maintenance manager's office)
  - D. Operations (Located in the Operations Portable)
  
- II. Get "Punch Data" by selecting the "TA100Pro" icon and logging in.
  - A. Select "Communications" on the menu bar.
  - B. Select "Poll" from the drop down menu.
  - C. Select "Add All" and then "Poll". (You can also select individual clocks if needed.)
  - D. Note: Depending on circumstances:
    - 1. If a clock poll fails then select a single clock to poll.
    - 2. If this fails check to make sure phone connection is working.
    - 3. This can be accomplished by using a regular phone and listen for connection.
    - 4. Make sure the external modem is connected properly to your PC.
    - 5. If the TA100Pro "key" is removed from the original UBS port on the back of the hard drive you will have to change the Port number under "Communications" on the menu bar. (See the TA100Pro Manual for additional assistance.)
  - E. As you Poll each clock you should see a series of numbers and or names come across your screen. Once the polling is done you will see a box that says "Processing Punches". (This should take a few seconds. If you haven't polled for a couple of days this will take several minutes due to the larger volume of punches to process.)
  - F. Once the polling is done, "Close" the "Clock Selection" screen.
  - G. Go to "Daily Operations" and then "Employee" to view the timesheets by name. You can also sort this screen by employee "Code".
  - H. You can view previous week(s) punches and print individual timesheets from this screen. (To print by group or department "Close" this screen and proceed to the next step.)
  
- III. Printing Timesheets for supervisor approval.
  - 1. Timesheets are to be printed for the prior week every Monday and distributed to the supervisors by 10am. (Or the next business day if Monday is a holiday.)
  - 2. From the main screen select "Reports" on the menu bar.
  - 3. Select "Period Reports" from the drop down menu.
  - 4. Select "Time Card (One Per Page)" and make sure "Individuals" is also selected at the bottom and click "Run".

5. Under "Date Range" select "Pay Period" and change the "Pay Periods Back" to "1". (Even though we pay employees on a 2 week basis it is easier to work with timesheets one week at a time. You can also select "Special" to customize the dates you will see on the timesheet report.)
  6. Under "Employees", select "Active".
  7. You now have the option to print all employees together or to print by "Group".
  8. Once you have decided who you want to print, click "OK".
  9. The next screen gives you additional reporting parameters. "Status" should be "Both", "Sort By" should be "Name" and "Group By" should be "None". (That is as long as you're printing only one group at a time.)
  10. "Output To" can be set to "Screen" (to ensure you're printing the right report) and "Printer". (When you are more comfortable with the process you can skip having to show the report on the "Screen".)
  11. Once timesheets are printed, include a coversheet (and a holiday reminder memo if needed) and distribute to the managers and supervisors.
- IV. Managers and supervisors will review the time card of each employee.
- A. Make proper corrections if necessary. (Missed punches or deduct lunches for employees that are not able to clock out due to route constraints.)
  - B. Apply benefit time as requested and turn in the proper "Benefit Request" form to payroll.
  - C. Indicate holiday time for approved holidays.
  - D. Return timesheets to Payroll no later than 10am Wednesday. (Day of the week and times are subject to change.)

## PHASE II

- I. Review of Approved time cards from departments
  - A. Match time card to computer for each employee
  - B. Enter corrections and adjustments as required
  - C. You will apply the time adjustments in the Standard Time format. TA100Pro will translate your entry into Mathematical Time.
  - D. Enter approved benefit time as requested. (Also make an entry in Time Source.)
  - E. Enter holiday time when necessary. (Also make an entry in Time Source.)
  - F. Make sure total hours are correct. (TA100Pro will show a total for each regular and overtime hours. Then it will show a total of both together.)

- II. Printing payroll worksheets for entry into CYMA.
  - A. Make adjustments if necessary on each employee worksheet.
  - B. Indicate date, type, and number of hours (i.e. Training, Lead, Handy Bus, etc...) to adjust when making entries into CYMA.
  - C. Make sure totals balance with worksheets.
  
- III. Printing an “Hours Report” in TA100Pro.
  - A. Select “Reports” on the menu bar and “Period Reports”.
  - B. Select the “Hours” report and then “Run”.
  - C. You have the same options available as printing a regular timesheet but this report will show only hourly totals. (REG, OT1 & combined Totals)
  - D. Subtract the salaried employees from this report and you will later reconcile the REG and OT1 hours with the “Current Payroll Journal – Grand Totals” report.

### PHASE III

- I. Enter information from worksheet to CYMA payroll module
  - A. Go to “ENTER” on the menu bar.
  - B. You can choose “Payroll” or “Quick Payroll”. “Payroll” allows you to enter each person one at a time and make any special adjustments like pay differentials, bonuses, or advances.
    - 1. Employee number (ex: ADD999) or use the “magnifying glass” to search for an employee.
    - 2. Select Earnings Type “Hourly” and or “Overtime”.
    - 3. Tab to the “Hours” & enter the amounts from the worksheets.
    - 4. Tab again & click “save” at the bottom of the screen.
    - 5. If you need to make adjustments like other earnings, bonuses, or advances you would click on the “Default & Prompt Amounts” tab.
    - 6. You can then enter the dollar amounts & click “save”.
    - 7. If there are not any features under this tab you will have to cancel out of this screen and go to the employee’s profile to add the feature.
  - C. Check list
    - 1. Regular hours
    - 2. Overtime hours (Benefit time is paid at straight time)
    - 3. Total hours (must balance to worksheet)
  - E. Go to “Process” on the menu bar.
    - 1. Calculate Payroll
    - 2. Either chose to “Select All” or you may click on individual people to calculate.
    - 3. Generate.
    - 4. Calculate.

- II. Balance the “Proof” report to the “Hours” report from T.A.
  - 1. Total hours should match worksheet.
  - 2. Make sure each person’s GL # is correct.
  - 3. If they do not match you must make sure the “Proof” report matches the hours on the worksheets.

#### **Phase IV**

- I. Printing Checks
  - A. Go to “Process” on the menu bar.
  - B. Print Checks.
    - 1. Bank ID is 10151 for the C & C Payroll account.
    - 2. Check Date
    - 3. Check Number – it defaults to the next check in sequence
    - 4. Click on “Check Count” to verify how many checks are ready to print.
    - 5. “Sort By” should always be “Employee ID”
  - F. Place checks in printer, face down with the check part closest to you
  - G. Print
- II. Payroll Check Register
  - A. Go to “Report” on the menu bar
  - B. Current Period Reports
  - C. Current Check Register then click “Continue”
  - D. Select “Printer” & “Run”
- III. Payroll Journal – this report gives you exact detail of the checks.
  - A. Go to “Report” on the menu bar
  - B. Current Period Reports
  - C. Current Payroll Journal then click “Continue”
  - D. Select “Printer & “Run”.
- IV. Deduction Register
  - A. Go to “Report” on the menu bar
  - B. Current Period Reports
  - C. Current Deduction Register then click “Continue”
  - D. Select “Printer & “Run”.
    - 1. Use the child support information to balance to the WWW.EXPERTPAY.COM profile & pay this online.
    - 2. Use the Deffered Comp Matched & Un-Matched information to balance to the WWW.NRSSERVICECENTER.COM profile & pay this online.
  - E. Prepare Deduction Register for the following to pay:
    - 1. Credit Union (AP clerk to Fax list for AutoPay)

2. Child Support not set up for EFT. (AP clerk prepares checks to include remittance coupons)
3. Department of Education (AP clerk prepares check)
4. United Way (AP clerk prepares check)
5. Or other court ordered garnishments.
6. Nationwide Retirement (WebPay via online access)

#### **Phase V**

- I. Posting Payroll to General Ledger
  - A. Post Current Payroll to General Ledger (creates entry in GL to be posted by Controller or CFO)
  - B. Print GL Distribution and PR Tax Summary reports
  - C. Close Payroll

### **PASS SALES REVENUE DAILY COUNT PROCEDURES**

- Obtain Control Log located in the Finance Department. Gather necessary items for count ie: keys, for the pass sales vault also located in the finance dept, inside the lock box and a deposit bank bag. Take to count room.
- Sign in Control Log (both counter and observer) and use current date. Add start time for pass sales deposit.
- Retrieve pass sale receipt book from front desk clerk and make copies of beginning to ending pass receipts from previous day. Give receipt book back to front desk clerk
- Count Clerk open's the safe box (located behind front desk) retrieve all envelopes dropped from previous day. The observer reassures safe box is empty. Safe box is locked and both counter and observer take the envelopes and receipt book copies to the count room for verification and count
- Count Clerk opens all envelopes and verifies cash or check amounts to original receipt while observer compares all information being stated by counter on the receipt copies made. The count clerk must check amount box, type of payment, and initial and date the top of each receipt and the observer must do the same.
- Count Clerk runs a tape of each type of receipt (cash, check/money order) and a grand total. The observer takes the tape and verifies to each receipt and attaches tape to the front of the copied receipt log
- Observer then counts all currency and puts it into an envelope. And completes the deposit slip for the general checking account. Put deposit slip and envelope, checks/money orders into a deposit bag
- Then Count Clerk takes each original receipt and puts them in numerical order, and all type of passes sold, quantity, and monies used for payment into deposit spread sheet located at F:\Accounting\DEPOSITS II\ select year.
- Count Clerk prints out deposit sheet and signs and dates (confirming the totals match deposit going to the bank) then passes to counter to sign and date
- Original receipts are attached to the back of a copy of the deposit spread sheet and attached with the copied receipt book pages
- The completed deposit bag with copies are given to the account clerk (third person) to lock up until taken to the bank by controller.
- Count clerk goes to front desk and initials and dates top of each receipt in the original book to match the copies of such
- Complete control log, both counter and observer signs out and enters totals (cash, checks, and total deposit) and initials to verify amounts written up in deposit and the ending time
- Control log is filed back on the bookshelf and the keys to the safe box are put back in the lock box in the finance dept.

## **PASSES ISSUED/ INVENTORY PROCEDURES**

**Bus passes are secured in a locked cabinet, located in the vault room, except for a working supply kept at the front desk. All requests for passes are controlled by the Finance Department. Following are the procedures used in the process of issuing passes.**

### **Issuing of Passes from Inventory**

- Each day pass inventory must be updated for all passes requested from the finance department by front desk or other departments.
- A Request Form for Passes must be filled out by Finance and signed by requestor.
- Finance clerk obtains passes from secured cabinet in vault room and records pass types and numbers on Form.
- Passes are delivered to requester who signs Form as passes have been received.
- Another Finance clerk records pass numbers into Excel spreadsheet "Pass Control Inventory".

### **Inventory of Passes**

- Periodic pass inventory takes place by finance clerk and observer.
- The finance clerk and observer count passes at front desk and vault room, verifying pass numbers and types of passes
- Compare passes counted to excel spreadsheet "Pass Control Inventory" and reconcile actual inventory to Pass Control Inventory.
- Account for any differences and document.

## **BUS FAREBOX AND HANDYBUS DAILY REVENUE COUNT PROCEDURES**

(Also refer to Pass Sale Procedures)

- Obtain Fare revenue control log located Finance Department
- Counter and Observer proceed to secured count room (with camera monitoring)
- On computer in count room access files at F:\Acctg-finance\farebox counting sheets/*selectFY/select current month*, and enter expected HB box numbers and expected revenue from copies of run manifest from the Handy Bus Dept. into spreadsheet (used to verify actual HB box numbers and actual revenue). Use date which monies apply to (normally the previous day)
- Assemble all items needed to begin count, i.e.; plastic gloves, manifest, bags, tags, crimper, boxes for dumping monies, deposit book, money bands, Use spreadsheet to cross check with actual HB revenues.
- Attach bags to coin counter, hold down the clear key while powering on machine to clear all previous totals.
- Both observer and counter then dress in protective count coveralls & gloves
- Retrieve money from vault to begin verification process; turn on currency counter and pull cart up to computer used for counting.
- Count clerk runs coins through coin counter to verify totals on spreadsheet on the computer, and runs currency through currency counter to verify all totals
- Accept tape on coin counter and write date monies applied to at top of tape to determine type of revenue, i.e.; HB, Orange audit unit #1, Orange audit unit #2
- Observer clerk runs remaining currency through the currency counter, bands all necessary currency, puts into bag with deposit slip (currency only), which is written up by count clerk, bag is then crimped
- Observer writes up manifest from tape ran from the coin counter and deposit slip from currency and uses this total to make up bag tags to attach to each bag for complete deposit
- Give completed manifest copies and original spreadsheet to assigned accounting clerk for journal posting
- Loose coins (not counted in coin count machine) are secured separately in the vault, recorded daily and deposited monthly.



## **Receivables/Receipts Procedures**

The primary purpose of the Accounts Receivable/Receipts Procedures is to establish and maintain adequate controls to ensure that all non-fare Receivables and Receipts are accounted for properly and in compliance with FTA Grant guidelines (specifically 49 CFR 18.20(b)(3) Internal Control).

### Prepare Invoices For Billing:

Invoice billing is limited to a few customers ordering bus fare passes in bulk and customers with advertising contracts. The following basic procedures are followed:

- Accounting clerks prepare pre-formatted invoices for correct amounts and forwards to customers for payment
- Data is entered into Invoice Register (excel spreadsheets) monthly
- Excel spreadsheets are printed after end of month and given to Controller for entry into GL (may be delegated to a different accounting clerk)
- There are two copies of each invoice printed, one mailed to the customer and the other is filed in the unpaid contracts file, until payment is received.

### Receipts (non-fares):

Non-fare receipts are received by mail or over-the-counter, either in the form of cash, official check or money order. An imprest cash fund is maintained at the reception area and balanced daily (refer to pass sales procedures). Checks received by mail are forwarded to the Finance dept. where the accounting clerk prepares the deposit as follows:

- Prepare deposit ticket for bank, listing each check
- Access spreadsheet Deposit Form located at F:Acct-Fin\deposits II\ current year
- Fill in all necessary information, such as vendor name, invoice numbers if any, and check amount as back up for deposit being made.
- Change header to reflect the account code for that deposit to be used when posting to cash receipts journal.
- Make 2 copies of each check to attach to back of spreadsheet
- Give deposit and all backup to next accounting clerk, for controller to deposit into bank

## **FRONT DESK RECEIPT PROCEDURES**

### **Use 3-Part Receipt as follows:**

**Original White Copy:** Clip to Payment-Write Receipt # on Envelope,  
Seal & Drop in Slotted Mini-Safe

**Yellow Copy:** Give to Customer with Passes

**Pink Copy:** Stays in Receipt Book

### **Completing Receipt Form:**

- Date
- Check Number (if payment is made by check)
- Name of Person/Organization Receiving Passes
- Total \$ Amount Received
- Quantity & Type of Passes and Pass Numbers
- Check-Off Means of Payment
- Amounts Paid
- Name of Employee Selling Passes/Receiving Payment
- Extra Space if Needed

If an error is made on receipt or customer changes their mind, write "VOID" across receipt; write receipt # on envelope; enclose white & yellow copy, and seal. Drop in slotted mini-safe. Proceed to next numbered receipt.

### **Inventory Reconciliation Procedures**

**Inventory consists of primarily spare parts used by the Maintenance department, where a perpetual inventory is maintained using the BNA software program. This inventory includes quantities as well as cost. On a monthly basis a report is forwarded to the Finance Dept. for usage of spare parts inventory. On a quarterly basis, a complete inventory-on-hand is prepared from the BNA program by the Maintenance Dept. and forwarded to the Finance Dept. Reconciliation of these reports in Finance is outlined below.**

- The accounts payable process records all purchases of inventory into the GL (see separate Accounts Payable/Payment Processing procedures).
- Accounting clerk reviews monthly inventory usage reports received from Maintenance Dept. prepared from BNA program. Review for reasonableness and follow up on any unusual items. (This process does NOT require an entry into the GL to reduce inventory).
- At end of each quarter, accounting clerk reviews inventory physical count documents for reasonableness and follow up on any unusual items.
- Quarterly a GL adjustment is made by Controller to record actual inventory amount. (This entry will be to reduce Inventory and increase Materials and Supplies).
- Annually, in conjunction with the Independent Audit, a year-end inventory is taken and adjusted by Controller .

### **Fixed Asset Recording and Reconciliation Procedures**

**Fixed Assets consist of primarily Rolling stock, equipment and furnishings. The purpose of these procedures is to establish controls to account for such assets and comply with the requirements of 49 CFR 18.20(b)(3) Internal Controls and 18.32(d)(1) Equipment Management Requirements. BNA Software is maintained for recording purchases, dispositions and balances for each category and in total, along with the related depreciation. Following are the basic procedures followed to record and reconcile fixed assets.**

- Any disbursements for Fixed Assets must follow the Finance Policies and Procedures for Accounts Payable/Payments.
- Any disbursements that are capitalized as fixed assets are entered into BNA by the Finance Dept.
- All capitalized assets are tagged with an asset ID number, which is tracked within the database. The database shall also include other documentation required by 49CFR18.32(d)(1).
- A physical inventory of the assets shall be taken at least once every two years, to be coordinated between the Maintenance Dept. and Finance.
- All dispositions will be made in accordance with 49CFR18.32(e). Appropriate documentation shall be maintained in the Finance Dept.
- The database shall be reconciled with the GL by the Controller.

### FEDERAL GRANTS Payment Request Procedures

**The Executive Director, CFO, or Controller are authorized to request payment using the FTA TEAM-Web “Echo” process. After proper grant expenditure and disbursement have taken place, and after the disbursement has been “paid” by the bank, the following procedures relate to requesting the grant funds for reimbursement.**

- Identify if funds are available in grant
  - Excel Grant Balance Spreadsheet -F:Accounting/Grants/Balance
  - Team
- Sign on to ECHO-Web
- Request funds
- Print request
- Director initial request
- Attach copy of canceled check to request
- Enter grant funds receivable in CYMA
  - Debit G/L 102.1 FTA Grant funds receivable
  - Credit G/L 421 FTA Capital Funds
- Enter echo request in excel annual audit spreadsheet
- When funds received via ACH deposit in bank acct 0600008951 enter in CYMA and print copy of ACH deposit
  - Debit G/L 101.11 C&C General Checking
  - Credit G/L 102.1 FTA Grant funds receivable
  - Note on echo request date funds received and posted to G/L and attach copy of ACH deposit
  - Note on excel annual audit spreadsheet- date funds received

## APPENDIX I

### Prompt Payment Administrative Policy

## Prompt Payment Administrative Policy

### **ADMINISTRATIVE POLICY**

The Florida Prompt Payment Act ("ACT") establishes a policy of the State of Florida that local governments shall pay vendors for purchases in a timely manner and that local governments establish a procedure to decide promptness of payment disputes between vendors and local governments.

The ACT mandates that "to pay in a timely manner" means payments to vendors by local governments shall be due not later than 45 calendar days from the due date specified in the ACT (or 20 business days for construction contracts).

To abide by the ACT's timely manner standard of 45 calendar days (or 20 business days), the LAMTD has adopted the following administrative policy. This policy shall incorporate the "Florida Prompt Payment Act" (Ch. 89-297, s 4, Laws of Fl.) and as it may in the future be amended.

#### **A. PROPER INVOICE REQUIREMENTS**

To process payment for goods and/or services received it is essential that the Finance Department receive a proper invoice which is acceptable to the LAMTD. The following represent requirements for an invoice to be considered a proper invoice for payment:

1. Name of Vendor
2. Address of vendor where payment is to be mailed
3. Delivery date, delivery location, and delivery terms as set forth on the LAMTD purchase order for goods or services
4. LAMTD of Lakeland purchase order number as required under the LAMTD's Purchasing Policy Manual
5. Emergency purchases (those which may not involve the use of a purchase order) should indicate the name of employee or LAMTD representative who requested the purchase
6. The vendor's payment terms and invoice date
7. The taxpayer identification number for vendors who are not incorporated

8. For invoices involving the purchase of goods the invoice should contain the following information which is accurate, complete and consistent with the authorizing purchase document or verbal order:

- a. Item description
- b. Quantity purchased
- c. Unit price
- d. Extended total price for each item
- e. Total amount of invoice with applicable discounts

9. For invoices which involve the purchase of services, the invoice should contain the following information applicable to the purchase which is accurate, complete and consistent with the authorizing purchase document or verbal order:

- a. Itemized description of services performed
- b. Date services were rendered
- c. Billing method for services performed (approved hourly rates, percentage of completion, cost plus fixed fee, direct (actual) costs, etc.)
- d. Itemization of other direct reimbursable costs (description, amount)

10. Any other information required by written agreement or contract with the LAMTD of Lakeland.

## **B. DELIVERY AND ACCEPTANCE**

All invoices and correspondence concerning invoices relating to the LAMTD must be delivered to Lakeland Area Mass Transit District, Finance Department, 1212 George Jenkins Blvd. Street, Lakeland, FL 33815.

Goods and services WILL NOT be deemed received by the LAMTD even though physical delivery has occurred if the vendor has not complied with all terms of the purchase order and/or other contractual agreement. The LAMTD may refuse acceptance of any portion or all services or goods delivered. In this event, the LAMTD may make payment based upon the actual portion of goods or services received and accepted by the LAMTD.



**C. CALCULATION OF PAYMENT DUE DATE**

Each invoice received by the Finance Department shall be marked as having been received (date stamped) on the date on which it is first delivered to the Finance Department. The date marked shall be the date on which the invoice is received. In addition, each department for which goods and/or services are received shall indicate on the receiving document (green copy of Purchase Order) the date such were received and said date shall be the ACTUAL date of receipt of goods and/or services.

The Finance Department shall make payment to the vendor no later than 45 days (or 20 business days for construction contracts) from the date on which a proper invoice is received by the Finance Department.

**D. NOTIFICATION OF IMPROPER INVOICE**

Generally, when the LAMTD receives an improper invoice which may result in payment being delayed in excess of 45 calendar days, the LAMTD will attempt to notify the vendor within 10 days after the improper invoice is received and indicate what corrective action is needed to make the invoice a proper invoice. The LAMTD shall not be obligated to return the invoice. Upon notification that the invoice is improper, the vendor will immediately take corrective action by issuing a replacement invoice which is a proper invoice.

**E. APPOINTMENT OF HEARING OFFICER**

The LAMTD Manager or his designee is hereby appointed as the Prompt Payment Hearing Officer. The responsibility of the Hearing Officer is to render decisions either in favor of the LAMTD or in favor of vendors. Hearing Officer decisions shall be rendered exclusively for and limited to disputes that directly relate to the promptness of payment by the LAMTD to vendors. The rendering of the Hearing Officer's decision shall be final. The Prompt Payment Hearing Officer may adopt such written rules and procedures as the Hearing Officer deems appropriate for the exercise of responsibility to render decisions, so long as such written rules and procedures are approved by the LAMTD Manager and are not inconsistent with the Florida Prompt Payment Act or this resolution. The Finance Department shall provide administrative support to the Hearing Officer. This support shall extend to secretarial assistance, document control, records management, and other support necessary for the Hearing Officer to render decisions.

**F. DISPUTE RESOLUTION PROCEDURES**

A dispute may arise between the LAMTD of Lakeland and a vendor because of the vendor's assertion that the LAMTD has failed to pay the vendor's invoice within 45 calendar days after receipt. The dispute will typically center on what is the correctly calculated date that payment was due from the LAMTD to the vendor and whether the LAMTD effected payment to the vendor. The Hearing Officer shall decide the issues and rule either in favor of the LAMTD or in favor of the vendor. The Hearing Officer is expressly prohibited from deciding issues as to whether performance of a contract has taken place or whether the LAMTD is obligated to make payment for a purchase. The scope of the Hearing Officer's authority is exclusively limited to issues of when the LAMTD was required to pay and whether the LAMTD has paid. The Hearing Officer's decision is with no prejudice to any remedy either party may have at law or equity.

Proceedings shall take place within the timeliness guidelines set forth in the Florida Prompt Payment Act.

The Hearing Officer shall render a final written decision. The written decision shall iterate the facts specifically and state separately a conclusion. The Hearing Officer shall have a duty to review the evidence and shall not announce a decision before a finding of fact and making a conclusion.

The Hearing Officer will, within 5 days of rendering a decision, mail or deliver a written copy of the final order to both the Finance Director and the vendor. There shall be no appeal of the Hearing Officers finding to either the LAMTD Manager or the LAMTD Commission.

APPENDEIX II

OMB Circular 87 (Excerpts)

**OMB CIRCULAR A-87 (REVISED 5/4/95, As Further Amended 8/29/97)****GENERAL PRINCIPLES FOR DETERMINING  
ALLOWABLE COSTS**

*Note: This is a condensed version of the circular. The full version is available at P:\FINANCE\ACCOUNTS  
PAYABLE\ACCTSPAY\OMBA87.DOC.*

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ATTACHMENT A  
Circular No. A-87

**A. Purpose and Scope**

1. Objectives. This Attachment establishes principles for determining the allowable costs incurred by State, local, and federally-recognized Indian tribal governments (governmental units) under grants, cost reimbursement contracts, and other agreements with the Federal Government (collectively referred to in this Circular as "Federal awards").
2. Policy guides.
  - a. The application of these principles is based on the fundamental premises that:
    - (1) Governmental units are responsible for the efficient and effective administration of Federal awards through the application of sound management practices.
    - (2) Governmental units assume responsibility for administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal award.
    - (3) Each governmental unit, in recognition of its own unique combination of staff, facilities, and experience, will have the primary responsibility for employing whatever form of organization and management techniques may be necessary to assure proper and efficient administration of Federal awards.

**C. Basic Guidelines**

1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:
  - a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
  - b. Be allocable to Federal awards under the provisions of this Circular.
  - c. Be authorized or not prohibited under State or local laws or regulations.
  - d. Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
  - e. Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.
  - f. Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.

g. Except as otherwise provided for in this Circular, be determined in accordance with generally accepted accounting principles.

j. Be adequately documented.

2. Reasonable costs. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when governmental units or components are predominately federally- funded. In determining reasonableness of a given cost, consideration shall be given to:

a. Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the governmental unit or the performance of the Federal award.

b. The restraints or requirements imposed by such factors as: sound business practices; arms length bargaining; Federal, State and other laws and regulations; and, terms and conditions of the Federal award.

c. Market prices for comparable goods or services.

d. Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the governmental unit, its employees, the public at large, and the Federal Government.

e. Significant deviations from the established practices of the governmental unit which may unjustifiably increase the Federal award's cost.

3. Allocable costs.

a. A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received.

4. Applicable credits.

a. Applicable credits refer to those receipts or reduction of expenditure-type transactions that offset or reduce expense items allocable to Federal awards as direct or indirect costs. Examples of such transactions are: purchase discounts, rebates or allowances, recoveries or indemnities on losses, insurance refunds or rebates, and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the governmental unit relate to allowable costs, they shall be credited to the Federal award either as a cost reduction or cash refund, as appropriate.

**SELECTED ITEMS OF COST**

Sections 1 through 42 provide principles to be applied in establishing the allowability or unallowability of certain items of cost. These principles apply whether a cost is treated as direct or indirect. A cost is allowable for Federal reimbursement only to the extent of benefits received by Federal awards and its conformance with the general policies and principles stated in Attachment A to this Circular. Failure to mention a particular item of cost in these sections is not intended to imply that it is either allowable or unallowable; rather, determination of allowability in each case should be based on the treatment or standards provided for similar or related items of cost.

***Note: Those types of costs that will never be encountered on a requisition or DPO, such as payroll and depreciation, have been eliminated from this list. Unallowable costs are in bold and italics.***

1. Accounting. The cost of establishing and maintaining accounting and other information systems is allowable.
2. Advertising and public relations costs.
  - a. The term "advertising costs" means the costs of advertising media and corollary administrative costs. Advertising media include magazines, newspapers, radio and television programs, direct mail, exhibits, and the like.
  - b. The term "public relations" includes community relations and means those activities dedicated to maintaining the image of the governmental unit or maintaining or promoting understanding and favorable relations with the community or public at large or any segment of the public.
  - c. Advertising costs are allowable only when incurred for the recruitment of personnel, the procurement of goods and services, the disposal of surplus materials, and any other specific purposes necessary to meet the requirements of the Federal award. Advertising costs associated with the disposal of surplus materials are not allowable where all disposal costs are reimbursed based on a standard rate as specified in the grants management common rule.
  - d. Public relations costs are allowable when:
    - (1) Specifically required by the Federal award and then only as a direct cost;
    - (2) Incurred to communicate with the public and press pertaining to specific activities or accomplishments that result from performance of the Federal award and then only as a direct cost; or
    - (3) Necessary to conduct general liaison with news media and government public relations officers, to the extent that such activities are limited to communication and liaison necessary to keep the public informed on matters of public concern, such as notices of Federal contract/grant awards, financial matters, etc.
  - e. ***Unallowable advertising and public relations costs include the following:***
    - (1) ***All advertising and public relations costs other than as specified in subsections c. and d.;***
    - (2) ***Except as otherwise permitted by these cost principles, costs of conventions, meetings, or other events related to other activities of the governmental unit including:***

(a) *Costs of displays, demonstrations, and exhibits;*

(b) *Costs of meeting rooms, hospitality suites, and other special facilities used in conjunction with shows and other special events; and*

(c) *Salaries and wages of employees engaged in setting up and displaying exhibits, making demonstrations, and providing briefings;*

(3) *Costs of promotional items and memorabilia, including models, gifts, and souvenirs; and*

(4) *Costs of advertising and public relations designed solely to promote the governmental unit.*

3. Advisory councils. Costs incurred by advisory councils or committees are allowable as a direct cost where authorized by the Federal awarding agency or as an indirect cost where allocable to Federal awards.

4. Alcoholic beverages. *Costs of alcoholic beverages are unallowable.*

5. Audit services. The costs of audits are allowable provided that the audits were performed in accordance with the Single Audit Act, as implemented by Circular A-128, "Audits of State and Local Governments." [Note: In June 1997, OMB rescinded Circular A-128 and co-located all audit requirements in a re-titled Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."] Generally, the percentage of costs charged to Federal awards for a single audit shall not exceed the percentage derived by dividing Federal funds expended by total funds expended by the recipient or subrecipient (including program matching funds) during the fiscal year. The percentage may be exceeded only if appropriate documentation demonstrates higher actual costs.

Other audit costs are allowable if specifically approved by the awarding or cognizant agency as a direct cost to an award or included as an indirect cost in a cost allocation plan or rate.

6. Automatic electronic data processing. The cost of data processing services is allowable (but see section 19, Equipment and other capital expenditures).

8. Bonding costs. Costs of bonding employees and officials are allowable to the extent that such bonding is in accordance with sound business practice.

9. Budgeting. Costs incurred for the development, preparation, presentation, and execution of budgets are allowable.

10. Communications. Costs of telephone, mail, messenger, and similar communication services are allowable.

**12. Contingencies. *Contributions to a contingency reserve or any similar provision made for events the occurrence of which cannot be foretold with certainty as to time, or intensity, or with an assurance of their happening, are unallowable. The term "contingency reserve" excludes self-insurance reserves (see subsection 25.c.), pension plan reserves (see subsection 11.e.), and post-retirement health and other benefit reserves (see subsection 11.f.) computed using acceptable actuarial cost methods.***

13. **Contributions and donations. *Contributions and donations, including cash, property, and services, by governmental units to others, regardless of the recipient, are unallowable.***

14. Defense and prosecution of criminal and civil proceedings, and claims.

*a. The following costs are unallowable for contracts covered by 10 U.S.C. 2324(k), "Allowable costs under defense contracts."*

*(1) Costs incurred in defense of any civil or criminal fraud proceeding or similar proceeding (including filing of false certification brought by the United States where the contractor is found liable or has pleaded nolo contendere to a charge of fraud or similar proceeding (including filing of a false certification)).*

*(2) Costs incurred by a contractor in connection with any criminal, civil or administrative proceedings commenced by the United States or a State to the extent provided in 10 U.S.C. 2324(k).*

*b. Legal expenses required in the administration of Federal programs are allowable. Legal expenses for prosecution of claims against the Federal Government are unallowable.*

16. Disbursing service. The cost of disbursing funds by the Treasurer or other designated officer is allowable.

17. Employee morale, health, and welfare costs. The costs of health or first-aid clinics and/or infirmaries, recreational facilities, employee counseling services, employee information publications, and any related expenses incurred in accordance with a governmental unit's policy are allowable. Income generated from any of these activities will be offset against expenses.

18. Entertainment. *Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) are unallowable.*

19. Equipment and other capital expenditures.

a. As used in this section the following terms have the meanings as set forth below:

(1) "Capital expenditure" means the cost of the asset including the cost to put it in place. Capital expenditure for equipment means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges, such as taxes, duty, protective in transit insurance, freight, and installation may be included in, or excluded from, capital expenditure cost in accordance with the governmental unit's regular accounting practices.

(2) "Equipment" means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals the lesser of (a) the capitalization level established by the governmental unit for financial statement purposes, or (b) \$5000.

(3) "Other capital assets" mean buildings, land, and improvements to buildings or land that materially increase their value or useful life.

b. Capital expenditures which are not charged directly to a Federal award may be recovered through use allowances or depreciation on buildings, capital improvements, and equipment (see section 15). See also section 38 for allowability of rental costs for buildings and equipment.

c. Capital expenditures for equipment, including replacement equipment, other capital assets, and improvements which materially increase the value or useful life of equipment or other capital assets are allowable as a direct cost when approved by the awarding agency. Federal awarding agencies are authorized at their option to waive or delegate this approval requirement.



- d. Items of equipment with an acquisition cost of less than \$5000 are considered to be supplies and are allowable as direct costs of Federal awards without specific awarding agency approval.
- e. The unamortized portion of any equipment written off as a result of a change in capitalization levels may be recovered by (1) continuing to claim the otherwise allowable use allowances or depreciation charges on the equipment or by (2) amortizing the amount to be written off over a period of years negotiated with the cognizant agency.
- f. When replacing equipment purchased in whole or in part with Federal funds, the governmental unit may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.

**20. Fines and penalties. *Fines, penalties, damages, and other settlements resulting from violations (or alleged violations) of, or failure of the governmental unit to comply with, Federal, State, local, or Indian tribal laws and regulations are unallowable except when incurred as a result of compliance with specific provisions of the Federal award or written instructions by the awarding agency authorizing in advance such payments.***

**21. Fund raising and investment management costs.**

*a. Costs of organized fund raising, including financial campaigns, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions are unallowable, regardless of the purpose for which the funds will be used.*

*b. Costs of investment counsel and staff and similar expenses incurred to enhance income from investments are unallowable. However, such costs associated with investments covering pension, self-insurance, or other funds which include Federal participation allowed by this Circular are allowable.*

*c. Fund raising and investment activities shall be allocated an appropriate share of indirect costs under the conditions described in subsection C.3.b. of Attachment A.*

**23. General government expenses.**

*a. The general costs of government are unallowable (except as provided in section 41). These include:*

*(1) Salaries and expenses of the Office of the Governor of a State or the chief executive of a political subdivision or the chief executives of federally-recognized Indian tribal governments;*

*(2) Salaries and other expenses of State legislatures, tribal councils, or similar local governmental bodies, such as county supervisors, city councils, school boards, etc., whether incurred for purposes of legislation or executive direction;*

*(5) Other general types of government services normally provided to the general public, such as fire and police, unless provided for as a direct cost in program regulations.*

**25. Insurance and indemnification.**

- a. Costs of insurance required or approved and maintained, pursuant to the Federal award, are allowable.
- b. Costs of other insurance in connection with the general conduct of activities are allowable subject to the following limitations:

(1) Types and extent and cost of coverage are in accordance with the governmental unit's policy and sound business practice.

*(2) Costs of insurance or of contributions to any reserve covering the risk of loss of, or damage to, Federal Government property are unallowable except to the extent that the awarding agency has specifically required or approved such costs.*

*c. Actual losses which could have been covered by permissible insurance (through a self-insurance program or otherwise) are unallowable, unless expressly provided for in the Federal award or as described below. However, the Federal Government will participate in actual losses of a self insurance fund that are in excess of reserves. Costs incurred because of losses not covered under nominal deductible insurance coverage provided in keeping with sound management practice, and minor losses not covered by insurance, such as spoilage, breakage, and disappearance of small hand tools, which occur in the ordinary course of operations, are allowable.*

d. Contributions to a reserve for certain self-insurance programs including workers compensation, unemployment compensation, and severance pay are allowable.

e. Actual claims paid to or on behalf of employees or former employees for workers' compensation, unemployment compensation, severance pay, and similar employee benefits (e.g., subsection 11.f. for post retirement health benefits), are allowable in the year of payment provided (1) the governmental unit follows a consistent costing policy and (2) they are allocated as a general administrative expense to all activities of the governmental unit.

h. Costs of commercial insurance that protects against the costs of the contractor for correction of the contractor's own defects in materials or workmanship are unallowable.

#### **26. Interest.**

a. Costs incurred for interest on borrowed capital or the use of a governmental unit's own funds, however represented, are unallowable except as specifically provided in subsection b. or authorized by Federal legislation.

**27. Lobbying.** *The cost of certain influencing activities associated with obtaining grants, contracts, cooperative agreements, or loans is an unallowable cost.*

28. **Maintenance, operations, and repairs.** Unless prohibited by law, the cost of utilities, insurance, security, janitorial services, elevator service, upkeep of grounds, necessary maintenance, normal repairs and alterations, and the like are allowable to the extent that they: (1) keep property (including Federal property, unless otherwise provided for) in an efficient operating condition, (2) do not add to the permanent value of property or appreciably prolong its intended life, and (3) are not otherwise included in rental or other charges for space. Costs which add to the permanent value of property or appreciably prolong its intended life shall be treated as capital expenditures (see sections 15 and 19).

29. **Materials and supplies.** The cost of materials and supplies is allowable. Purchases should be charged at their actual prices after deducting all cash discounts, trade discounts, rebates, and allowances received. Withdrawals from general stores or stockrooms should be charged at cost under any recognized method of pricing, consistently applied. Incoming transportation charges are a proper part of materials and supply costs.

#### **30. Memberships, subscriptions, and professional activities.**

a. Costs of the governmental unit's memberships in business, technical, and professional organizations are allowable.

b. Costs of the governmental unit's subscriptions to business, professional, and technical periodicals are allowable.

c. Costs of meetings and conferences where the primary purpose is the dissemination of technical information, including meals, transportation, rental of meeting facilities, and other incidental costs are allowable.

d. Costs of membership in civic and community, social organizations are allowable as a direct cost with the approval of the Federal awarding agency.

*e. Costs of membership in organizations substantially engaged in lobbying are unallowable.*

31. Motor pools. The costs of a service organization which provides automobiles to user governmental units at a mileage or fixed rate and/or provides vehicle maintenance, inspection, and repair services are allowable.

32. Pre-award costs. Pre-award costs are those incurred prior to the effective date of the award directly pursuant to the negotiation and in anticipation of the award where such costs are necessary to comply with the proposed delivery schedule or period of performance. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the award and only with the written approval of the awarding agency.

33. Professional service costs.

a. Cost of professional and consultant services rendered by persons or organizations that are members of a particular profession or possess a special skill, whether or not officers or employees of the governmental unit, are allowable, subject to section 14 when reasonable in relation to the services rendered and when not contingent upon recovery of the costs from the Federal Government.

b. Retainer fees supported by evidence of bona fide services available or rendered are allowable.

34. Proposal costs. Costs of preparing proposals for potential Federal awards are allowable. Proposal costs should normally be treated as indirect costs and should be allocated to all activities of the governmental unit utilizing the cost allocation plan and indirect cost rate proposal. However, proposal costs may be charged directly to Federal awards with the prior approval of the Federal awarding agency.

35. Publication and printing costs. Publication costs, including the costs of printing (including the processes of composition, plate-making, press work, and binding, and the end products produced by such processes), distribution, promotion, mailing, and general handling are allowable.

36. Rearrangements and alterations. Costs incurred for ordinary and normal rearrangement and alteration of facilities are allowable. Special arrangements and alterations costs incurred specifically for a Federal award are allowable with the prior approval of the Federal awarding agency.

37. Reconversion costs. Costs incurred in the restoration or rehabilitation of the governmental unit's facilities to approximately the same condition existing immediately prior to commencement of Federal awards, less costs related to normal wear and tear, are allowable.

38. Rental costs.

a. Subject to the limitations described in subsections b. through d. of this section, rental costs are allowable to the extent that the rates are reasonable in light of such factors as: rental costs of comparable property, if any; market conditions in the area; alternatives available; and, the type, life expectancy, condition, and value of the property leased.

b. Rental costs under sale and leaseback arrangements are allowable only up to the amount that would be allowed had the governmental unit continued to own the property.

c. Rental costs under less-than-arms-length leases are allowable only up to the amount that would be allowed had title to the property vested in the governmental unit. For this purpose, less-than-arms-length leases include, but are not limited to, those where:

- (1) One party to the lease is able to control or substantially influence the actions of the other;
- (2) Both parties are parts of the same governmental unit; or
- (3) The governmental unit creates an authority or similar entity to acquire and lease the facilities to the governmental unit and other parties.

d. Rental costs under leases which are required to be treated as capital leases under GAAP are allowable only up to the amount that would be allowed had the governmental unit purchased the property on the date the lease agreement was executed. This amount would include expenses such as depreciation or use allowance, maintenance, and insurance. The provisions of Financial Accounting Standards Board Statement 13 shall be used to determine whether a lease is a capital lease. Interest costs related to capital leases are allowable to the extent they meet the criteria in section 26.

#### 39. Taxes.

a. Taxes that a governmental unit is legally required to pay are allowable, except for self-assessed taxes that disproportionately affect Federal programs or changes in tax policies that disproportionately affect Federal programs. This provision becomes effective for taxes paid during the governmental unit's first fiscal year that begins on or after January 1, 1998, and applies thereafter.

b. Gasoline taxes, motor vehicle fees, and other taxes that are in effect user fees for benefits provided to the Federal Government are allowable.

40. Training. The cost of training provided for employee development is allowable.

#### 41. Travel costs.

a. General. Travel costs are allowable for expenses for transportation, lodging, subsistence, and related items incurred by employees traveling on official business. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip, and results in charges consistent with those normally allowed in like circumstances in non-federally-sponsored activities. Notwithstanding the provisions of section 23, travel costs of officials covered by that section, when specifically related to Federal awards, are allowable with the prior approval of a grantor agency.

b. Lodging and subsistence. Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, shall be considered reasonable and allowable only to the extent such costs do not exceed charges normally allowed by the governmental unit in its regular operations as a result of the governmental unit's policy. In the absence of a written governmental unit policy regarding travel costs, the rates and amounts established under subchapter I of Chapter 57 of Title 5, United States Code "Travel and Subsistence Expenses; Mileage Allowances," or by the Administrator of General Services, or the President (or his designee) pursuant to any provisions of such subchapter shall be used as guidance for travel under Federal awards (41 U.S.C. 420, "Travel Expenses of Government Contractors").

c. Commercial air travel. *Airfare costs in excess of the customary standard (coach or equivalent) airfare, are unallowable except when such accommodations would:* require circuitous routing, require travel

during unreasonable hours, excessively prolong travel, greatly increase the duration of the flight, result in increased cost that would offset transportation savings, or offer accommodations not reasonably adequate for the medical needs of the traveler. Where a governmental unit can reasonably demonstrate to the awarding agency either the nonavailability of customary standard airfare or Federal Government contract airfare for individual trips or, on an overall basis, that it is the governmental unit's practice to make routine use of such airfare, specific determinations of nonavailability will generally not be questioned by the Federal Government, unless a pattern of avoidance is detected. However, in order for airfare costs in excess of the customary standard commercial airfare to be allowable, e.g., use of first-class airfare, the governmental unit must justify and document on a case-by-case basis the applicable condition(s) set forth above.

d. Air travel by other than commercial carrier. Cost of travel by governmental unit-owned, -leased, or -chartered aircraft, as used in this section, includes the cost of lease, charter, operation (including personnel costs), maintenance, depreciation, interest, insurance, and other related costs. *Costs of travel via governmental unit-owned, -leased, or -chartered aircraft are unallowable to the extent they exceed the cost of allowable commercial air travel, as provided for in subsection c.*



AGENDA ITEM #8 – CONT.

Agenda Item: **Execution of Section 5317 Grant**

Presenter: Brian Jaruszewski

Recommended  
Action: None

Summary: The LAMTD has been working with the FDOT to secure funding under the New Freedom Program (Section 5317) to return service on Route 1 (Florida Ave.) to a 30 minute headway, and to sustain Saturday service.

The total operational project cost is \$2,717,730 (funded 50% by LAMTD through an in-kind match, and 50% by FDOT). The total capital project cost is \$125,000 (funded 20% by LAMTD, and 50% by FDOT).

The Joint Participation Agreement (JPA) was fully executed on December 2, 2011. Service under this grant commenced on December 5, 2011.

Attachments: None

LAKELAND AREA MASS TRANSIT DISTRICT  
BOARD OF DIRECTORS MEETING  
DECEMBER 14, 2012  
AGENDA ITEM # 9

***Consent Agenda Item***

Agenda Item: **Community Transportation Coordinator (CTC)  
Interlocal Agreement**

Presenter: Dean Kirkland-McMillan

Recommended  
Action: Approve Standard Coordination / Operator Agreement  
2011-2012

Financial  
Impact: A source of Revenue for the District based on  
Community Transportation Coordinator (CTC) trips  
given to the Citrus Connection to operate. The past year  
no CTC trips were operated by the Citrus Connection.

Summary: The Lakeland Area Mass Transit District's (LAMTD)  
Citrus Connection service has had an agreement to  
operate Paratransit service for the Polk County  
Community Transportation Coordinator under the  
management of the Polk County Transit Services  
(PCTS). Basically, the agreement permits the PCTS  
to assign Community Transportation Coordinator if their  
loads were to exceed their capacity. Additionally,  
LAMTD is just one of several operators with which, they  
have such an agreement.

Attachments: Standard Coordination/Operator Contract



# COORDINATION AGREEMENT

BETWEEN

**POLK COUNTY BOARD OF COUNTY COMMISSIONERS**

AND

*Lakeland Area Mass Transit District*

## WITNESSETH

WHEREAS, The Polk County Board of County Commissioners (BoCC) in its role as the Community Transportation Coordinator (CTC) for Polk County, hereafter known as the CTC, and; has initiated a program to provide community transportation service for social service clients, agencies, and organizations, provided such service complies with Chapter 427, Florida Statutes and Chapters 41-2 and 14-90, Florida Administrative Code, and;

WHEREAS, Lakeland Area Mass Transit District hereafter known as the OWNER/OPERATOR is operating in Polk County and is eligible to coordinate services with the CTC. The transportation services described herein are deemed to comply with all applicable state laws and regulations, and;

WHEREAS, the OWNER/OPERATOR currently provides or plans to provide service using its own vehicles in the provision of transportation to transportation disadvantaged clients that are unique in nature, and will provide the CTC the opportunity to develop a proposal for any new transportation services needed.

## TERMS OF AGREEMENT

NOW, THEREFORE, the CTC and OWNER/OPERATOR, in consideration of the mutual covenants hereinafter set forth, agree as follows;

1. The CTC shall provide transportation coordination services to OWNER/OPERATOR clients deemed eligible in accordance with Florida Statutes 427, within all Polk County, and to other counties as necessity and efficiency dictates.
2. OWNER/OPERATOR shall retain all financial records, supporting documents, statistical records, and any other documents pertinent to this Contract for a period of five (5) years after termination of this Contract. If an audit or litigation has been initiated and audit findings or litigation have not been resolved at the end of the five (5) years, the records shall be retained until resolution of the audit findings or litigation. The OWNER/OPERATOR shall assure that these records

shall be subject to inspection, review, or audit at all reasonable times by persons duly authorized by the Coordinator or Commission or this Contract. The Commission and the Coordinator shall have full access to and the right to examine any of the records and documents during the retention period.

3. OWNER/OPERATOR shall act as a transportation provider for the OWNER/OPERATOR's clients based on the availability of OWNER/OPERATOR vehicles.
4. OWNER/OPERATOR shall furnish vehicles which conform to Chapter 427 Florida Statutes and Chapter 14-90, Florida Administrative Code and shall maintain same in good mechanical and clean condition.
5. OWNER/OPERATOR has developed and implemented a System Safety Program Plan (SSPP) or adopts the SSPP of the CTC and agrees to abide by said policy.
6. OWNER/OPERATOR shall maintain a minimum liability insurance rate of \$200,000 per person, and \$300,000 per incident in effect at all times.
7. OWNER/OPERATOR shall conduct a criminal background screening, pre-employment drug screening, and pre-employment physical for all drivers. OWNER/OPERATOR will provide training to include safety, vehicle operations, and passenger sensitivity in accordance with Chapter 427 Florida Statutes.
8. OWNER/OPERATOR agrees to submit an Annual Operating Report, Certifications of Compliance, and quality assurance reports to the CTC annually.
9. INDEMNIFICATION:  
The OWNER/OPERATOR shall pay on behalf of or indemnify and hold harmless Polk County, its employees, officers, agents, and volunteers from and against any and all claims, actions, damages, fees, fines, penalties, defense costs (including attorneys fees and court costs, whether such fees and costs are incurred in negotiations, collection of attorneys' fees or at the trial level or on appeal), suits or liabilities which may arise out of any actual or alleged negligent act, error, omission, or any default of the OWNER/OPERATOR (or OWNER/OPERATOR's officers, employees, agents, volunteers and subcontractors, if any) performance or failure to perform under the terms of this agreement. This indemnification and hold harmless agreement shall survive the termination or expiration of this agreement.
10. The OWNER/OPERATOR agrees to comply with all applicable federal, state, and local codes, laws, standards, and ordinances in effect during the term of this agreement, including, without limitation, Chapter 427, Florida Statutes, and Chapters 14-90 and 41-2, Florida Administrative code.

11. No changes to this Agreement or the performance contemplated hereunder shall be made unless the same are in writing and signed by both parties hereto.
12. This agreement may be terminated by either party by providing five (5) day written notice to the other party. This agreement shall be for a period beginning on the effective date and expires on December 31, 2012, unless terminated at an earlier date as described above. The effective date shall mean the date that the later of the two parties executes this agreement.
13. OWNER/OPERATOR shall not be allowed to assign its rights, duties, and obligations pursuant to the Agreement or any entity (i) which OWNER/OPERATOR is affiliated, (ii) Into which OWNER/OPERATOR may be merged or reorganized, or (iii) To which all or a portion of OWNER/OPERATOR's capital, stock, or assets may be sold without the prior written consent of Polk County which shall not be unreasonably withheld. If approval for assignment is obtained, it shall not release the OWNER/OPERATOR from any liability or obligation under this agreement.
14. Any notices, invoices, reports or any other type of documentation required by this agreement shall be sufficient if sent by the parties postage paid in the United States mail, postage paid to the addresses listed below.

**Lakeland Area Mass  
Transit District**

Name: Tom Phillips  
 Title: Executive Director  
 Address: P.O. Box 1687  
Lakeland, FL 33802

**Polk County Transit  
Services Division**

Name: Paul A. Simmons  
 Title: Manager  
 Address: Drawer HS09  
P.O. Box 9005  
Bartow, FL 33831-9005

15. The rights and obligations of the parties under this agreement shall be governed by the laws of the State of Florida and the venue for any legal or judicial proceedings in connection with the enforcement or interpretation of this agreement shall be in Polk County, Florida.

*The Remainder of this page intentionally left blank*

IN WITNESS THEREOF, the parties have executed the Agreement as of this \_\_\_\_ day of \_\_\_\_\_.

**Lakeland Area Mass  
Transit District**

**Polk County Board of County  
Commissioners**

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: Chairman

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Witness:**

**Attest:**

By: \_\_\_\_\_

Richard M. Weiss, Clerk of Court  
Polk County, Florida

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Deputy Clerk

Date: \_\_\_\_\_

DRAFT

LAKELAND AREA MASS TRANSIT DISTRICT  
 BOARD OF DIRECTORS MEETING  
 DECEMBER 14, 2011  
 AGENDA ITEM #10

Agenda Item: **District Policies**

Presenter: Debbie Porte

Recommended

Action: Board approve the adoption of a Retirement Policy, and the amendments to the Vacation Leave & Sick Leave Policies.

Summary: **Retirement Policy**

Staff has developed a Retirement Policy as required by Florida Statute. Essentially, the policy defines a retiree of the District as the following:

<b>Retiree</b>	May retire after ten (10) years of full-time service.
<b>Retiree</b>	May retire if the employee is sixty-five (65) years of age or older with at least five (5) years of full-time service.

- Retirees will have the option of continuing their health and voluntary life insurance coverage's at their expense
- In addition to the continuation of health & life insurance coverage's, the retiree will receive the following upon separation:

<b>SICK LEAVE PAYOUT UPON RETIREMENT</b>	
<b>Length of Service</b>	<b>Percentage to be paid out</b>
5-10 years	40% of all sick leave accrued
11-19 years	50% of all sick leave accrued
20 + years	60 % of all sick leave accrued

- The maximum payout shall not exceed \$9000

AGENDA ITEM #10 – CONT.

**Vacation Leave Policy**

Staff has amended the Vacation Leave Policy to reflect the following changes:

Old	New
<p>One hundred sixty (160) hours maximum carry-over; <b>use it or lose it.</b></p>	<p>One hundred sixty (160) hours maximum carryover; any hours in excess of one hundred sixty (160) will be transferred to the employee’s Deferred Compensation Account as an <b>unmatched contribution at the employee’s current pay rate</b>; the first forty (40) hours (in excess of 160 hours) will be paid at 75%; any excess hours thereafter will be paid at 50%</p>
<p>Employees continue to accrue leave hours while out for extended absences (i.e. Family or Medical Leave).</p>	<p>Employees’ accruals will freeze once the employee is out for thirty calendar days or more; accruals will resume once the employee returns to work.</p>
<p>Part-time employees receive 32 hours of “personal” leave after one full year of employment and may use their time off over the next one year period; <b>use it or lose it; no carryover.</b></p>	<p>Part-time employees will receive 40 hours annually (equates to 10 hours quarterly); accruals will be granted on the last day of the each quarter; part-time employees must work one full quarter before accruals begin (i.e. if the employee begins work on November 14, they will not be eligible to receive their first 10 hour accrual until March 31); part-time employees may carryover a maximum of ten (10) hours annually.</p>

- Staff recommends that the amended Vacation Leave Policy take effect retroactive to September 30, 2011.

AGENDA ITEM #10 – CONT.

**Sick Leave Policy**

Staff has amended the Sick Leave Policy to reflect the following changes:

**Old Sick Leave Policy**

<b>SICK LEAVE PAYOUT UPON SEPARATION</b>	
<b>Length of Service</b>	<b>Percentage to be paid out</b>
2 – 9 years	25% of all sick leave accrued
10 – 14 years	30% of all sick leave accrued
15 – 19 years	40% of all sick leave accrued
20 + years	50% of all sick leave accrued maximum payout of \$8000

**Amended Sick Leave Policy**

<b>SICK LEAVE PAYOUT UPON SEPARATION</b>	
<b>Length of Service</b>	<b>Percentage to be paid out</b>
5 – 10 years	30 % of all sick leave accrued
11 – 19 years	40% of all sick leave accrued
20 + years	50% of all sick leave accrued maximum payout of \$8000

- Attachments: Retirement Policy – New  
Vacation Leave Policy– Amended  
Sick Leave Policy – Amended

# RETIREMENT FROM THE DISTRICT

## PURPOSE

To establish specific guidelines for employees retiring from the District's employment.

## POLICY APPLICABILITY

This policy applies to all regular full-time employees.

## SCOPE OF POLICY

A retiree is defined as any employee who separates from employment from the District with at least ten (10) years of full-time creditable service; or any employee who is at least sixty-five (65) years of age with five (5) years of full-time creditable service immediately preceding the retirement/separation date with the District.

- All retirees are eligible to continue health, dental, vision, and/or voluntary life insurance benefits from the District group carriers at their expense and at the same rate as current District employees; Human Resources must be notified, in writing via the Retiree Continuation of Benefits Form, within thirty (30) days of separation if the retiring employee intends to continue all or some of the District's insurance coverages.

Should retirees wish to waive any rights to continue the health, dental, vision and/or supplemental/dependent voluntary life insurance plans, or drop off any or all plans at a later date will not be eligible to re-enroll in any of the District group insurance plans.

- Retirees do not have the option of electing new benefits after retirement.
- Retirees may make plan election changes each year during the District's standard Open Enrollment period; the plan year is effective June 1<sup>st</sup> each year.
- In addition to the health benefits outlined above, retirees will receive an additional ten percent (10%) payout of sick leave above and beyond the normal sick leave payout employees receive upon separation from the District.

<b>SICK LEAVE PAYOUT UPON RETIREMENT</b>	
<b>Length of Service</b>	<b>Percentage to be paid out</b>
5-10 years	40% of all sick leave accrued
11-19 years	50% of all sick leave accrued
20 + years	60 % of all sick leave accrued

**\*\*\*The maximum payout shall not exceed \$9,000.00\*\*\***



# VACATION LEAVE

## PURPOSE

The purpose of vacation leave is to provide employees time away from normal work activities without loss of pay or benefits. Approved vacations are beneficial to the operation of the District and beneficial to its employees; therefore, each eligible employee is encouraged to take vacation leave.

## POLICY APPLICABILITY

This policy applies to all regular full-time and eligible part-time employees (as indicated herein). Temporary employees employed directly by the District shall not accrue nor be granted paid vacation leave. This policy shall be applied retroactively, and be made effective as of September 30, 2011.

## SCOPE OF POLICY

It is the policy of the District to afford the opportunity for all regular full-time and eligible part-time employees to take vacation leave with pay in accordance with established guidelines.

New regular employees eligible for vacation leave shall accrue vacation hours during the probationary period but are not eligible to use any paid vacation until completion of the ninety (90) day probationary period (does not apply to new hires during the Bus Operator training phase; the probationary period begins upon successful completion of the training program).

Supervisors are responsible for ensuring adequate staffing levels at all times to ensure adequate coverage within the department and must follow any departmental work rules as it relates to the approval of employees' requests for time off.

- Employees must submit vacation benefit requests in advance to their supervisor. Failure to submit a vacation request in advance may result in the vacation being denied (**employees are advised to follow any departmental procedures as they apply to the request for time off**).
- Supervisors shall schedule vacations according to the operational needs of the department, and attempt to resolve any scheduling conflicts with the employees involved.
- Management reserves the right to designate when some or all vacation leave may be taken.
- While using vacation leave, employees continue to receive the same District benefits as when actively working.
- Vacation Leave shall be reported in increments of no less than one hour.

## I. EARNED LEAVE

Vacation Leave may not be taken before it is earned. Vacation hours are accrued based upon the employee's full-time hire date, and will be paid according to the employee's normal work schedule.

VACATION LEAVE		
*LENGTH OF SERVICE	*MONTHLY ACCRUAL RATES	*MAXIMUM ANNUALIZED RATES
<b>0 – 4 YEARS</b>	<b>8 HOURS</b>	<b>96 HOURS (12 DAYS)</b>
<b>5 – 15 YEARS</b>	<b>10 HOURS</b>	<b>120 HOURS (15 DAYS)</b>
<b>16 + YEARS</b>	<b>13.33 HOURS</b>	<b>160 HOURS (20 DAYS)</b>

*\*Applies to Full-time employees only*

- It is the employee’s responsibility to make sure the appropriate departmental procedures are followed so the employee will receive compensation for any leave taken.
- Vacation Leave must be used within the calendar year following the year the leave is earned except for that portion of leave that is subject to carry-over. The calendar year maximum of unused vacation leave that may be carried-over is twenty (20) days or one hundred sixty (160) hours. Employees are required to use any excess accrued time over the calendar year maximum by **December 31** of each year.
  - Any excess of vacation accruals over one hundred sixty (160) hours will be transferred to the employee’s Deferred Compensation Retirement Savings Account at the current rate of pay as an **unmatched contribution; this is based on the payout schedule outlined herein:**
    - For any accruals over one hundred sixty hours (160); up to forty (40) hours will result in a seventy-five percent (75%) unmatched contribution to the employee’s Deferred Compensation Retirement Savings Account\*\*\*
    - Any excess hours over forty (40) thereafter, will result in a fifty percent (50%) unmatched contribution to the employee’s Deferred Compensation Retirement Savings Account\*\*\*
  - In the event the employee is not enrolled in the District’s Deferred Compensation Plan, the employee agrees to forfeit any hours accrued in excess of one hundred sixty (160) hours.

**\*\*\*Employees may enroll in the Deferred Compensation Plan solely for this purpose\*\*\***

## II. EXTENDED LEAVES OF ABSENCE

Pursuant to the District’s Leave Policies (FMLA & Military Leaves), employees who are on an extended leave of absence from work for thirty (30) consecutive calendar days or more will **not** earn vacation leave benefits during any such extended leave.

## III. PAYOUT AT SEPARATION

- Unused accrued vacation hours will be paid to regular full-time employees following separation of employment at the employee’s current rate of pay.

- Employees may be required to forfeit a portion of the accrued vacation leave in lieu of payment for lost or damaged equipment or property due to misconduct or misuse on the part of the employee; or for any outstanding Computer Purchase Loans.

#### **IV. PART-TIME EMPLOYEES**

- Part-time employees are eligible for vacation leave time in the amount of forty (40) hours annually with one ten (10) hour day to be earned on the last day each quarter.
- Part-time employees may carry over a maximum of ten (10) hours at the end of the calendar year (December 31);
- Upon separation of employment, any time not used shall be forfeited.

# SICK LEAVE

## PURPOSE

It is the policy of the District to provide employees with appropriate time off due to illness under certain conditions. Eligible employees accrue paid sick leave and may take time off as necessary due to illness.

## POLICY APPLICABILITY

This policy applies to all regular full-time employees.

## SCOPE OF POLICY

From time to time an employee may encounter serious health conditions that prevent prompt and consistent attendance. Exceptions to this policy will be made in accordance with the District's Family & Medical Leave Policy.

- All regular full-time employees shall earn eight (8) hours of sick leave per month. There will be no maximum carryover of accrued sick leave; however, the maximum amount of accrued sick time may not exceed ninety-six (96) hours in any calendar year.
- Newly hired full-time employees are eligible for sick leave after completing three full months of employment to allow for accumulation of sick leave.
- Sick leave may not be taken before it is earned.
- Sick leave shall be reported in increments of no less than one hour intervals.
- Sick leave may only be used for the illness of the employee, an illness in the employee's immediate family [spouse, parent or child (natural, adopted, legal guardianship or through domestic partnerships)] and necessary medical appointments. **When appropriate, employees are strongly encouraged to schedule appointments during non-working hours or as early or late in the day as possible.**
- Sick leave requiring treatment for a serious health condition requires a medical certification pursuant to the District's Family & Medical Leave Policy.
- If the employee is out sick for three (3) or more consecutive days, the employee must make contact with a member of the HR/Risk Department to discuss FMLA options, if warranted.
- If the employee is out sick for three (3) or more consecutive days and does not require FMLA (i.e. the employee's physician has placed the employee out for a specific period of time for medical reasons etc.), the employee must notify a member of Human Resources immediately and/or present the physician's excuse to HR/Risk so in turn the supervisor can be notified of the employee's extended absence (**Pursuant to the Absenteeism & Tardiness Policy, employees are required to call in each day they are absent; with exception, if the employee receives a physician's note excusing them from work for a period of time, the employee will not be required to call in absent each day).**

- If the employee is unable to present the physician’s excuse to HR/Risk as soon as it is received from the physician, the employee must still make contact with a member of the HR/Risk staff and present the excuse note to HR/Risk before he/she can be cleared to return to work (**In the event the HR/Risk Department is closed, the employee must make contact with the supervisor on duty before he/she can be cleared to return to work. The supervisor on duty must electronically notify HR/Risk of the employee’s return to work status immediately**).
- Because of the Health Insurance Portability & Accountability Act (HIPAA), at no time will any member of the Human Resources Department discuss any employee’s medical condition with anyone internally or externally unless provided with a written consent by the employee.

**I. SICK LEAVE PAYOUT UPON SEPARATION**

When an employee leaves the employment of the District, the employee shall receive compensation for a percentage of the sick leave that has been accrued depending on length of service. Payout is based on the following schedule:

<b>SICK LEAVE PAYOUT</b>	
<b>Length of Service</b>	<b>Percentage to be paid out</b>
5-10 Years	30 % of all sick leave accrued
11-19 Years	40% of all sick leave accrued
20 + years	50% of all sick leave accrued

**\*\*\*The maximum payout shall not exceed \$8,000.00\*\*\***

**II. EXTENDED LEAVES OF ABSENCE**

Pursuant to the District’s Leave Policies (FMLA & Military Leaves), employees who are on an extended leave of absence from work for thirty (30) consecutive calendar days or more will **not** earn sick leave benefits during any such extended leave.

**III. MANAGEMENT RESPONSIBILITY**

It is the responsibility of the supervisor/manager to ensure that the control of sick leave usage is an integral part of the management process. This policy has been developed to assist the supervisor in fulfilling that responsibility.

- The supervisor shall ensure that proper coding is recorded on the employee's time report; any supporting documentation must be given to the Human Resources Department for inclusion in the employee’s Health Record.
- If the absence is three (3) or more days and qualifies for protection under the FMLA, the manager/supervisor shall refer the employee to Human Resources for further evaluation of eligibility pursuant to the District’s Family & Medical Leave Policy.
- Supervisors shall preserve the confidentiality of any medical information shared with them by employees per HIPAA guidelines.

LAKELAND AREA MASS TRANSIT DISTRICT  
BOARD OF DIRECTORS MEETING  
DECEMBER 14, 2011  
AGENDA ITEM #11

Agenda Item:     **Reports**

- FDOT / FDOT Representative
- Executive Director / Tom Phillips
- PTA Update / Tom Phillips

LAKELAND AREA MASS TRANSIT DISTRICT  
BOARD OF DIRECTORS MEETING  
DECEMBER 14, 2011  
AGENDA ITEM #12

Agenda Item:     **Other Business**

Presenter:        TBD

Recommended  
Action:           None

Summary:         None

Attachments:     None

LAKELAND AREA MASS TRANSIT DISTRICT  
BOARD OF DIRECTORS MEETING  
DECEMBER 14, 2011  
AGENDA ITEM #13

Agenda Item:       **Election of Officers**

Presenter:         Board of Directors

Recommended

Action:            The Board of Directors elect a Chair, Vice-Chair, and Secretary to serve for a period of twelve months beginning close of this meeting, December 14, 2011, through the close of the December 2012 meeting.

Summary:         The Lakeland Area Mass Transit District Board of Directors conducts an election to select members to serve as Chair, Vice-Chair, and Secretary for a one year period.

Attachments:      None