
Preface

The Uniform System of Accounts (USOA) is the basic reference document for the National Transit Database. It contains the accounting structure required by Federal Transit laws (previously Section 15 of the Federal Transit Act). Federal Transit Administration (FTA) implemented major structural changes to the accounting requirements and reporting system in a Final Rule published on January 15, 1993. All changes to the system of accounts are reflected in the USOA.

Prior to publication of the USOA, the accounting structure and reporting system for the National Transit Database was presented in four volumes published on January 10, 1977. They were: Volume I -- General Description, Volume II -- Uniform System of Accounts and Records, Volume III -- Reporting System Forms and Instructions (Required), and Volume IV -- Reporting System Forms and Instructions (Voluntary). These documents have been eliminated from the reporting system. The USOA updates and replaces the technical guidance for the uniform system of accounts contained in Volume II. Further documentation including reporting procedures, forms, and definitions of operational terms, are contained in the National Transit Database Reporting Manual, which is updated annually. The Reporting Manual replaces Volumes III and IV under the previous structure.

Data users are referred to the USOA, the Reporting Manual, and other FTA publications, including annual summaries and reports of data and national trends published by the FTA. Volume II provides documentation for the system of accounts and records for the 1978 to 1990 report years. In addition, the Data Users Guide to the FTA National Transit Database provides a reference guide for using the database. The User's Guide also documents changes to the structure and definitions of the system of accounts and records since the first annual data base was produced.

1. GENERAL INSTRUCTIONS

The purpose of this chapter is to present general instructions for using the Uniform System of Accounts (USOA). It describes in general terms the accounting requirements for compliance with recording data according to the USOA.

The transit industry is comprised of many individual mass transit agencies of varying sizes and modes of operation. In order to achieve the desired consistency, it is necessary that all transit agencies meet the same accounting and reporting requirements. Transit agencies may, however, add optional information to their reports.

Under the data collection for the national transit database, expense information is segregated by mode. A multi-mode transit agency is defined as one that provides two or more modes of transit.

For publication purposes, transit agencies are classified by mode and by the size of their operations. The number of vehicles operated in maximum service is the variable used to indicate the size of the operations.

This chapter also provides instructions for the following topics:

Section	Topic
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- | | |
|-----|------------------------------|
| 1.1 | Accounting Records |
| 1.2 | Accrual Method of Accounting |

1.1 Accounting Records

The main purpose of the USOA is to ensure that data definitions are uniform for all transit agencies. Each transit agency must maintain the accounts and records necessary to meet its own internal information requirements as well as those specified in the USOA. In some cases, information needed for internal management purposes will include data not required under the USOA. Accordingly, it is not mandatory that the internal books of account for a transit agency be maintained solely as described in the USOA. Each transit agency should customize its internal system of accounts to meet its own management requirements and also ensure that it is able to translate its accounts to the prescribed uniform system of accounts.

It is recommended that records be kept in a manner that allows ready analysis by the prescribed accounts and permits preparation of financial and operating data directly from such records at the end of the fiscal year. Any summary and/or translation to the prescribed accounts must be consistent with the following:

- The reported data have been developed using the accrual method of accounting (see Section 1.2).

- The accounting treatment specified in the Accounting Practice Instructions (Chapter 2) has been followed.
- The transit agency accounting categories (chart of accounts) have been correctly related via a clear audit trail to the accounting categories employed in the USOA.

1.2 Accrual Method of Accounting

The accrual basis of accounting is used in the USOA. Using the accrual basis, expenditures will be recorded as soon as they result in liabilities for benefits received, regardless of whether or not payment of the expenditure is made in the same accounting period. Similarly, revenues are recorded when earned, regardless of whether or not receipt of revenue takes place in the same reporting period.

An element of accrual accounting is that the reporter needs support that events have actually occurred that will result in the accrual of revenues or expenses.

When an organization receives a contribution, grant, appropriation, or contract, whose use is limited to a specified purpose, it has not earned revenue until the funds have been spent for that purpose.

Those transit agencies that use cash-basis or encumbrance-basis accounting, in whole or in part, must make work sheet adjustments to record the data on the accrual basis as described in the USOA.

2. ACCOUNTING PRACTICE INSTRUCTIONS

The purpose of this chapter is to present general accounting instructions for adherence to the Uniform System of Accounts (USOA). It may not be necessary for some transit agencies to maintain records at the level of detail described below for their own internal accounts. However, it is essential that all transit agencies follow these general accounting practices to ensure uniformity in accounting transit financial and operating data.

Accounting practices are prescribed for the following:

Section	Topic
2.1	Labor Distribution Accounting
2.2	Fringe Benefit Accounting
2.3	Bond Accounting
2.4	Accounting for Sales and Excise Taxes, Freight-in, and other Acquisition Costs
2.5	Accounting for Repairable Items
2.6	Accounting for Physical Damage, Public Liability and Property Damage and Other Corporate Losses
2.7	Property and Depreciation Accounting
2.8	Expense Transfers
2.9	Lease Accounting
2.10	Capital Grant Accounting
2.11	Revenue Accounting
2.12	Accounting for Capitalization of Development Costs

2.1 Labor Distribution Accounting

The gross pay and allowances of every employee of the transit agency are recorded by three classifications:

- The employee's compensation category (operator or other).
- The functions where labor was spent.
- The mode of transit service (e.g., motor bus, light rail, commuter rail, heavy rail, demand response).

The classification of labor charges by employee compensation category is to be based on how each employee is classified by function by the transit agency. Transit agencies are encouraged to pattern their employee classification system after the employee classifications found in the expense categories detailed in the USOA.

For some transit agencies, employee classifications can be found in the employee database(s) administered by the agency's Human Resources department. This classification information can be cross-referenced with actual compensation by function and mode within the agency General Ledger Accounting records. The compensation of employees classified as revenue vehicle operators and on-board crewmembers is to be recorded in expense object class 501.01 - Operator's Salaries and Wages. The compensation of all other employees is to be recorded in expense object class 501.02 - Other Salaries and Wages.

Salaries and Wages

In addition to classifying labor compensation by expense object class, it is necessary to identify the activities or functions in which the labor was used, then classify the related compensation amounts according to the prescribed expense functions. For example, the general manager's compensation is reported in expense object class 501.02 - Other Salaries and Wages, and function 160 - General Administration. Definitions of the functions and employees to be included in each function are presented in Chapter 6.

In many transit agencies, individuals such as supervisory personnel often work on more than one function. For example, because of personnel limitations and the size of the respective functions, one person may perform all market research, planning, and promotional activities. In these situations, a division of compensation between functions, based on time spent in each function, is necessary. The most accurate method for making this split is to have all applicable employees record their time worked by the prescribed functions on a regular, systematic basis, then allocate compensation amounts between functions on the basis of actual time spent in each function. If this method of reporting actual time by function is impractical for some situations, an acceptable alternative is to conduct periodic studies of time spent by function and use the results of these studies to allocate compensation to the functions for the accounting period. The least accurate but acceptable method is to ask employees at the end of an accounting period to estimate the percentage of time spent on each function and allocate their compensation on this basis. It should be noted that the last two methods of time reporting are acceptable only for "indirect labor" personnel (i.e., supervisory, clerical, etc.). The only acceptable method for collecting time for direct labor (i.e., operators and mechanics) is to collect actual time by function.

For transit agencies providing more than one mode of service, it is necessary to further identify and classify labor compensation by each mode of service. In most multi-mode systems, some labor is directly associated with each mode and some labor jointly serves more than one mode. For example, in a agency operating both motorbus service and demand response service, operators' wages can be easily identified with the specific mode of service offered. Using this example for expense classification, total operators' compensation is classified in expense object class 501.01 - Operators' Salaries and Wages, and is recorded as a direct cost of the motorbus and demand response modes for function 031 - Revenue Vehicle Operation.

2.2 Fringe Benefit Accounting

Detailed fringe benefit amounts are to be classified by the detailed object classes defined in Chapter 5, Expense Object Classes. The employer's portion of fringe benefit costs is to be reported under object class 502 - Fringe Benefits.

To determine the amounts to be classified under this object class for each mode and function, the total employer fringe benefit amount has to be allocated through a systematic process into object class 502. The most accurate method is to total all fringe benefits earned per employee, then designate these expenses to the appropriate mode and function. In the absence of this information, the next preferred option is to allocate fringe benefits based on time spent in each function. This information is derived by having all applicable employees record their time worked by the prescribed functions on a regular, systematic basis and allocating the labor hours for a given mode and function divided by total hours for the transit system. This process yields the percentage to be used in allocating fringe benefits to the given mode and function. If this method of reporting actual time by function is impractical for some situations, an acceptable alternative is to conduct periodic studies of time spent by function and use the results of these studies to allocate fringe benefits to the function for the accounting period.

Another option to allocate fringe benefits uses counts of employees performing each function. This information is derived from payroll records in identifying each employee and by payroll classification codes to identify each function. By summing all employee work hours in prescribed functions, a percentage can be calculated and used to allocate fringe benefits to the given mode and function.

The least accurate but still acceptable method is to ask employees at the end of the accounting period to estimate the percent of their time spent on each function and allocate the fringe benefits on this basis. It should be noted that the latter two methods of time reporting are acceptable only for "indirect labor" personnel (i.e., supervisory, clerical, etc.). The only acceptable method for collecting time for direct labor (i.e., operators and mechanics) is by collecting actual time by function. The following examples illustrate the hour and dollar allocation methods:

Example 1

The total amount of the employer's portion of fringe benefits is \$100,000. If the total amount of hours for the whole agency to provide operations, maintenance, and administration during the reporting period is 100,000 hours, and total hours to provide vehicle operations is 25,000 hours, then vehicle operations represents 25% ($25,000/100,000$) of total agency reporting period hours. The amount of fringe benefits to be classified under Vehicle Operations 010 is \$25,000 ($25\% \times \$100,000$).

Example 2

In the absence of hourly information, fringe benefits may be allocated on the basis of labor costs. This is derived by dividing total labor costs for a given mode and function by total labor charges for the entire transit system. This division yields a percentage which is used to allocate total fringe benefits to a given mode and function. For example, assume that the total amount of the employer's portion of fringe benefits is \$100,000. If the amount of labor (object class 501.02 - Other Salaries and Wages) classified under function 176 - General Management, is 5% of total labor for the transit agency, then the amount of fringe benefits to be classified under this function would be \$5,000 ($\$100,000 \times 5\%$).

Example 3

In the absence of hourly and labor cost information, fringe benefits may be allocated on the basis of head count. This is derived by tabulating the number of Full Time Equivalents (i.e., 40 hours per week worked) with the function classification as found in the Human Resources or Payroll accounting system. This yields a percentage which is used to allocate total fringe benefits to a given mode and function. For example, assume that the total amount of the employer's portion of fringe benefits is \$100,000. If the number of FTEs on Form 404, object class 501.01 - Vehicle Operations is 50 and the number of FTEs in object class 501.09 - Total system operating labor is 200, then the amount of fringe benefits to be classified under this function would be \$25,000 ($50/200 \times \$100,000$).

2.3 Bond Accounting

Bonds are a source of funds that are borrowed through capital markets and are used for a variety of finance-related activities, including payment for capital purchases, payment of leases, working capital to pay operating expenses, and to pay off accumulated short-term notes used for working capital for operating and/or capital expenses. The two essential elements of bond accounting are principle and interest. Funds used to pay off principle amounts are not to be accounted for here because the use of the funds are recorded elsewhere. Interest payments are to be reported as an Operating Expense in Object Class 511.

If a bond is issued in October for a Fiscal Year beginning on July 1st, accrual accounting dictates that only three-fourths of the associated interest costs will be reported as an Operating Expense in Object Class 511.

2.4 Accounting for Sales and Excise Taxes, Freight-in, and Other Acquisition Costs

Sales taxes, excise taxes, freight-in and other acquisition costs are accounted for as part of the cost of the material or service purchased, except for fuel and lubricant taxes

and electric power taxes. The "other acquisition costs" should not include distribution of internal purchasing and store handling costs or other administrative support activities.

Sales and excise taxes on purchases of fuel and lubricants are accounted for in expense object class 507.05 - Fuel and Lubricant Taxes. Utility taxes on electrical power used to propel electrically driven vehicles are accounted for in expense object class 507.06 - Electric Power Taxes.

Refunds or reimbursements of sales and excise taxes paid on purchases of all materials and services are classified under the following revenue object classes:

- Account 409 - Reimbursement of Taxes Paid (Local)
- Account 411 - Reimbursement of Taxes Paid (State)

2.5 Accounting for Repairable Items

Repairable items are spare parts for maintaining plant and equipment that can be economically restored to serviceable condition. One of the following commonly practiced methods for reporting the accounting of repairable items is to be used:

Alternative 1 (Inventory Method): When such a part is removed from a vehicle or other property unit, it will be returned to inventory for credit. When the item is repaired, the repair costs will be treated as current period expense. The repaired item will then be issued for use at the credit value at which it was carried in inventory.

Alternative 2: Such parts may be considered items of tangible operating property to be expensed through depreciation charges. They will move from storeroom to vehicle (or other property unit) to repair shop to storeroom on a "free issue" basis. The repair costs will be treated as current period expenses.

2.6 Accounting for Physical Damage, Public Liability and Property Damage, and Other Corporate Losses

Reporting for insurance premiums and proceeds, cost of losses from damage to transit system property, public liability for injuries and damages to others, breach of fidelity bonds, loss or theft of business records, etc., are accounted for as prescribed in the following paragraphs.

A. Physical Damage

The net cost to the transit system arising from damage to the transit system property through collision, fire, theft, flood, earthquake, etc., incorporates:

- premiums for physical damage insurance
- actual costs of restoring property to serviceable condition
- write-off of capital assets damaged beyond repair

- proceeds from insurance companies or others who are liable for the damage to the transit agency's property.

Object classes have been established for the insurance premiums, the write-off of capital assets, and the recoveries of costs from others. The labor, material, and services expense object classes will reflect the actual costs of restoring property to serviceable conditions under functions 062 - Accident Repairs of Revenue Vehicles (accounted for under the Basic Function 041, Vehicle Maintenance) and 128 - Accident Repairs of Buildings, Grounds and Equipment (accounted for under the Basic Function 042, Non-Vehicle Maintenance).

Physical damage insurance premiums should be set up as prepayments amortized over the lives of the policies. The prepayments will be recorded with the following entry:

<u>Cash (or Accounts Payable)</u>	<u>Other Assets (Prepayments)</u>
12,000	12,000

The monthly amortization will be recorded with the following entry:

<u>Other Assets (Prepayments)</u>	<u>Premiums for Physical Damage Insurance</u>
1,000	1,000

The actual costs of restoration will be recorded in the labor, material, and service object classes as the costs are incurred and then classified under the accident repair functions to differentiate such costs from routine maintenance costs. If the property is damaged beyond repair, it will be written off with the loss on disposition (book value less salvage proceeds) being debited to expense object class 513 - Depreciation and Amortization. Any recoveries of repair costs or write-offs from insurance companies or others (e.g., third parties involved in an accident) will be recorded with the following entry:

<u>Cash</u>	<u>Recoveries of Physical Damage Losses</u>
(1)	(1)

(1) Settlement of transit agency 's physical damage claim paid by insurer or other liable party.

B. Public Liability and Property Damage

The net cost to the transit agency arising from public liability for injuries and damages to others caused by the transit agency incorporates:

- premiums for public liability and property damage insurance,

- payouts for uninsured settlements,
- provisions for uninsured settlements,
- payouts for insured settlements, and
- recoveries of public liability settlements from insurers or others who are liable for public liability settlements.

Object classes have been set up for each of these five components. They will be classified under the Injuries and Damages function. Their costs are reported in Function 165 - Injuries and Damages, which is contained in Function 160 - General Administration.

Public liability and property damage insurance premiums should be set up as prepayments and amortized over the lives of the policies. The prepayment will be recorded with the following entry:

<u>Cash (or Accounts Payable)</u>	<u>Other Assets (Prepayments)</u>
60,000	60,000

The monthly amortization will be recorded with the following entry:

<u>Other Assets (Prepayments)</u>	<u>Premiums for Liability and Property Damage Insurance</u>
5,000	5,000

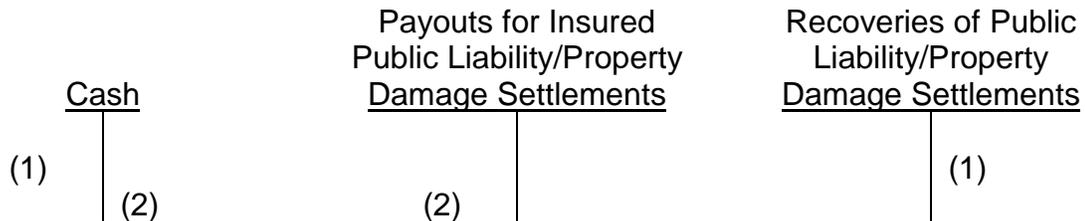
The accounting entries for settlement of a public liability/property damage claim depend on the following factors:

- whether the settlement is fully insured, partially insured or uninsured;
- for the fully or partially insured settlement, whether payment to the claimant is made by the transit agency or the insurance company;
- for the uninsured or partially insured settlement, whether uninsured loss reserves have been created through periodic provisions.

Further, a settlement may be made by a transit system or its insurer while at the same time it is undertaking a third-party action against another individual, company, or insurer who may be held ultimately liable. The cases presented below describe the entries that would be made when the transit agency or its insurer settles a public liability claim. The entries for recovery through third-party actions are presented after these cases.

CASE 1-A

Fully insured settlement or insured portion of a partially insured settlement. Insurance proceeds remitted to transit agency.



(1) Cash remitted from insurer to transit agency.

(2) Settlement paid by transit agency to claimant.

CASE 1-B

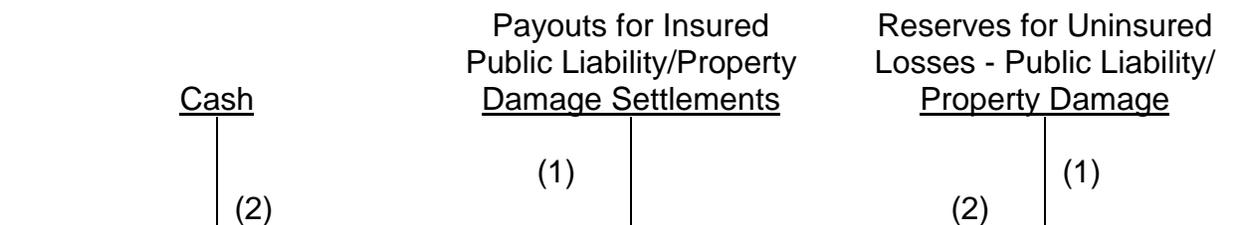
Fully insured settlement or insured portion of a partially insured settlement. Insurance proceeds remitted direct to claimant.



(1) Settlement paid by insurer directly to claimant.

CASE 2-A

Uninsured settlement or uninsured portion of a partially insured settlement. Loss reserves previously provided.



(1) Provision for uninsured losses that relate to the current or a prior accounting period.

(2) Settlement paid by transit agency to claimant.

CASE 2-B

Uninsured settlement or uninsured portion of a partially insured settlement. Reserves not previously provided.

<u>Cash</u> (1)	<u>Payouts for Uninsured Public Liability/Property Damage Settlements</u> (1)
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(1) Settlement paid by transit agency to claimant.

The entries for recovery of public liability settlements from third parties depend on how the initial settlement between the transit agency and the claimant was recorded and whether the recovery payment goes to the transit agency or to its insurer. Because a third-party recovery reduces an expense that should not have been a transit agency expense in the first place, the recovery entry will generally be a reversal of the original settlement entry. However, it may not be an exact reversal of the original entry, for the recovery amount may not be the same as the original settlement amount.

Many transit agencies use the services of an outside insurance company for all injuries and damage-related work. To pay for this service, the transit agency typically makes one payment periodically to cover all services rendered. The accounting requirement for this type of arrangement is similar to the procedure described above for the fully insured system paying public liability and property damage insurance premiums and reporting settlements as specified in either Case 1-A or 1-B. A transit agency in this situation has the appearance of being fully insured in that a periodic payment is made to an insurance company and a reserve for losses is not provided for on the transit system's books. In fact, however, the transit agency under these circumstances is self-insured or partially self-insured and the periodic payment to the insurance company normally includes all of the following:

- an estimated cash amount for expected loss settlements during the period
- a fee for claims processing, administration, and statistical reporting
- an insurance premium to cover any excess public liability and property damage losses over the specified self-insured amount.
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Under the above arrangement with an outside insurance company, transit agencies will have to analyze their periodic payment and account for the components of this charge as follows to segregate the Services Cost from the Casualty and Liability Costs.

- 1) Classify the amount representing an estimate of expected loss settlements.
- 2) Classify the claims processing fee.

- 3) Classify the excess insurance premium. Settlements of losses in excess of the self-insured amount are to be classified as prescribed in Cases 1-A or 1-B above.

C. Other Corporate Losses

The net cost to the transit agency arising from losses other than property damage or public liability incorporates:

- premiums for other corporate insurance
- losses resulting from embezzlement, theft or loss of assets other than property, etc., and
- proceeds from insurance companies or others who are liable for these losses.

Object classes have been established for each of these components. They will be accounted for in function 160 - General Administration.

Other corporate insurance premiums should be set up as prepayments and amortized over the lives of the policies. The prepayment will be recorded with the following entry:

<u>Cash (or Accounts Payable)</u>	<u>Other Assets (Prepayments)</u>
6,000	6,000

The monthly amortization will be recorded with the following entry:

<u>Other Assets (Prepayments)</u>	<u>Premium for Other Corporate Insurance</u>
500	500

The actual amount of the loss will be recorded as a debit to expense object class 506.09 - Other Corporate Losses, and reported under expense object class 506 - Casualty and Liability Cost, and a credit to the account in which the lost asset is recorded. Any recoveries of these losses from insurance companies or others will be recorded in the entry on the following page:

<u>Cash</u>	<u>Recoveries of Other Corporate Losses</u>
(1)	(1)

- (1) Settlement of transit system's claim for indemnification by insurer or other liable party.

2.7 Property and Depreciation Accounting

At present, the transit industry practices a wide variety of depreciation treatments. The treatment practiced by any one transit agency is dependent on such factors as public/private ownership of the transit agency, bond indenture covenants, the expected means of financing the replacement of fixed assets, etc.

In those situations in which the transit agency elects to publish financial statements in accordance with generally accepted accounting principles, those statements should reflect the economic and physical expiration of the life of an asset. This calculation should be based on appropriate factors, including wear and tear, deterioration, inadequacy and obsolescence. The system of accounts described here includes accounts for accumulating such depreciation charges.

The USOA does not include the reporting of depreciation charges by function. Instead, depreciation charges as reported in the transit agency's published financial statements, if any, are recorded as a reconciling item to provide for reconciliation with the transit agency's published financial statements.

2.8 Expense Transfers

Certain situations in the USOA and the internal accounting practices of some transit agencies require a means of recording expense transfers. These could be made by debiting and crediting within the specific object classes in which the expenses were originally recorded, but this technique could become too cumbersome. Expense Object Class 510: Expense Transfers can be used for this purpose.

The composite object classes listed below have been included in the USOA accounting structure to permit these transfers to be accounted for more easily. The following three reclassifications are all reported under Object Class 510.

1. Expense Object Class 510.01 - Function Reclassifications

Within the expense structure, some functions may serve as "intermediate depositories" of costs to be ultimately distributed to other functions. Expense object class 510.01 is to be used to record such distributions between functions.

2. Expense Object Class 510.02 - Expense Reclassifications

Some transit agencies make use of a composite object class in their internal accounting systems to transfer costs between cost centers, work orders, functions and/or other cost collection categories they may use. The composite object class is used in place of debiting and crediting multiple specific object classes in two different cost centers, work orders, etc. By this device, costs are collected by the specific object classes for

organizational units (i.e., responsibility reporting) and then recast from organizational units to functions or some other dimension of cost analysis.

Expense object class 510.02 may be used as necessary as the composite object class for transit agencies using this device in their internal systems.

3. Expense Object Class 510.03 - Capitalization of Non-operating Costs

Some transit agencies require certain costs, particularly labor of employees, to be charged initially to an organizational unit (cost center) in order to maintain control over such costs. However, some of these costs may relate to construction projects and reimbursable work for others that should be capitalized as property or receivables. The reclassification of these costs from current period cost center expense to property, receivables, or work-in-process is accomplished using a composite object class as in above. Expense object class 510.03 is to be used to credit any function in which an expense has been temporarily deposited for ultimate capitalization. Further clarification of accounting for these costs is presented in Accounting Practice Instruction 2.12 - Accounting for Capitalization of Development Costs.

2.9 Lease Accounting

For the USOA, three types of leases are recognized:

- True leases: those in which the lessor and lessee are not related parties, the total lease payments cover the lessor's cost of the property for the period of the lease plus interest, and the ownership of the property remains with the lessor upon expiration of the lease.
- Purchase leases: those in which the arrangement is substantively a financing plan for the purchase of the property by the lessee. The ownership of the property passes to the lessee upon expiration of the lease, sometimes with an additional payment far below the expected market value of the property at lease expiration. The property covered by such leases may or may not have been booked as owned assets, either during or after the period of the lease, in the transit agency's internal accounting records.
- Related-parties leases: those in which the lease payments required of the lessee differ substantially from those in a true lease arrangement because the lessor and lessee are related organizations.

The treatment to be given these types of leases in the USOA is described below.

- For the true lease, the lease payments for the accounting period on true lease property are to be classified in expense object class 512 - Leases and Rentals.

- Purchase leases are to be reported on the "capitalization" basis, in accordance with the transit agency's capitalization cutoff. If the lease has been capitalized in the internal accounting records of the transit agency, it is to be recorded as it has been accounted for internally. If it has not been capitalized internally, the following adjustments are to be made:

(1) The lease payments for the accounting period are to be reported as reconciling items in the USOA.

(2) The property covered by the non-capitalized purchase lease is to be recorded as owned property. This treatment is to be given to property on which lease payments are currently being made and property for which all lease commitments have been met (i.e., the purchase has been completed), but the property is carried on the books at nominal (\$1) or no value. The capitalized value of the total lease commitment is to be classified as the cost of an asset owned. The remaining lease payments, discounted to the current period ending date to remove the interest component of those payments, are to be recorded as a liability, short-term or long-term debt, as applicable. The difference between the capitalized value of the lease and the discounted future payments is to be credited to equity.

Related-parties leases are to be recorded on a modified capitalization basis in accordance with the transit system's capitalization cutoff. The adjustments necessary to classify this data are the same as items (1) and (2) in the preceding paragraph, except that the lessor's cost of the property is to be classified as the property cost rather than the capitalized value of the lease.

2.10 Capital Grant Accounting

Capital grants are those funds that are provided to the transit agency to help finance the procurement of capital assets (tangible operating property), and that

do not result in any ownership claim on the transit agency by the grantor. Such grants may come from public (governmental) or private sources.

The accounting for the property is to be segregated from the accounting for the financing of property procurements. The total cost of all property units is to be accounted for in the asset object classes for tangible property, 111 and 112, regardless of the fact that some of the property may have been financed by government grants or donated by private parties.

The financing of property procurement is to be accounted for in the liability and capital object classes. Grants and donations to assist in the procurement of capital assets are to be classified in "Grants, Donations, and Other Paid-in Capital", which is composed of the following:

Federal Government Capital Grants

State Government Capital Grants
Local Government Capital Grants
Non-governmental Donations and Other Paid-In Capital

2.11 Revenue Accounting

The basic approach to accounting for passenger revenue is to accumulate revenue earned by different fare categories. Thus, the revenue object classes which will be used by a transit agency are determined by the nature of its fare structure. If the fare structure allows a special fare for senior citizens, the annual revenue earned by carrying passengers paying this special fare is to be reported in account 401.02, Passenger Fares for Transit Service - Senior Citizen Fares. If the transit agency's fare structure does not provide a special fare for senior citizens, nothing will be reported in this account; in that case, the fares paid by those passengers will be included in Passenger Fares for Transit Service - Full Adult Fares.

The amounts to be accumulated for each passenger fare category are the total fares earned from each passenger in that category. Any zone premiums, express service premiums, extra cost transfers, or quantity purchase discounts will be charged to the same account as the base fare. Since the accrual basis of accounting has been specified as the standard for the USOA, fares earned are to be accounted for on an accrual basis. The counting of tickets and tokens as they are lifted is the preferred technique for calculating fares earned.

The method of distributing revenue earned to USOA categories in widest use in the industry today is to apply distribution factors obtained through periodic passenger surveys. This method will be acceptable for this accounting system. However, if the transit agency employs some other manual or mechanical count of passengers by USOA categories on a continuing basis, the revenue accounting derived will be preferred in place of that derived through the periodic survey technique.

All of the other revenue object classes listed in Chapter 4.3, Definitions for Revenue Data, are to be accounted for on the accrual basis. Only the accounts that reflect the transit agency's circumstances need to be used.

2.12 Accounting for Capitalization of Development Costs

The purpose of this instruction is to provide guidelines for recording the capitalization of development expenses under the USOA.

The USOA does not specify which types of development-related costs should be capitalized or expensed. For example, a transit agency constructing a maintenance facility may choose to capitalize, in addition to direct construction costs, a portion of the general manager's salary or a portion of the overall maintenance facility. Another transit agency may choose to capitalize only the direct labor associated with the construction work.

The objective of the USOA in this area is to ensure that costs that have been capitalized by the transit agency are excluded from the expense categories. From an accounting system standpoint, development costs are normally capitalized in one of the following ways:

1. All development costs to be capitalized are charged directly to capital or other asset accounts when incurred. For example, construction labor would be charged directly to a work-in-process property account rather than to labor expense for the period.
2. All development costs to be capitalized are charged initially to expense accounts (labor, fringes, supplies, etc.), and then through a later accounting adjustment, transferred to capital or other asset accounts.
3. Direct development costs to be capitalized (labor), are charged directly to asset accounts and indirect costs (i.e., percentage of labor dollars to cover overhead) are subsequently transferred from period expenses.

The first method above requires no adjustment for expense classification according to the USOA. Under the second method, the costs intended for capitalization but classified by expense object class need to be excluded from object class and function totals. This adjustment can be made in the expense accounts using object class 510.03 - Capitalization of Non-operating Costs (which is contained in Object Class 510 - Expense Transfers). See Accounting Practice Instruction in Chapter 2.8 for instructions on using this transfer account.

Under the second method, the costs intended for capitalization but classified by expense object class need to be excluded from object class and function totals. This adjustment can be made using object class 510.03 - Capitalization of Non-operating Costs. See Chapter 2.7 for instructions on using this transfer account.

Under the third method of accounting for capitalized costs, it will be necessary to adjust the expense object classes and functions for the indirect costs. Object class 510 is also to be used for this adjustment. In instances where the indirect costs to be capitalized represent a lump sum covering many cost centers or functions (i.e., system-wide overhead rates), the credit adjustment in object class 510 should be applied against function 181 - General Function, (which is contained in Expense Function 160 - General Administration).

3. CAPITAL DEFINITIONS

Capital costs are those expenses related to purchasing capital equipment and financing capital projects. They are large, non-annually recurring expenditures that have long-range impact on the transit agency. Capital investments usually stem from decisions made by capital planners.

For the Uniform System of Accounts (USOA), capital purchases are defined as long-term assets that are depreciated over a number of years. A capital purchase would be accounted for as a long-term asset using basic accrual accounting. It would be booked as a long-term asset in its entirety at one point in time (i.e., at the time of physical delivery), if, except for a down payment, it is paid for entirely at one time.

In a long-term construction project in which the transit agency makes progress payments, the fraction of the asset being constructed that corresponds to the fraction of the total payment being paid through the progress payment would be booked as a long-term asset at the time the operator makes the progress payment.

Refer to Section 1.2 on Accrual Accounting for guidance on how capital is recorded for the USOA. Data are collected at various reporting levels. More detailed explanations of these reporting levels can be found in the Reporters Manual and Data User's Guide.

3.1 Uses of Capital Funding

Uses of Capital funding include revenue expended in any of the following major classifications: Rolling Stock, Facilities, and Other. Capital expenses used exclusively for one mode must be assigned to that mode; property used for two or more modes must be allocated to each of the modes.

3.2 Definitions for Uses of Capital Funding

Rolling Stock. This category contains all funds spent on any of the following items: rolling stock for replacement or for fleet expansion; labor and inventory used; funds expended on a contractor for the rehabilitation or remanufacture of revenue service vehicles; acquisition of major components for inventory; acquisition of major components for use in the rehabilitation or remanufacture of revenue vehicles. For example, for rubber-tired vehicles, rolling stock includes the cost of one set of tires and tubes to make the vehicle operational, if the tires and tubes are owned by the transit agency.

The cost for these vehicles will include the invoice or contract price, minus a discount, if any, plus freight, excise taxes, insurance in transit, unloading costs and other expenses incurred in obtaining delivery of the vehicle upon the premises of the transit system. If repairables are accounted for as property items, this account will include the cost of spare engines and other major components carried on hand for the purpose of temporarily replacing such units taken into the shop for overhauling or repairing.

Rolling stock is defined as all revenue vehicles, including all vehicles needed to meet base period vehicle requirements, all vehicles needed for revenue vehicles operated in maximum service, all revenue vehicles available for maximum service, all revenue vehicles in the contingency fleet, all revenue vehicles in the emergency contingency fleet, and all revenue vehicles in the total fleet. Each category of vehicle included in the transit agency's rolling stock is defined below:

Revenue Vehicles: The floating and rolling stock used to provide revenue service for passengers. The term "revenue vehicle" includes the body and chassis and all fixtures and appliances inside or attached to the body or chassis, except fare collection equipment and revenue vehicle movement control equipment (e.g., radios).

Replacement: The replacement of revenue service rolling stock that has reached the end of a minimum normal service life.

Fleet Expansion: The acquisition of additional transit revenue vehicles for expansion of transit services.

Major Components: Auxiliary equipment such as engines, transmissions, and other essential components (e.g., body parts) of a revenue vehicle are major components. The repair of major components is essential to enable a vehicle to be returned to operational condition.

Rehabilitation: Rebuilding of revenue vehicle rolling stock to original specifications of the manufacturer. This may include some new components but has less emphasis on structural restoration than would be the case in a remanufacturing operation, focusing instead on mechanical systems and vehicle interiors.

Remanufacture: The structural restoration of revenue service rolling stock in addition to installation of new or rebuilt major components to extend service life.

Facilities. The right-of-way, the installation of track/guideway and associated equipment, passenger facilities, central/overhaul maintenance facilities, light maintenance facilities and equipment for any of these items.

Non-operating funds are any funds used for the purchases of any item listed in the Facilities category. They are also defined as any funds that are spent for maintenance or improvements that are not made annually or with more than an annual frequency (e.g., rehabilitation of passenger facilities including painting and structural changes; replacing overhead power lines; re-roofing vehicle maintenance buildings). Items not included are repairs due to accident or damage that are accounted for under operating expenses.

Construction of general administration facilities are not included in this category; they are included in "Other." If a general administrative facility is constructed as part of a

facility that is covered under this section, the portion of the construction or rehabilitation that is attributable to the general administrative facility is not recorded in this category.

Buildings and structures for which several transit capital classes apply should have their values allocated to each transit capital class using square-footage of building floor space as the allocation basis.

Buildings: The buildings and structures with all attached fixtures that are under the complete maintenance control of the transit agency.

Vehicle Maintenance Shops and Garages: The buildings and constructions including all attached fixtures used as vehicle maintenance shops and garages. These are facilities where revenue vehicles are inspected, maintained, and repaired. These facilities include pits and lifts for examining vehicle underbodies, bays for performing body repairs and a variety of shops appropriately equipped for maintaining components that have been removed from the vehicles. These facilities also include repair parts storerooms, maintenance administrative offices, and parking facilities for revenue vehicles entering or leaving the maintenance process. These types of facilities can be divided into two subcategories:

(1) Central/Overhaul Maintenance Facilities; and

(2) Light Maintenance Facilities.

Central/Overhaul Maintenance Facility: A vehicle maintenance shop or garage where revenue vehicles are inspected, maintained, and repaired. Activities at these locations include unit rebuild, engine overhaul, significant body repairs and other major repairs.

Light Maintenance Facilities: Facilities used for inspecting and servicing revenue vehicles and for performing light maintenance work on those vehicles. Light maintenance work includes brake adjustment, engine de-greasing, tire work, minor body repairs, painting, and other light maintenance activities. Light maintenance does not include unit rebuild, engine overhaul, significant body repairs and other major repairs.

Transit Way Facilities: The buildings and constructions (e.g., tunnels, bridges, elevated structures, track, bus loops) with all attached fixtures, located along the routes where passenger service is offered.

Passenger Stations: The buildings and shelters, with all attached fixtures used as passenger station facilities. Additional passenger services are frequently available in these stations, (e.g., ticket/token sales, transit malls, transfer facilities, intermodal terminals, depots, terminals, and HOV facilities). This covers major terminals, wayside stations, passenger shelters, benches, and stop signs along transit ways.

Passenger Parking Facilities: This category includes parking garages and pavement and parking control buildings with attached fixtures, used for parking passengers' automobiles while they use the transit agency's facilities. These facilities are either free or available for a fee.

Operating Yards and Stations: The buildings and constructions (e.g., vehicle service islands, yard tracks) with all attached fixtures used as operating yard and station facilities (i.e., facilities where operational revenue vehicles are stored when not in use and from which vehicles, operators, and road supervisors are dispatched for revenue service). The operating stations usually include facilities for servicing (i.e., cleaning, washing and adding fuel, lubricants and coolants) revenue vehicles and for removing revenue collections from vehicles with on-board fare collection equipment. Generally an operating station is also the administrative base for a division of operating personnel.

Power Generation and Distribution Facilities: The buildings and constructions, with all attached fixtures used as power generation and distribution facilities. This includes power-generating plants, substations, power distribution control centers and overhead lines and third rails for distributing electric power.

Land: The ground on which the buildings and structures identified as "Facilities" are located.

Other Facilities: Construction of maintenance facilities (including design, engineering, and demolition), rehabilitation of maintenance facilities (including design, engineering, land acquisition, and relocation), crime prevention, and security equipment, purchase or installation of service and support equipment; operational support (computer hardware and software, bus diagnostic equipment, and other activities that enhance system operations and efficiency while reducing operating costs); track, line equipment and structures; signals and communications; and power equipment and substations.

Other. "Other" is defined as any item not described above and includes but is not limited to those listed below.

General Administration Facilities: The buildings and constructions, with all attached fixtures, used as general administration facilities. It includes those used for administrative functions and not specifically identified as "Facilities." The major component of this category is the general administrative office facilities where administrative functions (e.g., personnel, legal, accounting, planning, promotion, insurance, engineering) are performed.

General Administration Facilities Equipment: The installed machinery and equipment which are not an integral part of buildings and structures and which are used as general administration facilities (e.g., copying equipment).

Revenue Vehicle Movement Control Equipment: The installed machinery and equipment which are not an integral part of buildings or structures and which are used

to control the movement of revenue vehicles. Included are rail signal systems, communications (radio) systems, computers, display panels, and other types of equipment used in tracking the location of revenue vehicles against scheduled performance and instructing operators (or automatically controlled vehicles) with operational directives. Road supervisors' vehicles are excluded from this category.

Revenue Collection and Processing Equipment: The installed and portable machinery and equipment for selling, collecting and counting passenger fares (e.g., ticket/ transfer printing equipment, fare sales booths, coin-operated turnstiles, fare boxes, vaults, sorters, counters, scales). These are located in passenger stations, on revenue vehicles, at operating yards and stations and in general administration buildings. Trucks used for hauling vaults and/or bagged money are excluded from this category.

Data Processing Equipment: The installed computers, bookkeeping and accounting machines, unit record equipment and peripheral devices whose sole use is in data processing operations.

Communication Equipment: The installed communication equipment (e.g., public address systems, private telephone systems) used for purposes other than revenue vehicle movement control.

Office Equipment and Furnishings: The installed furniture, appliances and general usage office equipment (e.g., typewriters, adding machines) which are not an integral part of buildings and structures.

Equipment. Equipment includes the installed and portable machinery and equipment which is not an integral part of buildings and structures.

Transit Way Equipment: This refers to the installed and portable equipment used along transit routes, except that used for wayside power distribution and revenue vehicle movement control.

Passenger Stations Equipment: The installed machinery and equipment (other than fare collection equipment) which are not an integral part of buildings and structures and which are used as passenger station facilities, including elevators and escalators.

Passenger Parking Facilities Equipment: The installed machinery and equipment which are not an integral part of buildings and structures and which are used in passenger parking facilities (e.g., parking meters and automatic entry/exit control gates).

Operating Yards and Stations: The installed machinery and equipment which are not an integral part of buildings and structures and which are used as operating yard and station facilities. For example, fuel pumps and wash racks, but not fare collection equipment nor vehicle movement control equipment (radios).

Vehicle Maintenance Shops and Garages: The installed machinery and equipment, including special footings and foundations for the machinery, which are not an integral part of buildings and structures and which are used for the maintenance and repair of revenue vehicles and their components.

Power Generation and Distribution Facilities: The installed machinery and equipment which are not an integral part of buildings and structures and which are used to generate and distribute electric power (e.g., boilers, turbines, generators, control panels).

Service Vehicles. The floating and rolling stock used in connection with keeping revenue vehicles in operation. The term "service vehicles" includes the body and chassis and all fixtures and appliances inside or attached to the body or chassis, except revenue vehicle movement control equipment (radios). For rubber-tired vehicles, it includes the cost of one set of tires and tubes to make the vehicle operational, if the tires and tubes are owned by the transit system. The cost of these vehicles shall include the invoice or contract price, less discount, if any, plus freight, excise taxes, insurance in transit, unloading costs and other expenses incurred in obtaining delivery of the vehicles upon the premises of the transit agency. If repairables are accounted for as property items, this account will include the cost of spare engines or other major components carried on hand for the purpose of temporarily replacing such units taken into the shop for overhauling or repairing.

Rail Cars: The locomotives, trailer cars, and self-propelled rail cars configured for servicing rail system rights-of-way and vehicles.

Trucks: The rubber-tired automotive equipment other than passenger cars used for purposes other than revenue passenger service.

Automobiles: The passenger cars, up to and including station wagons and mini- vans, used for purposes other than revenue passenger service.

Other Service Vehicles: The vehicles other than those listed above used for servicing transit system facilities (e.g., fuel barges, crane barges, mobile cranes).

4. REVENUE DEFINITIONS

This chapter presents the definitions for classifying the origin and amount of revenues under the Uniform System of Accounts (USOA). Refer to Section 1.2 on Accrual Accounting for guidance on how revenues are to be recorded for the USOA. Data are collected at various reporting levels. More detailed explanations of these reporting levels can be found in the Reporters Manual and Data User's Guide.

4.1 Summary of Revenue Categories

The USOA classifies funds using the following categories:

401. PASSENGER FARES FOR DIRECTLY-OPERATED TRANSIT SERVICE

- 01. Full Adult Fares
- 02. Senior Citizen Fares
- 03. Student Fares
- 04. Child Fares
- 05. Disabled Rider Fares
- 06. Park and Ride - Parking Revenue Only
- 90. Special Ride Fares
- 99. Other Primary Fares

402. SPECIAL TRANSIT FARES

- 01. Contract Fares for Postal Workers
- 02. Contract Fares for Police Officers
- 03. Special Route Guarantees
- 04. State and Local Government
- 05. Other Special Contract Transportation Fares - Other Sources
- 06. Non-Contract Service Fees

403. SCHOOL BUS SERVICE REVENUES

404. FREIGHT TARIFFS

405. CHARTER SERVICE REVENUES

406. AUXILIARY TRANSPORTATION REVENUES

- 01. Station Concessions
- 02. Vehicle Concessions
- 03. Advertising Services
- 04. Automotive Vehicle Ferriage
- 99. Other Auxiliary Transportation Revenues

407. NON-TRANSPORTATION REVENUES

- 01. Sales of Maintenance Services
- 02. Rental of Revenue Vehicles
- 03. Rental of Buildings and Other Property
- 04. Investment Income
- 05. Parking Facilities Revenue
- 99. Other Non-Transportation Revenues

408. TAXES LEVIED DIRECTLY BY THE TRANSIT SYSTEM - TAXES DEDICATED TO TRANSIT AT THEIR SOURCE

- 01. Property Taxes
- 02. Sales Taxes
- 03. Income Taxes
- 04. Payroll Tax Revenue
- 05. Utility Tax Revenue
Gasoline Taxes
- 99. Other Taxes

409. LOCAL CASH GRANTS AND REIMBURSEMENTS

- 01. General Operating Assistance
- 02. Special Demonstration Project Assistance - Local Projects
- 03. Special Demonstration Project Assistance - Local Share for State Projects
- 04. Special Demonstration Project Assistance - Local Share for FTA Projects
- 05. Reimbursement of Taxes Paid
- 06. Reimbursement of Interest Paid
- 07. Reimbursement of Transit System Maintenance Costs
- 08. Reimbursement of Snow Removal Costs
- 09. Reimbursement of Security Costs
- 99. Other Financial Assistance

410. LOCAL SPECIAL FARE ASSISTANCE

- 01. Disabled Citizen Fare Assistance
- 02. Senior Citizen Fare Assistance
- 03. Student Fare Assistance
- 99. Other Special Fare Assistance

411. STATE CASH GRANTS AND REIMBURSEMENTS

- 01. Operating Assistance
- 03. Special Demonstration Project Assistance - State Projects
- 04. Special Demonstration Project Assistance - State Share for FTA Projects
- 05. Reimbursement of Taxes Paid

- 06. Reimbursement of Interest Paid
- 07. Reimbursement of Transit System Maintenance Costs
- 09. Reimbursement of Security Costs
- 99. Other Financial Assistance

- 412. STATE SPECIAL FARE ASSISTANCE
 - 01. Disabled Citizen Fare Assistance
 - 02. Senior Citizen Fare Assistance
 - 03. Student Fare Assistance
 - 99. Other Special Fare Assistance

- 413. FEDERAL CASH GRANTS AND REIMBURSEMENTS
 - 04. Special Demonstration Project Assistance
 - 99. Other Financial Assistance

- 414. REVENUE ACCRUED THROUGH A PURCHASED TRANSPORTATION AGREEMENT

- 415. FARE REVENUE RETURNED BY SELLER (CONTRACTOR)

- 416. FARE REVENUE RETAINED BY SELLER (CONTRACTOR)

- 430. CONTRIBUTED SERVICES
 - 01. State and Local Government
 - 02. Contra Account for Expense

- 440. SUBSIDY FROM OTHER SECTORS OF OPERATIONS

Subsidy from Utility Rates
 Subsidy from Bridge and Tunnel Tolls
 Other Subsidies

Passenger Fares by Directly Operated Mode

4.2 Definitions of Revenue Categories

Each revenue category is defined as follows:

401. PASSENGER FARES FOR DIRECTLY-OPERATED TRANSIT SERVICE

This object class includes revenues earned from carrying passengers along regularly scheduled and demand responsive routes. It includes the base fare, zone premiums,

express service premiums, extra cost transfers, and quantity purchase discounts applicable to the passenger's ride.

01. **Full Adult Fares:** revenues earned by transporting passengers for the full adult fare.
02. **Senior Citizen Fares:** revenues earned by transporting passengers who pay a special, reduced fare because they are older than a prescribed age limit.
03. **Student Fares:** revenues earned by transporting passengers who pay a special, reduced fare because they are enrolled in an educational institution.
04. **Child Fares:** revenues earned from carrying passengers who pay a special, reduced fare because they are younger than a prescribed age limit.
05. **Disabled Rider Fares:** revenues earned from carrying passengers who pay a special, reduced fare because they are persons with disabilities.
06. **Park and Ride - parking revenue only:** revenues earned from parking fees paid by passengers who drive to "park and ride" parking lots operated by the transit company to utilize transit service. Revenues earned from the operation of parking lots which are not normally "park and ride" locations is reported in parking lot funds.
90. **Special Ride Fares:** revenues earned from carrying passengers who pay a special, reduced fare for a reason other than those specified above. Special ride fares may include:
99. **Other Primary Fares:** revenues earned from carrying passengers who pay a special, reduced fare for some reason other than those specified above.

402. SPECIAL TRANSIT FARES

This category includes revenues earned for rides given in regular transit service, but paid for by some organization other than by the rider. In addition, it includes funds for rides given along special routes for which funds may be guaranteed by a beneficiary of the service. Special transit fares may include:

01. **Contract Fares for Postal Workers:** revenues earned by providing rides for postal workers with periodic contractual payments (rather than fare box collections) made directly by the U.S. Postal Service to the transit agency.
02. **Contract Fares for Police Officers:** revenues earned by providing rides for police officers with periodic contractual payments (rather than fare box collections) made directly by the police authority to the transit agency.

03. **Special Route Guarantees:** the amounts paid by organizations (e.g., industrial firms, shopping centers, public and private universities) to guarantee a minimum amount of funds on a line operated especially for the benefit of the payer.
04. **State and Local Government:** revenues earned under contractual arrangements with state or local governments for transit fares other than those arrangements specified above.
05. **Other Special Contract Transit Fares - Other Sources:** revenues earned under contractual arrangements with non-government entities for transit fares other than those arrangements specified in the above categories.
06. **Non-Contract Special Service Fares:** revenues earned by providing special service rides (e.g., sporting events, sightseeing, special tours) where fares are not guaranteed on a contractual basis.

403. SCHOOL BUS SERVICE REVENUES

This category includes revenues earned from operating vehicles under school bus contracts. It is the amounts paid by schools for the operation of buses exclusively to carry children to and from school.

404. FREIGHT TARIFFS

This category includes revenues earned from carrying freight on runs whose primary purpose is passenger operations. These are the revenues earned from carrying all types of freight on passenger runs.

405. CHARTER SERVICE REVENUES

This category includes revenues earned from operating vehicles under charter contracts. These are the revenues earned under charter service contracts.

406. AUXILIARY TRANSPORTATION REVENUES

These categories cover revenues received from property owned, leased or operated by the transit system. It may include:

01. **Station Concessions:** revenues earned from granting operating rights businesses (e.g., concessionaires, newsstands, candy counters) on property maintained by the transit agency.
02. **Vehicle Concessions:** revenues earned from granting rights to concessionaires (e.g., food and beverage services) on the transit agency's vehicles.

- 03. Advertising Services:** revenues earned from displaying advertising materials on transit system vehicles and property. The amounts recorded herein should be net of any fees paid to advertising agencies who place the advertisement with the transit agency.
- 04. Automotive Vehicle Ferriage:** revenues earned from transporting vehicles in ferryboat transit service.
- 99. Other Auxiliary Transportation Revenues:** revenues earned from auxiliary operations other than those specified above.

407. NON-TRANSPORTATION REVENUES

This category includes revenues earned from activities not associated with the provision of the transit agency's transit service.

- 01. Sales of Maintenance Services:** revenues earned from performing maintenance services on property not owned or used by the transit agency.
- 02. Rental of Revenue Vehicles:** revenues earned from leasing transit agency revenue vehicles to some other operator.
- 03. Rental of Buildings and Other Property:** revenues earned from leasing transit system buildings (other than station concessions) and property (other than revenue vehicles) to other organizations.
- 04. Investment Income:** revenues earned from investing in marketable securities. This category should not include earnings on capital grant funds advanced by the grantor; such earnings are to be credited to the same account as the capital grant itself.
- 05. Parking Facilities Revenue:** revenues earned from parking fees generated from parking facilities not normally used as "park and ride" locations. Revenues earned from operating "park and ride" facilities is reported in the category for "Park and Ride - Parking Revenue Only."
- 99. Other Non-Transportation Revenues:** revenues earned from non-transportation activities other than investment income including:

408. TAXES LEVIED DIRECTLY BY THE TRANSIT SYSTEM - FUNDS DEDICATED TO TRANSIT AT THEIR SOURCE

This category includes tax revenues to transit agencies that are organized as independent political subdivisions with their own taxation authority. The funds that are revenues to the transit agency from local, state, or Federal government that have been raised through the taxing authority of the grantor governmental unit (which is not

synonymous with the transit agency) are covered under State and Local Operating Funds.

- 01. Property Taxes:** revenues earned by taxing the property within the political subdivision constituting the transit agency.
- 02. Sales Taxes:** revenues earned by taxing sales of goods and/or services that occur within the political subdivision constituting the transit agency.
- 03. Income Taxes:** revenues earned by taxing the income of persons and/or organizations located within the political subdivision constituting the transit agency.
- 04. Payroll Tax Revenue:** revenues earned by taxing the payrolls of employers for all work performed within the political subdivision constituting the transit agency.
- 05. Utility Tax Revenue:** revenues earned by taxing the consumption of utilities (e.g., water and sewer, gas, electric, telephone) within the political subdivision constituting the transit agency.
- **Gasoline Taxes:** revenues earned by taxing gasoline.
- 99. Other Taxes:** revenues earned by taxation on some basis other than those specified in the above categories when the taxing authority is the transit agency.

409. LOCAL CASH GRANTS AND REIMBURSEMENTS

This category includes revenues obtained from the local government to assist in paying the cost of operating transit services. The breakdown of local government grants and reimbursements to the subcategories is to be based on the factor that determines the amount of the grant or reimbursement. Amounts originating from Federal revenue sharing funds are included in this category.

These categories do not cover grants and reimbursements to help cover the difference between full adult fares and special reduced fares (e.g., persons with disabilities, senior citizens). Grants and reimbursements for local special fare assistance should be included in object class 410.

- 01. General Operating Assistance:** the receipt or accrual of local government payments to help cover the operating costs of providing transit services. This category covers general operating assistance, not that based on special fares or certain expense items as described in the following categories. It includes "purchase of service" payments from local government units.

- 02. Special Demonstration Project Assistance - Local Projects:** the receipt or accrual of local government payments to help cover the operating costs for special demonstration projects which are fully funded at the local level.
- 03. Special Demonstration Project Assistance - Local Share for State Projects:** the receipt or accrual of local government payments to help cover the operating costs for special demonstration projects which are partially funded at the state level.
- 04. Special Demonstration Project Assistance - Local Share for FTA Projects:** the receipt or accrual of local government payments to help cover the operating costs for special demonstration projects which are partially funded by FTA.
- 05. Reimbursement of Taxes Paid:** the receipt or accrual of local government payments to help cover the cost of taxes incurred by the transit agency.
- 06. Reimbursement of Interest Paid:** the receipt or accrual of local government payments to help cover the cost of interest on funds borrowed by the transit agency.
- 07. Reimbursement of Transit System Maintenance Costs:** the receipt or accrual of local government payments to help cover the costs of maintaining the transit agency's rolling stock, buildings, grounds, and equipment.
- 08. Reimbursement of Snow Removal Costs:** the receipt or accrual of local government payments to help cover the cost of removing snow from the transit agency's property and/or transit right-of-way.
- 09. Reimbursement of Security Costs:** the receipt or accrual of local government payments to help cover the cost of providing security on the transit agency's property and on operating revenue vehicles.
- 99. Other Financial Assistance:** the receipt or accrual of local government payments to help cover the costs of operating transit service not included in the above categories.

410. LOCAL SPECIAL FARE ASSISTANCE

This category includes funds obtained from local government units to help cover the difference between full adult fares and special reduced fares. Amounts originating from Federal revenue sharing funds are included in this category. Funds obtained from local governments to assist in paying the cost of operating transit services are included in object class 409.

01. **Disabled Rider Fare Assistance:** the receipt or accrual of local government payments to help cover the difference between full adult fares and fares received from persons with disabilities.
02. **Senior Citizen Fare Assistance:** the receipt or accrual of local government payments to help cover the difference between full adult fares and special senior citizen fares.
03. **Student Fare Assistance:** the receipt or accrual of local government payments to help cover the difference between full adult fares and special student fares.
99. **Other Special Fare Assistance:** the receipt or accrual of local government payments to help cover the difference between full adult fares and special reduced fares other than for disabled riders, senior citizens and students.

411. STATE CASH GRANTS AND REIMBURSEMENTS

This category includes funds from state government(s) to assist in paying the cost of operating transit services. Amounts originating from Federal revenue sharing funds are also included in this category.

These categories do not cover grants and reimbursements used cover the difference between full adult fares and special reduced fares (e.g., persons with disabilities, senior citizens). Grants and reimbursements for state special fare assistance are included in object class 412.

01. **Operating Assistance:** the receipt or accrual of state government payments to help cover the operating costs of providing transit services. This category covers general operating assistance, not that based on special fares or certain expense items as described in the following categories. It includes "purchase of service" payments from state government units.
03. **Special Demonstration Project Assistance - State Projects:** receipt or accrual of state government payments to help cover the operating costs of special demonstration projects that are fully funded at the state or local level.
04. **Special Demonstration Project Assistance - State Share for FTA Projects:** the receipt or accrual of state government payments to help cover the operating costs for special demonstration projects which are partially funded by FTA.
05. **Reimbursement of Taxes Paid:** the receipt or accrual of state government payments to help cover the cost of taxes incurred by the transit agency.
06. **Reimbursement of Interest Paid:** the receipt or accrual of state government payments to help cover the cost of interest on funds borrowed by the transit agency.

- 07. Reimbursement of Transit System Maintenance Costs:** the receipt or accrual of state government payments to help cover the costs of maintaining the transit agency's rolling stock, buildings, grounds, and equipment.
- 09. Reimbursement of Security Costs:** the receipt or accrual of state government payments to help cover the cost of providing security on transit system property and on operating revenue vehicles.
- 99. Other Financial Assistance:** the receipt or accrual of state government payments to help cover the costs of operating transit service not included in the above categories.

412. STATE SPECIAL FARE ASSISTANCE

This category includes funds obtained from state government(s) to help cover the difference between full adult fares and special reduced fares. Amounts originating from Federal revenue sharing funds are included in this category. Funds obtained from state government(s) to assist in paying the cost of operating transit services are included in object class 411.

- 01. Disabled Rider Fare Assistance:** the receipt or accrual of state government payments to help cover the difference between full adult fares and fares received from persons with disabilities.
- 02. Senior Citizen Fare Assistance:** the receipt or accrual of state government payments to help cover the difference between full adult fares and special senior citizen fares.
- 03. Student Fare Assistance:** the receipt or accrual of state government payments to help cover the difference between full adult fares and special student fares.
- 99. Other Special Fare Assistance:** the receipt or accrual of state government payments to help cover the difference between full adult fares and special reduced fares other than for disabled riders, senior citizens and students.

413. FEDERAL CASH GRANTS AND REIMBURSEMENTS

These categories cover funds obtained from the Federal Government to assist in paying the cost of operating transit services. The breakdown of Federal government grants and reimbursements to the subcategories is to be based on the factor that determines the amount of the grant or reimbursement.

- 04. Special Demonstration Project Assistance:** the receipt or accrual of Federal government payments to help cover the operating costs for special demonstration projects.

99. Other Financial Assistance: the receipt or accrual of Federal government payments to help cover the costs of operating transit service not included above.

414. REVENUE ACCRUED THROUGH A PURCHASED TRANSPORTATION AGREEMENT

Funds obtained from the revenue accrued by the transit agency as a seller of transportation services through purchased transportation agreements. These are the contract funds earned (payments and accruals) by a reporter under contract to another reporter or public agency.

415. FARE REVENUE RETURNED BY SELLER:

This category covers funds obtained from the revenues returned by sellers (providers) to the reporter through purchase transportation agreements.

416. FARE REVENUE RETAINED BY SELLER:

This category covers revenue retained by sellers (providers) through purchase transportation agreements.

430. CONTRIBUTED SERVICES

This category covers the receipt of services (not cash) from another entity where such services benefit transit operations and the transit operator is under no obligation to pay for the services. Contributed service is reported gross and net). The value recorded for physical assets (e.g., stocks and bonds, supplies, equipment, a building, etc.) should be the fair market value at the date received. Donated services (e.g. planning support from a local planning agency) should be reported only when all of the following circumstances exist:

1. The services performed are significant and essential to the transit agency and would be performed by salaried personnel if the donated services were not provided;
2. There must be reasonably good control over the employment of such services;
3. There must be an objective basis on which to value these services;
4. The services being provided must benefit persons outside of the organization.

The amount of revenues reported for donated or contributed services is offset by an equal amount reported as expenses, with no effect on the organizations equity.

01. **State and Local Government:** the value of services provided by state and/or local government units at no cost to the transit agency.
02. **Contra Account for Expense:** the value of services provided to the transit agency by another entity where such services benefit transit operations and the transit operator is under no obligation to pay for the services. The amount debited to this account should be equal to the amount of contributed services.

440. SUBSIDY FROM OTHER SECTORS OF OPERATIONS

This category covers funds obtained from other sectors of transit operations to help cover the cost of providing transit service.

01. **Subsidy from Utility Rates:** the receipt or accrual of funds to help cover the cost of transit operations provided by funds from another sector of operations of a utility company that operates the transit agency.
02. **Subsidy from Bridge and Tunnel Tolls:** the receipt or accrual of funds to cover the cost of transit operations provided by funds from tolls collected on bridges and/or tunnels owned and operated by the same entity that operates the transit agency.
99. **Other Subsidies:** the receipt or accrual of funds to help cover the cost of transit operations from sources other than those described above and provided by the same entity that operates the transit agency.

5. EXPENSE OBJECT CLASSES

The purpose of this chapter is to define and classify the expenses that are included in each object class under the Uniform System of Accounts (USOA). An object class contains the expenses for an article or service obtained. This is distinguished from expense functions, which record the costs to produce the results obtained by using the article or service. Object class expenses are grouped on the basis of the types of goods or services purchased. Object classes include salaries and wages, fringe benefits, services, materials and supplies, and other expenses.

Refer to Section 1.2 on Accrual Accounting for guidance on how expenses are to be recorded for the USOA. Data are collected according to various reporting levels. More detailed explanations of these reporting levels can be found in the Reporters Manual and Data User's Guide.

5.1 Summary of Object Class Expenses

Operating expenses are classified using the following object classes:

501. LABOR

01. Operators' Salaries and Wages
02. Other Salaries and Wages

502. FRINGE BENEFITS

01. FICA or Railroad Retirement
02. Pension Plans
03. Hospital, Medical, and Surgical Plans
04. Dental Plans
05. Life Insurance Plans
06. Short-Term Disability Insurance Plans
07. Unemployment Insurance
08. Worker's Compensation Insurance or Federal Employees' Liability Act Contribution
09. Sick Leave
10. Holiday
11. Vacation
12. Other Paid Absence
13. Uniform and Work Clothing Allowance
14. Other

503. SERVICES

01. Management Service Fees
02. Advertising Fees

- 03. Professional and Technical Services
 - 04. Temporary Help
 - 05. Contract Maintenance Services
 - 06. Custodial Services
 - 07. Security Services
 - 99. Other Services
504. MATERIALS AND SUPPLIES CONSUMED
- 01. Fuel and Lubricants
 - 02. Tires and Tubes
 - 99. Other Materials and Supplies
505. UTILITIES
- 01. Propulsion Power
 - 02. Utilities Other than Propulsion Power
506. CASUALTY AND LIABILITY COSTS
- 01. Premiums for Physical Damage Insurance
 - 02. Recoveries of Physical Damage Losses
 - 03. Premiums for Public Liability and Physical Damage Insurance
 - 04. Payouts for Uninsured Public Liability and Physical Damage Settlements
 - 05. Provision for Uninsured Public Liability and Physical Damage Settlements
 - 06. Payouts for Insured Public Liability and Physical Damage Settlements
 - 07. Recoveries for Public Liability and Physical Damage Settlements
 - 08. Premiums for Other Corporate Losses
 - 09. Other Corporate Losses
 - 10. Recoveries of Other Corporate Losses
507. TAXES
- 01. Federal Income Tax
 - 02. State Income Tax
 - 03. Property Tax
 - 04. Vehicle Licensing and Registration Fees
 - 05. Fuel and Lubricant Taxes
 - 06. Electric Power Taxes
 - 99. Other Taxes
508. PURCHASED TRANSPORTATION SERVICE
- 01. In Report
 - 02. Filing Separate Report

509. MISCELLANEOUS EXPENSES

01. Dues and Subscriptions
02. Travel and Meetings
03. Bridge, Tunnel and Highway Tolls
04. Entertainment Expenses
05. Charitable Donations
06. Fines and Penalties
07. Bad Debt Expense
08. Advertising/Promotion Media
09. Other Miscellaneous Expenses

510. EXPENSE TRANSFERS

01. Function Reclassifications
02. Expense Reclassifications
03. Capitalization of Non-Operating Costs

511. INTEREST EXPENSE

01. Interest on Long-Term Debt Obligations
02. Interest on Short-Term Debt Obligations

512. LEASES AND RENTALS

01. Transit Way and Transit Way Structures and Equipment
02. Passenger Stations
03. Passenger Parking Facilities
04. Passenger Revenue Vehicles
05. Service Vehicles
06. Operating Yards or Stations
07. Engine Houses, Car Shops, and Garages
08. Power Generation and Distribution Facilities
09. Revenue Vehicle Movement Control Facilities
10. Data Processing Facilities
11. Revenue Collection and Processing Facilities
12. Other General Administration Facilities

513. DEPRECIATION

01. Transit Way and Transit Way Structures and Equipment
02. Passenger Stations
03. Passenger Parking Facilities
04. Passenger Revenue Vehicles
05. Service Vehicles
06. Operating Yards or Stations

07. Engine Houses, Car Shops, and Garages
08. Power Generation and Distribution Facilities
09. Revenue Vehicle Movement Control Facilities

10. Data Processing Facilities
11. Revenue Collection and Processing Facilities
12. Other General Administration Facilities
13. Depreciation and Amortization - Amortization of Intangibles

514. PURCHASE LEASE PAYMENTS

515. RELATED PARTIES LEASE AGREEMENT

516. OTHER RECONCILING ITEMS

5.2 Descriptions of Expense Object Classes

Each expense object class is defined on the following pages:

501. LABOR

Expenses in the object class for labor include pay and allowances owed to employees in exchange for the services provided to the transit agency. When allocating costs to this object class, careful distinction should be made between this category and the allowances included in "Fringe Benefits." The "Labor" allowances include payments to employees arising from the performance of a piece of work. It also includes shift differentials, overtime premiums, minimum guarantees, and other non-fringe benefit labor costs.

In contrast, "Fringe Benefit" allowances include other payments associated with the employee's labor that do not arise from the performance of a piece of work. These allowances include paid absences for illness, holidays, vacations, and jury duty. Labor costs are divided into two object classes:

- 01. Labor - Operators' Salaries and Wages:** This object class includes the cost of labor for the transit agency's employees who are classified as revenue vehicle operators or crewmembers. It includes wages for performing revenue vehicle operations (e.g., platform time, student training time, accident reporting time, stand-by time, and revenue vehicle movement control, inspection and maintenance of revenue vehicles, servicing revenue vehicles, customer service, and marketing. This object class does not include operators' wages for performing non-vehicle maintenance functions.

- 02. Labor - Other Salaries and Wages:** This object class includes the labor of employees of the transit agency who are *not* classified as revenue vehicle

operators or crewmembers (e.g., maintenance workers, administrative staff, and transit managers).

502. FRINGE BENEFITS

The expenses in this object class include all payments and accruals to others (e.g., insurance companies, governments) on behalf of employees of the transit agency. It also includes payments and accruals made directly to employees for something other than performance of a piece of work (e.g., sick leave and vacation). These payments arise from the employment relationship but are over and above "Labor" costs. Fringe Benefit costs include:

01. **FICA or Railroad Retirement:** payments or accruals to the Federal social security or railroad retirement fund made by the employer on behalf of the employee.
02. **Pension Plans (including long-term disability insurance):** payments or accruals to pension funds made by the employer on behalf of the employee under the terms of pension plans.
03. **Hospital, Medical and Surgical Plans:** payments or accruals to insurance companies and health care providers by the employer as required on behalf of the employee under the terms of group health insurance plans.
04. **Dental Plans:** payments or accruals to insurance companies and health care providers by the employer as required on behalf of the employee under the terms of group dental insurance plans.
05. **Life Insurance Plans:** payments or accruals to insurance companies as required by the employer on behalf of the employee under terms of group or individual life insurance policies.
06. **Short-Term Disability Insurance Plans:** payments or accruals to insurance companies made by the employer on behalf of the employee under terms of group short-term disability insurance plans.
07. **Unemployment Insurance:** payments or accruals to state and Federal agencies required to be made by the employer on behalf of employees to provide continued compensation for a period of time if an employee is laid off.
08. **Worker's Compensation Insurance or Federal Employees' Liability Act Contribution:** payments or accruals to insurance companies to indemnify the transit agency against statutory damages arising from injuries or death to employees while employed by the transit system. It also includes payments or accruals for uninsured losses for statutory damages arising from injuries or death to employees while employed by the transit agency.

09. **Sick Leave:** approved payments or accruals to employees for periods of time when the employee is absent from work for illness approved under the transit agency's sick leave policy.
10. **Holiday:** payments or accruals to employees for periods of time when the employee is absent from work on recognized holidays. In addition, this category includes payments or accruals for premiums incurred for work performed on recognized holidays.
11. **Vacation:** payments or accruals to employees for periods of time when the employee is absent from work due to vacation time earned and taken. This category also includes, payments and accruals for vacation time earned and paid to employees rather than taken.
12. **Other Paid Absence:** payments or accruals to employees for periods of time when the employee is absent from work for approved reasons (e.g., military duty, jury duty, bereavement).
13. **Uniform and Work Clothing Allowances:** payments or accruals to employees to offset the cost of uniforms or work clothing that must be worn as part of the occupation. This category also includes payments for clothing provided to employees to wear while engaged in their occupation.
14. **Other:** other payments or accruals to or on behalf of an employee arising from his or her employment, but not from the performance of a piece of work, and not fitting any of the other fringe benefits definitions.

503. SERVICES

Services are the labor and other work provided by outside organizations for fees and related expenses. Services provided by an outside organization are usually procured, as a substitute for in-house employee labor, except in the case of independent audits which could not be performed by employees. The substitution for in-house labor is usually made because the skills offered by the outside organization are needed for only a short period of time or are better than internally available skills. The charge for these services is usually based on the labor hours invested in performing the service.

Services include:

01. **Management Service Fees:** the labor and services provided by a management service company hired to provide operating management to the transit agency. This category includes the ongoing labor and services of the management service company personnel devoted full-time to the transit agency. In addition, it includes the occasional consulting and special purpose studies provided directly by the management service company.

- 02. Advertising Fees:** the labor and materials provided by an advertising agency in the development and production of advertising campaigns for the transit agency. Advertising media fees, regardless of whether they are paid to the advertising agency or directly to the media, are included in object class 509, Miscellaneous Expenses -- Advertising/Promotion Media.
- 03. Professional and Technical Services:** the labor and services provided by attorneys, accountants, auditors, investment bankers, computer service companies, engineering firms, management consultants, and transit industry consultants. These services generally require specialized technical knowledge and are usually performed under the supervision of the outside organization.
- 04. Temporary Help:** the labor of persons who are not employees of the transit agency. These persons work for a temporary period in the capacity of a transit agency employee under the supervision of transit agency personnel. These people are usually hired to perform general clerical duties, (e.g., Kelly Services, Accountemps).
- 05. Contract Maintenance Services:** the maintenance of the plant and equipment, under contract or on a single job basis with an outside organization. These costs are usually for repair or maintenance. These costs are differentiated from "Custodial Services," which deals exclusively with janitorial labor. It is also differentiated from "Professional and Technical Services" as defined above.
- 06. Custodial Services:** the performance of janitorial services, under contract or on a single job basis with an outside organization.
- 07. Security Services:** the patrolling of transit agency vehicles, stations, yards and buildings to detect and prevent criminal activity, fires, and other security-related conditions. The patrolling is performed by an outside security agency rather than by the transit agency's employees. Transit police or transit security are categorized under object class 501.02 --"Other Salaries & Wages."
- 99. Other Services:** services not included in object classes previously listed.

504. MATERIALS AND SUPPLIES

The expenses in this object class include products obtained from outside suppliers or those manufactured internally. Freight-in, purchase discounts, cash discounts, sales taxes, and excise taxes (except on fuel and lubricants) are included in the cost of the material or supply. Charges to these expense accounts will be for the materials and supplies issued from inventory for use and for the materials and supplies purchased for immediate use, (i.e., items used without going through inventory).

- 01. Fuel and Lubricants:** the cost of gasoline, diesel fuel, propane, lubricating oil, transmission fluid, grease and other lubricants used in vehicles.

- 02. Tires and Tubes:** lease payments for tires and tubes rented on a time period or mileage basis. This object class also includes the cost of replacement tires and tubes.
- 99. Other Materials and Supplies:** cost of materials and supplies not specifically identified in object classes 504.01 (Fuel and Lubricants) and 504.02 (Tires and Tubes) issued from inventory or purchased for immediate consumption (e.g., vehicle maintenance parts, track materials, cleaning supplies, office forms).

505. UTILITIES

This category includes payments made to utility companies for use of their resources (e.g., electric, gas, water, telephone).

- 01. Propulsion Power:** the electrical power purchased from an outside utility company and used for propelling electrically driven vehicles.
- 02. Utilities Other than Propulsion Power:** electrical power purchased from an outside utility company and used for purposes other than propelling electrically driven vehicles, water and sewer charges, gas, trash collection, telephones, etc.

506. CASUALTY AND LIABILITY COSTS

This category includes costs for the protection of the transit agency from loss through insurance programs, compensation of others for their losses due to incidents for which the transit agency is liable, and recognition of the cost of a miscellaneous category of corporate losses.

The costs of repairing damaged property are recorded in labor, fringe benefits, and the material and services object classes. The cost of writing off property damaged beyond repair are recorded in an object class for depreciation. The costs of transit agency employees engaged in insuring and processing claims for and against the transit agency are recorded in the labor and fringe benefit object classes. Casualty and Liability Costs include:

- 01. Premiums for Physical Damage Insurance:** premiums applicable to an accounting period to insure the transit agency from loss through damage to its own property caused by collision, fire, theft, flood, earthquakes and other types of losses.
- 02. Recoveries of Physical Damage Losses:** credits for amounts recovered from insurance companies for physical damage claims. This category also includes credits for amounts recovered from others (e.g., third parties involved in an accident) held liable for damage to the transit agency's property.

- 03. Premiums for Public Liability and Property Damage Insurance:** premiums applicable to an accounting period to insure the transit agency against loss from liability for incidents by the transit agency which cause damage to the person or property of others.
- 04. Payouts for Uninsured Public Liability and Property Damage Settlements:** payments (or accruals) of actual liability to others arising from culpable acts of the transit agency and which are not covered by public liability insurance.
- 05. Provision for Uninsured Public Liability and Property Damage Settlements:** periodic estimates of liability to others arising from culpable acts of the transit agency that relate to the current or a prior reporting period and which are not covered by public liability insurance.
- 06. Payouts for Insured Public Liability and Property Damage Settlements:** payments (or accruals) of actual liability to others arising from culpable acts of the transit agency and which are covered by public liability insurance.
- 07. Recoveries of Public Liability and Property Damage Settlements:** credits for amounts recovered from insurance companies to indemnify the transit agency for insured acts giving rise to liability for damage to the person or property of others.
- 08. Premiums for Other Corporate Insurance:** premiums applicable to an accounting period to insure the transit agency from losses other than through damage to its property or liability for its culpable acts, (e.g., fidelity bonds, business records insurance).
- 09. Other Corporate Losses:** charges for actual losses resulting from events covered by the "other corporate insurance."
- 10. Recoveries of Other Corporate Losses:** credits for amounts recovered from insurance companies for other corporate insurance claims.

507. TAXES

This category includes taxes levied against the transit system by Federal, state, and local governments. The sales and excise taxes for fuel and lubricants are part of this object class.

Sales and excise taxes on materials and services purchased are not included in this category. They are included in the purchase price (i.e., as part of the base price of the material or service) in object class 503 -- Services and 504 -- Materials and Supplies.

This object class includes:

01. **Federal Income Tax:** the tax levied by the Federal government against the transit agency based on the net income of the transit agency.
02. **State Income Tax:** the tax levied by the State government(s) against the transit agency based on the net income of the transit agency.
03. **Property Tax:** the tax levied by the State or local government(s) against the transit system based on a valuation of the property owned by the transit agency.
04. **Vehicle Licensing and Registration Fees:** the fees assessed by Federal, State and local governments for granting authority to operate a motor vehicle.
05. **Fuel and Lubricant Taxes:** sales and excise taxes incurred on purchases of fuel and lubricants.
06. **Electric Power Taxes:** utility taxes incurred on purchases of electric power used for propelling electrically driven vehicles.
99. **Other Taxes:** taxes levied by Federal, State and local governments against the transit agency and not properly classifiable in categories listed above.

508. PURCHASED TRANSPORTATION

This object class includes the payments or accruals to sellers (providers), fare revenues retained by the seller, and other expenses incurred by the buyer (purchaser) for items such as contract administration, services and materials (e.g., advertising, customer information services, fuel, and maintenance). This object class includes the cost of providing transportation service either in total or as a partial subsidy.

01. **In Report:** the costs to the transit agency for purchased transportation.
02. **Filing Separate Report:** the costs to provide information on sellers of purchased transportation who file separately.

509. MISCELLANEOUS EXPENSES

This category includes expenses which cannot be attributed to any of the other major expense categories defined above. This object class includes:

01. **Dues and Subscriptions:** fees for membership in industry organizations and subscriptions to periodicals.
02. **Travel and Meetings:** fares and allowances for transportation of transit agency employees and related officials on travel. In addition, this category includes expenses for food and lodging, charges for participation in industry conferences, and other related business meeting expenses.

03. **Bridge, Tunnel and Highway Tolls:** payments made to authorities and other organizations for the use of bridges, tunnels, highways and other facilities.
04. **Entertainment Expense:** costs of social activities, and other incidental costs relating to meals, beverages, lodgings, transportation, and gratuities.
05. **Charitable Donations:** contributions to charitable organizations made by the transit agency.
06. **Fines and Penalties:** costs of fines and penalties incurred by the transit agency.
07. **Bad Debt Expense:** amounts owed to the transit agency which have been determined to be uncollectible.
08. **Advertising/Promotion Media:** advertising media fees and expenses, either paid to an advertising agency or directly to the media. The labor and materials provided by an advertising agency in the development and production of advertising campaigns is included in object class 503.02 -- Advertising Fees.
99. **Other Miscellaneous Expenses:** expenses incurred by the transit operator and not properly classifiable in the categories defined above.

510. EXPENSE TRANSFERS

This category includes accounts to be used for reporting adjustments and reclassification of expenses previously recorded.

01. **Function Reclassification:** used for reclassification of expenses from one function to another.
02. **Expense Reclassification:** a composite category of expense encompassing labor, fringe benefits, materials and services used in the transit agency's internal information system to reclassify costs between cost centers and work orders.
03. **Capitalization of Non-Operating Costs:** a credit account to be used for adjusting entries transferring expenses to receivables, property, or work-in-process for capital projects. This is also a composite category encompassing labor, fringe benefits, materials and services. For example, the adjusting entry to capitalize costs on a reimbursable work order can make use of this account rather than crediting each of the labor, material, and other accounts in which costs were initially recorded.

511. INTEREST EXPENSES

This category includes charges for the use of capital borrowed by the transit agency.

- 01. Interest on Long-Term Debt Obligations:** charges for the use of capital borrowed on a long-term basis (the liability' for which is usually represented by debt instruments) employed in the operation of the transit system. Interest charges pertaining to construction debt which are capitalized will not be reflected as interest expense.
- 02. Interest on Short-Term Debt Obligations:** charges for the use of capital borrowed on a short-term basis employed in the operation of the transit agency.

512. LEASES AND RENTALS

This category includes payments for the use of capital assets not owned by the transit agency.

- 01. Transit Way and Transit Way Structures and Equipment:** leases and rentals of the physical facilities that are located along the routes where transit services are provided:
 - land
 - roadway structures (e.g., tunnels, bridges, elevated structures)
 - guideways (e.g., track and roadbed)
- 02. Passenger Stations:** leases and rentals of the physical facilities used for passenger stations and terminals:
 - land
 - buildings and structures
 - office equipment
 - equipment other than office equipment
 - furnishings
 - un-staffed passenger shelters
- 03. Passenger Parking Facilities:** leases and rentals of the physical facilities used to provide parking space for the automobiles of transit patrons:
 - land
 - buildings and structures, including paved surfaces
 - office equipment, (e.g., cash registers)
 - other equipment, (e.g., automatic entry and exit control gates)
 - furnishings, (e.g., parking fee collection booth)
- 04. Passenger Revenue Vehicles:** leases and rentals of rolling stock used exclusively or predominantly for providing passenger transit services.

- 05. Service Vehicles:** leases and rentals of rolling stock used for purposes other than providing passenger transit services.
- 06. Operating Yards or Stations:** leases and rentals of the physical facilities of the below listed types that are used for storing revenue vehicles and for dispatching trains/runs for revenue service:
- land
 - buildings and structures
 - office equipment
 - equipment other than office equipment
 - furnishings
- 07. Engine Houses, Car Shops and Garages:** leases and rentals of the physical facilities of the below listed types that are used as maintenance facilities for revenue vehicles:
- land
 - buildings and structures
 - office equipment
 - equipment other than office equipment
 - furnishings
- 08. Power Generation and Distribution Facilities:** leases and rentals of the physical facilities of the below listed types that are used in the generation and distribution of power:
- land, if used exclusively for power generation and distribution
 - buildings, if used exclusively for power generation and distribution
 - office equipment
 - power generation and distribution equipment
 - furnishings
- 09. Revenue Vehicle Movement Control Facilities:** leases and rentals of the physical facilities of the below listed types that are used to control the movement of revenue vehicles:
- land, if devoted exclusively to revenue vehicle movement control
 - buildings, if devoted exclusively to revenue vehicle movement control
 - office equipment
 - other equipment, such as communication equipment, traffic control computers, etc.
 - furnishings
- 10. Data Processing Facilities:** leases and rentals of the physical facilities used for performing data processing services:

- land, if a building devoted exclusively to data processing services is situated on that land
- buildings, if devoted exclusively to data processing services
- office equipment
- other equipment, particularly main frame and auxiliary computer equipment
- furnishings

11. Revenue Collection and Processing Facilities: leases and rentals of the physical facilities used for collecting, counting, storing and transporting revenue collections:

- land, if used exclusively for revenue collection and processing
- buildings, if used exclusively for revenue collection and processing
- office equipment
- other equipment (e.g., fare boxes, vaults, money counting and wrapping machines)
- furnishings

12. Other General Administration Facilities: leases and rentals of the physical facilities used for performing the general administrative functions of the transit agency:

- land
- buildings
- office equipment
- equipment other than office equipment
- furnishings

513. DEPRECIATION

Depreciation is the depletion of the cost of a capital purchase. These items have a high initial cost and a useful life of more than one accounting period. In order to account for the reduction in value (the usefulness) of this type of asset a portion of the cost is expensed each year of the asset's life.

01. Transit Way and Transit Way Structures and Equipment: depreciation of the physical facilities that are located along the routes where transit services are provided:

- roadway structures (e.g., tunnels, bridges, elevated structures)
- guideways (e.g., track and roadbed)

02. Passenger Stations: depreciation of the physical facilities that are used for passenger stations and terminals:

- buildings and structures

- office equipment
 - equipment other than office equipment
 - furnishings
 - un-staffed passenger shelters
- 03. Passenger Parking Facilities:** depreciation of the physical facilities used to provide parking space for the vehicles of transit patrons:
- buildings and structures, (e.g., paved surfaces)
 - office equipment, (e.g., cash registers)
 - other equipment, (e.g., automatic entry and exit control gates)
 - furnishings, (e.g., parking fee collection booth)
- 04. Passenger Revenue Vehicles:** depreciation of rolling stock used exclusively or predominantly for providing passenger transit services.
- 05. Service Vehicles:** depreciation of rolling stock used for purposes other than providing passenger transit services.
- 06. Operating Yards or Stations:** depreciation of the physical facilities used for storing revenue vehicles and for dispatching trains/runs for revenue service:
- buildings and structures
 - office equipment
 - equipment other than office equipment
 - furnishings
- 07. Engine Houses, Car Shops and Garages:** depreciation of the physical facilities used as maintenance facilities for revenue vehicles:
- buildings and structures
 - office equipment
 - equipment other than office equipment
 - furnishings
- 08. Power Generation and Distribution Facilities:** depreciation of the physical facilities used in the generation and distribution of power:
- buildings, if used exclusively for power generation and distribution
 - office equipment
 - power generation and distribution equipment
 - furnishings
- 09. Revenue Vehicle Movement Control Facilities:** depreciation of the physical facilities used to control the movement of revenue vehicles:

- buildings, if used exclusively for revenue vehicle movement control
 - office equipment
 - other equipment, (e.g., communication equipment, traffic control computers).
- 10. Data Processing Facilities:** depreciation of the physical facilities used for performing data processing services:
- buildings, if used exclusively for data processing services
 - office equipment
 - other equipment, particularly main frame and auxiliary computer equipment
 - furnishings
- 11. Revenue Collection and Processing Facilities:** depreciation of the physical facilities used for collecting, counting, storing and transporting revenue collections:
- buildings, if used exclusively for revenue collection and processing
 - office equipment
 - other equipment (e.g., fare boxes, vaults, money counting and wrapping machines)
 - furnishings
- 12. Other General Administration Facilities:** depreciation of the physical facilities used for performing the general administrative functions of the transit agency:
- buildings
 - office equipment
 - equipment other than office equipment
 - furnishings
- 13. Depreciation and Amortization - Amortization of Intangibles:** amortization of intangible costs of the transit agency:
- organization costs
 - franchises
 - patents
 - goodwill
 - other intangible assets

514. PURCHASE LEASE PAYMENTS

This is a financing plan involving leasing which ultimately leads to the purchase of an asset by the transit provider. The legal title of the asset passes from the lessor to the lessee upon expiration of the lease.

515. RELATED PARTIES LEASE AGREEMENT

The lease payments of the lessee differ substantially from a true lease because the lessor and lessee are related organizations.

516. OTHER RECONCILING ITEMS

This is a residual category that captures any costs that cannot be classified in the other categories.

6. EXPENSE FUNCTIONS

Expense functions for recording data under the Uniform System of Accounts (USOA) include Vehicle Operations, Vehicle Maintenance, Non-Vehicle Maintenance, and General Administration. Transit agencies record expense data on a basic, optional, or informational level. More detailed explanations of these reporting levels can be found in the Reporters Manual and Data Users Guide. Refer to Section 1.2 on Accrual Accounting for guidance on how expenses are recorded for the USOA. Expense functions under the USOA are listed by number and are described in detail in Section 6.3, Description of Expense Functions.

6.1 Summary of Expense Functions

- 010. VEHICLE OPERATIONS
- 011. TRANSPORTATION ADMINISTRATION AND SUPPORT
- 151. TICKETING AND FARE COLLECTION
- 161. SYSTEM SECURITY
- 030. REVENUE VEHICLE OPERATIONS
- 012. REVENUE VEHICLE MOVEMENT AND CONTROL
- 021. SCHEDULING OF TRANSPORTATION OPERATIONS
- 041. MAINTENANCE ADMINISTRATION - VEHICLES
- 051. SERVICING REVENUE VEHICLES
- 061. INSPECTION AND MAINTENANCE OF REVENUE VEHICLES
- 062. ACCIDENT REPAIRS OF REVENUE VEHICLES
- 071. VANDALISM REPAIRS OF REVENUE VEHICLES
- 081. SERVICING AND FUEL OF SERVICE VEHICLES
- 091. INSPECTION AND MAINTENANCE OF SERVICE VEHICLES
- 042. MAINTENANCE ADMINISTRATION - FACILITIES
- 101. MAINTENANCE OF VEHICLE MOVEMENT CONTROL SYSTEMS
- 111. MAINTENANCE OF FARE COLLECTION AND COUNTING SYSTEMS
- 121. MAINTENANCE OF ROADWAY AND TRACK
- 122. MAINTENANCE OF STRUCTURES, TUNNELS, BRIDGES, AND SUBWAYS
- 123. MAINTENANCE OF PASSENGER STATIONS
- 124. MAINTENANCE OF OPERATING STATION BUILDINGS, GROUNDS, AND EQUIPMENT
- 125. MAINTENANCE OF GARAGES AND SHOP BUILDINGS, GROUNDS, AND EQUIPMENT
- 126. MAINTENANCE OF COMMUNICATIONS SYSTEM
- 127. MAINTENANCE OF GENERAL ADMINISTRATION BUILDINGS, GROUNDS, AND EQUIPMENT
- 128. ACCIDENT REPAIRS OF BUILDINGS, GROUNDS, AND EQUIPMENT
- 131. VANDALISM REPAIRS OF BUILDINGS, GROUNDS, AND EQUIPMENT
- 141. OPERATION AND MAINTENANCE OF ELECTRIC POWER FACILITIES
- 160. GENERAL ADMINISTRATION
- 165. INJURIES AND DAMAGES
- 166. SAFETY

- 167. PERSONNEL ADMINISTRATION
- 168. GENERAL LEGAL SERVICES
- 169. GENERAL INSURANCE
- 170. DATA PROCESSING
- 171. FINANCE AND ACCOUNTING
- 172. PURCHASING AND STORES
- 173. GENERAL ENGINEERING
- 174. REAL ESTATE MANAGEMENT
- 175. OFFICE MANAGEMENT AND SERVICES
- 176. GENERAL MANAGEMENT
- 145. PRELIMINARY TRANSIT SYSTEM DEVELOPMENT
- 181. GENERAL FUNCTION
- 162. CUSTOMER SERVICES
- 163. PROMOTION
- 164. MARKET RESEARCH
- 177. PLANNING

6.2 Description of Expense Functions

The expense object classes described below are those usually included in the host expense functions. These expense object classes are meant to provide guidance, but are not to be viewed as an exclusive list. Judgement should exercise if it is indicated by the transit agency's operations that other expense object classes should be included.

010. VEHICLE OPERATIONS

011. TRANSPORTATION ADMINISTRATION AND SUPPORT

Component activities include: supervising station and terminal transportation activities; providing clerical support for transportation administration activities; making operators available for revenue vehicle operation (i.e., report, standby, breaks other than layovers, and turn-in time), instructing operators, except that instructor's base pay for platform instruction time is included in Revenue Vehicle Operation; inspecting operator performance by service inspector; reporting accidents and appearing as a witness; selecting runs during sign-ups; representing union; and, administering sign-ups.

Object Class Expenses Included:

Operators' Salaries and Wages: non-platform time pay of revenue vehicle operators, conductors and operating crewmember for time spent on transportation administration activities.

Other Salaries and Wages: transportation managers, superintendents, port captains, terminal managers, supervisors and others engaged in administering transportation service at the system division and station levels; secretaries, stenographers and clerks

supporting supervision of transportation activities; driver training instructors, students and service inspectors.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Management Service Fees: fees and expenses of an outside management service company for providing continuous transit supervision and management of transportation administration.

Professional and Technical Services: fees and expenses of outside individuals, firms, and companies for providing professional and technical services for transportation administration activities (e.g., service inspectors, vehicle driving instructors, efficiency consultants).

Temporary Help: fees and expenses of outside individuals and agencies for providing temporary secretarial, clerical and other administrative help in transportation administration activities.

Other Materials and Supplies Consumed: operators' supplies (e.g., pouches, forms, supplies, punches, route directions) and other materials used in administering transportation activities.

Expense Reclassification: a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs: a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

151. TICKETING AND FARE COLLECTION

Component activities include: providing supervision and clerical support for fare collection and counting activities; producing fare media; distributing fare media; controlling tickets and tokens in the custody of sales agents; pulling vaults and downloading credit and debit card data from fare collection devices; transporting cash and credit and debit card data to accounting facilities; counting cash, transfers, tokens; performing the accounting for credit and debit card sales; destroying used fare media; providing security for the fare collection process; auditing and controlling fare collection, including reconciling readings to cash, credit card, and debit card collections. The term "media fare" includes any means of payment or proof of payment distributed by the agency either directly or through agents under private contract, and includes: tickets, tokens, transfers, passes, fare cards, and smart cards.

Object Class Expenses Included:

Operators' Salaries and Wages: revenue vehicle operators' pay for time spent on ticketing and fare collection activities.

Other Salaries and Wages: managers, treasurers, cashiers, department heads and supervisors engaged in supervising ticketing and fare collection activities; secretaries and clerk-typists supporting supervision; agents distributing, selling and collecting fares; printers and other machine operators producing tickets, tokens; people controlling and servicing sales outlets; vault pullers, sorters, money counters and cash clerks, security guards for vehicles and at collection and counting area; vehicle drivers transporting money to counting facilities and banks; accounting and control clerks auditing and monitoring fare sales, collection and counting activities; fare registration reconciliation clerks.

Fringe Benefits Distribution: a prorated share of total fringe benefits based on labor amounts in this function.

Management Service Fees: fees and expenses of an outside management service company for providing continuous transit supervision and management of ticketing and fare collection.

Professional and Technical Services: fees, commissions, and expenses of outside individuals, firms and companies for providing professional and technical services for ticketing and fare collection activities, (e.g., fare collection security guards and truck drivers, fare counting and depositing services, fare sales outlets and agents, collection and counting efficiency consultants and engineers).

Temporary Help: fees and expenses of outside individuals and agencies for providing temporary secretarial, clerical and other administrative help for use in ticketing and fare collection activities.

Other Materials and Supplies: fees and expenses for tickets, tokens, passes, transfers, and refund chits.

Expense Reclassification: a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs (Leases and Rentals): a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

Revenue Collection and Processing Facilities (Leases and Rentals): payments and accruals for the lease or rental of land, buildings and office furniture and equipment

used exclusively in revenue collection and processing; fare boxes, vaults, sorters, counters and other similar equipment used in revenue collection and processing.

Revenue Collection and Processing Facilities (Depreciation and Amortization): depreciation on buildings and office furniture and equipment used exclusively in revenue collection and processing; fare boxes, vaults, sorters, counters and other similar equipment used in revenue collection and processing.

161. SYSTEM SECURITY

Component activities include: providing supervision and clerical support for security activities; patrolling revenue vehicles and passenger stations during revenue operations; patrolling and controlling access to yards, buildings and structures; monitoring security devices such as closed circuit TV, alarm systems; reporting breaches of security.

Note: Security activities associated with the fare collection and counting process should be included as part of the Ticketing and Fare Collection function.

Object Class Expenses Included:

Other Salaries and Wages: security managers and supervisors engaged in supervising system-wide security; secretaries and clerks supporting security supervision; police officers, special agents, patrol staff, inspectors and others engaged in providing overall security.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Management Service Fees: fees and expenses of an outside management service company for providing continuous transit supervision and management of system security.

Temporary Help: fees and expenses of outside individuals and agencies for providing temporary secretarial, clerical and other administrative help for use in system security activities.

Security Services: fees and expenses of outside organizations furnishing security personnel (e.g., watch staff, patrol staff, special agents) or equipment (e.g., monitoring devices, alarm systems to provide security to the transit agency).

Other Materials and Supplies: fees and expenses for other materials and supplies (e.g., security uniforms, badges, ammunition, special forms).

Expense Reclassification: a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs: a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

030. REVENUE VEHICLE OPERATIONS

Component activities include: moving revenue vehicles along transit routes while; boarding and discharging passengers; moving revenue vehicles from operating stations to route terminals or between route terminals (e.g., deadheading); laying-over at route terminals for an operator's rest period; moving operators to and from relief points; providing non-driving assistance in passenger loading.

Object Class Expenses Included:

Operators' Salaries and Wages: platform and travel pay of scheduled line, unscheduled line, charter and contract service revenue vehicle operators, conductors, collectors and other operating crew members working aboard transit vehicles; pay of ferryboat deck crews (e.g., captain, chief officers, mates, pilots).

Other Salaries and Wages: non-operators providing passenger loading and other off-board and ashore assistance.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Fuel and Lubricants: gasoline, diesel fuel, propane, lubricating oil, transmission fluid, grease, and other fuel and lubricants used to operate revenue vehicles.

Tires and Tubes: rental payments or replacement costs for tires and tubes used on revenue vehicles.

Vehicle Licensing and Registration Fees: payments or accruals of fees assessed by Federal, state and local governments for granting authority to operate revenue vehicles.

Fuel and Lubricant Tax: payments or accruals of excise and sales taxes on purchases of fuel and lubricants for revenue vehicles.

Function Reclassification (Expense Transfers): a debit amount representing that portion of the total Operation and Maintenance of Electric Power Facilities costs attributable to the operation of revenue vehicles.

Expense Reclassification (Expense Transfers): a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Transit Way and Transit Way Structures and Equipment (Leases and Rentals): payments or accruals for the lease or rental of land, buildings and equipment used for transit way and/or transit way structures and equipment.

Passenger Stations (Leases and Rentals): payments or accruals for the lease or rental of land, buildings and equipment used for passenger stations.

Passenger Parking Facilities (Rentals and Leases): payments or accruals for the lease or rental of land, buildings and equipment used for passenger parking facilities.

Passenger Revenue Vehicles (Rentals and Leases): payments and accruals for the lease or rental of rolling stock used for providing passenger transit service.

Operating Yards or Stations (Rentals and Leases): payments or accruals for the lease or rental of land, buildings and equipment used for operating yards or stations.

Transit Way and Transit Way Structures and Equipment (Depreciation and Amortization): depreciation on buildings and equipment used for transit way and/or transit way structures and equipment.

Passenger Stations (Depreciation and Amortization): depreciation on buildings and equipment used for passenger stations.

Passenger Parking Facilities (Depreciation and Amortization): depreciation on buildings and equipment used for passenger parking facilities.

Passenger Revenue Vehicles (Depreciation and Amortization): depreciation on rolling stock used for providing passenger transit service.

Operating Yards or Stations (Depreciation and Amortization): depreciation on buildings and equipment used for operating yards or stations.

012. REVENUE VEHICLE MOVEMENT CONTROL

Component activities include: supervising revenue vehicle movement control activities; providing clerical support for revenue vehicle movement control activities; dispatching operators and vehicles from the operating station; monitoring transit operations in communication and control centers; supervising transit operations along transit routes; and controlling the return of operators and vehicles to the operating station. Each of these may be accomplished by conventional means, or they may be accomplished through the use of advanced technologies, such as those in FTA's Advanced Public Transportation Systems (APTS) program. Applicable APTS technologies include:

Automatic Vehicle Location, Transit Operations Software, and Automated Demand-Responsive Dispatching Systems. Vehicle Guidance Systems and intermodal Transportation Management Centers may also be employed to assist revenue vehicle movement control activities.

Object Class Expenses Included:

Operators' Salaries and Wages: revenue vehicle operators' pay for time spent on revenue vehicle movement control activities.

Other Salaries and Wages: system, division, and station managers and supervisors engaged in controlling dispatch, movement and return of revenue vehicles; secretaries and clerks supporting the supervision of vehicle movement control; road supervisors, dispatchers, stop and zone representatives, starters, timekeepers and employees engaged in furnishing supplies to vehicle operators; radio and telephone communication operators monitoring and controlling vehicle movement at communication centers.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Management Service Fees: fees and expenses of an outside management service company for providing continuous transit supervision and management of revenue vehicle movement control.

Professional and Technical Services: fees and expenses of outside individuals, firms and companies for providing professional and technical services for revenue vehicle movement control activities (e.g., communication consultants, control technicians).

Temporary Help: fees and expenses of outside individuals and agencies for providing temporary secretarial, clerical and other administrative help for use in revenue vehicle movement control activities.

Expense Reclassification: a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs: a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

Leases and Rentals of Revenue Vehicle Movement Control Facilities: payments and accruals for the lease of rental of land, building, office equipment and furniture and other equipment (e.g., traffic control computers, communication centers) used in revenue vehicle movement control.

Depreciation and Amortization of Revenue Vehicle Movement Control Facilities: depreciation of buildings, office equipment, furniture, and other equipment (e.g., traffic control computers, communication centers) used in revenue vehicle movement control.

021. SCHEDULING OF TRANSPORTATION OPERATIONS

Component activities include: supervising scheduling activities; providing clerical support for scheduling activities; collecting data for schedule making; making schedules; cutting runs; furnishing schedule information (e.g., routes, miles, time, run definitions).

Note: The collection of data for defining routes is part of the Market Research and Planning functions. Scheduling data collection covers running times and passenger loading data along predefined routes.

Object Class Expenses Included:

Other Salaries and Wages: traffic managers, superintendents, department heads and supervisors engaged in supervising the preparation of schedules for transportation operations; secretaries, stenographers and clerk-typists supporting the supervision of scheduling activities; schedule analysts, makers, checkers, statistical clerks; design, layout and reproduction people engaged in producing finished schedules.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Management Service Fees: fees and expenses of an outside management service company for providing continuous transit supervision and management of scheduling of transportation operations.

Professional and Technical Services: fees and expenses of outside individuals, firms and companies for providing professional and technical services for scheduling of transportation operations activities, (e.g., scheduling efficiency consultants, finished schedule producers).

Temporary Help: fees and expenses of outside individuals and agencies for providing temporary secretarial, clerical and other administrative help for use in scheduling of transportation operations activities.

Expense Reclassification: a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs: a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which

have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

041. MAINTENANCE ADMINISTRATION - VEHICLES

Component activities include: providing supervision and clerical support for the administration of vehicle maintenance; preparing and updating vehicle maintenance records; accumulating and computing vehicle performance data, (e.g., mileage, fuel and oil consumption); providing technical training to vehicle maintenance personnel; appearing as a witness; engineering vehicle maintenance activities.

Object Class Expenses Included:

Other Salaries and Wages: maintenance managers, port engineers, superintendents, supervisors and non-working lead workers engaged in directing and supervising maintenance and repairs to vehicles; secretaries and clerk-typists supporting the administration of maintenance activities; garage and shop clerks, timekeepers and other clerical people engaged in scheduling and recording vehicle maintenance activities, vehicle maintenance training instructors and students; engineers and other technicians engaged in vehicle maintenance activities.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Management Service Fees: fees and expenses of an outside management service company for providing continuous transit supervision and management of vehicle maintenance administration.

Professional and Technical Services: fees and expenses of outside individuals, firms and companies for providing professional and technical services for administering vehicle maintenance activities (e.g., mechanical and electrical engineers, vehicle maintenance training instructors).

Temporary Help: fees and expenses of outside individuals and agencies for providing temporary secretarial, clerical and other administrative help for use in the administration of vehicle maintenance.

Expense Reclassification (Expense Transfers): a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs (Expense Transfers): a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory)

Engine Shops, Car Shops and Garages (Leases and Rentals): payments and accruals for the lease or rental of land, buildings and equipment used for engine shops, car shops and garages.

Engine Shops, Car Shops and Garages (Depreciation and Amortization): depreciation on buildings and equipment used for engine shops, car shops and garages.

051. SERVICING REVENUE VEHICLES

Component activities include: providing supervision and clerical support for servicing revenue vehicles; washing and cleaning revenue vehicles; hostling revenue vehicles throughout service area refueling and adding oil and water to revenue vehicles.

Object Class Expenses Included:

Operators' Salaries and Wages: revenue vehicle operators' pay for time spent on servicing revenue vehicle activities.

Other Salaries and Wages: service managers, supervisors and lead workers engaged in overseeing the preparation of revenue vehicles for service (excluding repair work); cleaners, washers, fuelers, oilers and hostlers; secretaries and clerks supporting vehicle servicing activities.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Temporary Help: fees and expenses of outside individuals and agencies for providing temporary secretarial, clerical and other administrative help for use in servicing revenue vehicles.

Contract Maintenance Services: fees and expenses of outside individuals and organizations, under a contract or on a single job basis for the servicing of revenue vehicles.

Other Materials and Supplies: cleaning supplies (e.g., soap, sponges, brooms, brushes, cloths, rubber clothing) and other materials used in servicing revenue vehicles.

Expense Reclassification (Expense Transfers): a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs (Expense Transfers): a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

061. INSPECTION AND MAINTENANCE OF REVENUE VEHICLES

Component activities include: inspecting revenue vehicle components on a scheduled preventive maintenance basis (e.g., engine and transmission, fuel system, ignition system, chassis, body - exterior and interior, electrical system, lubrication system, trolleys, pantographs and third rail shoes, trucks, braking system, air-conditioning system); performing minor repairs to the above-listed revenue vehicle components; changing lubrication fluids; replacing minor repairable units of the above-listed revenue vehicle components; making road calls to service revenue vehicle breakdowns; towing and shifting revenue vehicles to maintenance facilities; rebuilding and overhauling repairable components; performing major repairs on revenue vehicles on a scheduled or unscheduled basis (This work is generally done in the following facilities: machine shop; sheet metal shop; welding and blacksmith shop; body and paint shop; brake shop; unit rebuild shop; glass shop; upholstery shop; woodworking shop); replacing major repairable units of revenue vehicles (including engines, transmissions, traction motors and air conditioners).

Object Class Expenses Included:

Operators' Salaries and Wages: revenue vehicle operators' pay for time spent on inspection and maintenance of revenue vehicle activities.

Other Salaries and Wages: working supervisors, lead workers, inspectors, service personnel, apprentices, greasers, mechanics, welders, major component repair staff, electricians, bench hands, machinists, coil winders, sheet metal workers, sanders, painters, body workers, upholsterers, glass installers, carpenters, blacksmiths and others engaged in repair, maintenance and inspection activities for revenue vehicles.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Contract Maintenance Services: fees and expenses of outside individuals and organizations, under a contract or single job basis, for the inspection, repair and maintenance of revenue vehicles.

Other Materials and Supplies: revenue vehicle minor repair parts (e.g., hoses, gaskets, minor body components, lights, controls, belts, springs, seals, fittings); major repair parts (e.g., engines, transmissions, brakes, clutches, major body components), maintenance materials and supplies (e.g., grease, cleaning fluids, small tools, gauges, rags, paint, wood, glass, welding stock, sheet metal, upholstery).

Expense Reclassification (Expense Transfer): a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs (Expense Transfer): a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

062. ACCIDENT REPAIRS OF REVENUE VEHICLES

Component activities include: repairing all damage to revenue vehicles resulting from incidents (e.g., collisions with stationary or moving objects, floods, accidentally ignited fires).

Object Class Expenses Included:

Other Salaries and Wages: all direct and indirect maintenance and administrative labor actually expended on or allocated to the repair of accident damage on revenue vehicles.

Fringe Benefits Distributed: a prorated share of total fringe benefits based on labor amounts in this function.

Contract Maintenance Services: fees and expenses of outside individuals and organizations, under a contract or single job basis, for the repair of accident damage to revenue vehicles.

Other Materials and Supplies: all vehicle repair parts (e.g., body parts, engine components) and materials (e.g., paint, wood, glass, metal) used to restore vehicles to an operating condition.

Premiums for Physical Damage Insurance (Casualty and Liability Costs): insurance premiums, applicable to an accounting period, to insure the transit agency against loss from collision, fire, theft, flood and similar damage to its revenue vehicles.

Recoveries of Physical Damage Losses (Casualty and Liability Costs): amounts recovered from insurance companies and third parties for claims of property damage to revenue vehicles.

Expense Reclassification (Expense Transfers): a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs: a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

071. VANDALISM REPAIRS OF REVENUE VEHICLES

Component activities include: repairing all special damage to revenue vehicles resulting from willful or malicious destruction or defacement.

Note: Covers work done specifically because of a vandal's act. If repair work is due to be done soon (repainting) and is speeded up because of the vandalism, charge this repair to Inspection and Maintenance of Revenue Vehicles.

Object Class Expenses Included:

Other Salaries and Wages: all direct and indirect maintenance and administrative labor actually expended on or allocated to the repair of vandalism damage on revenue vehicles.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Contract Maintenance Service: fees and expenses of outside individuals and organizations, under a contract or single job basis, for the repair of vandalism damage to revenue vehicles.

Other Materials and Supplies: all vehicle repair parts (body parts, engine components) and materials (e.g., paint, wood, glass, metal) used to restore vehicles to an operating condition.

Expense Reclassification (Expense Transfers): a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs (Expense Transfers): a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (receivables, inventory).

081. SERVICING AND FUEL OF SERVICE VEHICLES

Component activities include: providing supervision and clerical support for the servicing of service vehicles; washing and cleaning exterior of service vehicles; washing and cleaning interior of service vehicles; hostling service vehicles throughout service area; refueling and adding oil and water to service vehicles.

Object Class Expenses Included:

Other Salaries and Wages: service managers, supervisors, and lead workers engaged in overseeing the preparation of service vehicles for operation (excluding repair work);

cleaners, washers, fuelers, oilers and hostlers; secretaries and clerks supporting servicing activities for service vehicles.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Temporary Help: fees and expenses of outside individuals and agencies for providing temporary secretarial, clerical, and other administrative help for use in servicing service vehicles.

Contract Maintenance Services: fees and expenses of outside individuals and organizations, under a contract or single job basis, for the servicing of service vehicles.

Fuel and Lubricants: gasoline, diesel, propane, lubricating oil, transmission fluid, grease used to operate service vehicles.

Tires and Tubes: rental payments or replacement costs for tires and tubes used on service vehicles.

Other Materials and Supplies: cleaning supplies (e.g., soap, sponges, brooms, brushes, cloths, rubber clothing) and other materials used on service vehicles.

Fuel and Lubricant Taxes: payments or accruals of excise and sales taxes on purchases of fuel and lubricants for service vehicles.

Expense Reclassification (Expense Transfers): a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs (Expense Transfers): a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (receivables, inventory).

091. INSPECTION AND MAINTENANCE OF SERVICE VEHICLES

Component activities include: inspecting the following service vehicle components on a scheduled preventive maintenance basis (e.g., engine and transmission, fuel system, ignition system, chassis, body, exterior and interior, electrical system, trolleys, pantographs, and third rail shoes, trucks, braking system, and air-conditioning system); performing minor repairs to the above listed service vehicle components; changing lubrication fluids; replacing minor repairable units of the above listed service vehicle components; making road calls for service vehicle breakdowns; towing and shifting service vehicles to maintenance facilities; rebuilding and overhauling repairable components of service vehicles; performing major repairs on service vehicles on a scheduled or unscheduled basis (This work is generally done in the following facilities:

machine shop, sheet metal shop, welding and blacksmith shop, body and paint shop, brake shop, unit rebuild shop, glass shop upholstery shop, and woodworking shop); replacing major repairable units of service vehicles, including engines, transmissions, traction motors, and air conditioners.

Object Class Expenses Included:

Other Salaries and Wages: working supervisors, lead workers, inspectors, service staff, greasers, mechanics, apprentices, welders, major component repair staff, electricians, bench hands, machinists, coil winders, sheet metal workers, sanders, painters, body workers, upholsters, glass installers, carpenters, blacksmiths, and others engaged in garage and shop repair and maintenance activities for service vehicles.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Contract Maintenance Services: fees and expenses of outside individuals and organizations, under a contract or single job basis, for the inspection, repair or maintenance of service vehicles.

Other Materials and Supplies: all vehicles repair parts (e.g., body parts, engine components) and materials (e.g., paint, wood, glass, metal) used in the inspection and maintenance of service vehicles.

Expense Reclassification (Expense Transfers): a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs (Expense Transfers): a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory) and expenses of outside individuals and organizations, under a contract or single job basis, for the servicing, repair or maintenance of vehicle movement control system components.

Other Materials and Supplies: repair parts, maintenance materials and supplies and other related materials and supplies used to clean, maintain and repair components of vehicle movement control systems.

Expense Reclassification (Expense Transfers): a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs (Expense Transfers): a credit amount composed of a combined group of object class expenses (e.g., labor, materials,

services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

042. MAINTENANCE ADMINISTRATION - FACILITIES (NON-VEHICLES)

Component activities include: providing supervision and clerical support for the administration of transit way and structures maintenance and other buildings, grounds and equipment maintenance; preparing and updating transit way and structures maintenance records and other buildings, grounds and equipment maintenance records; providing technical training to facilities maintenance personnel; engineering maintenance of transit way and structures and of other buildings, grounds and equipment.

Note: "Other" in this definition includes all buildings, grounds and equipment except revenue vehicles and transit ways and structures.

Object Class Expenses Included:

Other Salaries and Wages: maintenance managers, superintendents, supervisors and non-working lead workers engaged in directing and supervising maintenance and repairs to transit way and structures and to other buildings, grounds and equipment; secretaries and clerk typists supporting the administration of maintenance activities; clerks, timekeepers and other clerical people engaged in scheduling and recording maintenance activities; maintenance training instructors and students; engineers and other technicians engaged in transit way and structures and in other buildings, grounds and equipment maintenance activities.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Management Service Fees: fees and expenses of an outside management service company for providing continuous transit supervision, management of transit way and structures maintenance administration, and management of other buildings, grounds and equipment maintenance administration.

Professional and Technical Services: fees and expenses of outside individuals, firms and companies for providing professional and technical services for transit way and structure maintenance activities, and for other buildings, grounds and equipment maintenance activities (e.g., industrial and civil engineers, maintenance training instructors).

Temporary Help: fees and expenses of outside individuals and agencies for providing temporary secretarial, clerical and other administrative help for use in the administration of transit way and structure maintenance and in the administration of other buildings, grounds and equipment maintenance.

Expense Reclassification (Expense Transfers): a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function).

Capitalization of Non-operating Costs (Expense Transfers): a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (receivables, inventory).

101. MAINTENANCE OF VEHICLE MOVEMENT CONTROL SYSTEMS

Component activities include: inspecting, cleaning, repairing and replacing all components of vehicle movement control equipment (e.g., radios, roadway phones, monitor units).

Object Class Expenses Included:

Other Salaries and Wages: working supervisors, lead workers, electronics technicians, radio and telephone repair staff and others engaged in the repair and maintenance of vehicle movement control equipment.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Contract Maintenance Services: fees and expenses of outside individuals and organizations, under a contract or single job basis, for the servicing, repair or maintenance of vehicle movement control system components.

Other Materials and Supplies: repair parts, maintenance materials and supplies and other related materials and supplies used to clean, maintain and repair components of vehicle movement control systems.

Expense Reclassification (Expense Transfers): a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs (Expense Transfers): a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

111. MAINTENANCE OF FARE COLLECTION AND COUNTING SYSTEMS

Component activities include: inspecting, cleaning, repairing and replacing all components of fare collection and counting equipment (fare boxes, vaults, counters, changers, sorters).

Object Class Expenses Included:

Other Salaries and Wages: working supervisors, lead workers, mechanics, cleaners, service staff, and others engaged in the repair and maintenance of fare collection and counting equipment.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Contract Maintenance Services: fees and expenses of outside individuals and organizations, under contract or single job basis, for the servicing, repair or maintenance of fare collection and counting equipment.

Other Materials and Supplies: repair parts, maintenance materials and other related materials and supplies used to clean, maintain and repair components of fare collection and counting equipment.

Expense Reclassification (Expense Transfers): a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs (Expense Transfers): a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

121. MAINTENANCE OF ROADWAY AND TRACK

Component activities include: inspecting, cleaning, repairing, clearing and replacing all components of roadway and track.

Object Class Expenses Included:

Other Salaries and Wages: working supervisors, lead workers, inspectors, repair crewmembers, and others engaged in the repair and maintenance of roadway and track (e.g., sanding, removing snow, sweeping, scraping).

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Contract Maintenance Services: fees and expenses of outside individuals and organizations, under a contract or single job basis, for the servicing, repair or maintenance of roadway and track components.

Other Materials and Supplies: repair parts (e.g., rails, ties, ballast), maintenance material (e.g., sand, oil, salt) and other related materials and supplies used to clean, maintain and repair components of roadway and track.

Expense Reclassification (Expense Transfers): a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs (Expense Transfers): a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (receivables, inventory, etc).

122. MAINTENANCE OF STRUCTURES, TUNNELS, BRIDGES, AND SUBWAYS

Component activities include: inspecting, cleaning, repairing and replacing all components of structures, tunnels, bridges and subways.

Object Class Expenses Included:

Other Salaries and Wages: working supervisors, lead workers, inspectors, repair crew members, carpenters, custodians, painters, and others engaged in the repair and maintenance of transit way structures, tunnels, bridges and subways.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Contract Maintenance: fees and expenses of outside individuals and organizations, under a contract or single job basis, for the servicing, repair or maintenance of structures, tunnels, bridges and subways.

Other Materials and Supplies: repair and maintenance materials (e.g., wood, steel, paint) and other related materials and supplies used to clean, maintain and repair components of structures, tunnels, bridges and subway.

Expense Reclassification (Expense Transfers): a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs (Expense Transfers): a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

123. MAINTENANCE OF PASSENGER STATIONS

Component activities include: inspecting, repairing and replacing components of passenger station buildings and equipment providing custodial services for passenger station buildings and grounds.

Object Class Expenses Included:

Other Salaries and Wages: working supervisors, lead workers, inspectors, mechanics, service staff, carpenters, plumbers, electricians, custodians, painters, janitors, utility workers, groundskeepers, and others engaged in the repair and maintenance of passenger station buildings, grounds and equipment.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Contract Maintenance: fees and expenses of outside individuals and organizations, under a contract or single job basis, for the servicing, repair or maintenance of passenger stations.

Custodial Services: fees and expenses of outside individuals and organizations, under a contract or single job basis, providing janitorial and other cleaning services for passenger station buildings and grounds.

Other Materials and Supplies: repair parts, maintenance materials, janitorial supplies and other related materials and supplies used to clean, maintain and repair components of passenger stations.

Expense Reclassification (Expense Transfers): a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs (Expense Transfers): a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

124. MAINTENANCE OF OPERATING STATION BUILDINGS, GROUNDS, AND EQUIPMENT

Component activities include: inspecting, repairing and replacing components of operating station buildings and equipment providing custodial services for operating station buildings and grounds.

Object Class Expenses Included:

Other Salaries and Wages: working supervisors, lead workers, inspectors, mechanics, service staff, carpenters, plumbers, electricians, custodians, painters, janitors, utility workers, groundskeepers and others engaged in the repair and maintenance of operation station buildings, grounds and equipment.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Contract Maintenance: fees and expenses of outside individuals and organizations, under a contract or single job basis, for the servicing, repair, or maintenance of operating station buildings, grounds and equipment.

Custodial Services: fees and expenses of outside individuals and organizations, under a contract or single job basis, providing janitorial and other cleaning services for operating station buildings and grounds.

Other Materials and Supplies: repair parts, maintenance materials, janitorial supplies and other related materials and supplies used to clean, maintain and repair components of operating station buildings, grounds and equipment.

Expense Reclassification (Expense Transfers): a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs (Expense Transfers): a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

125. MAINTENANCE OF GARAGES AND SHOP BUILDINGS, GROUNDS AND EQUIPMENT

Component activities include: inspecting, repairing and replacing components of garage and shop buildings and equipment providing custodial services for garage and shop buildings and grounds.

Object Class Expenses Included:

Other Salaries and Wages: working supervisors, lead workers, inspectors, mechanics, service staff, carpenters, plumbers, electricians, custodians, painters, janitors, utility workers, groundskeepers, and others engaged in the repair and maintenance of garage and shop buildings, grounds and equipment.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Contract Maintenance Services: fees and expenses of outside individuals and organizations, under a contract or single job basis, for the servicing, repair or maintenance of garage and shop building, grounds and equipment.

Object Class Expenses Included:

Custodial Services: fees and expenses of outside individuals and organizations, under a contract or single job basis, providing janitorial and other cleaning services for garage and shop buildings and grounds.

Other Materials and Supplies: repair parts, maintenance materials, janitorial supplies and other related materials and supplies used to clean, maintain and repair components of garage and shop buildings, grounds and equipment.

Expense Reclassification (Expense Transfers): a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs (Expense Transfers): a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

126. MAINTENANCE OF COMMUNICATIONS SYSTEMS

Component activities include: inspecting, cleaning, repairing and replacing all components of communication systems (e.g., office telephone, public address units), other than those devoted to the vehicle movement control function, which are included in Maintenance of Vehicle Movement Control Systems.

Object Class Expenses Included:

Other Salaries and Wages: working supervisors, lead workers, electricians, service staff, cleaners, electronics technicians, mechanics, utility workers, inspectors, and others engaged in the repair and maintenance of general communication equipment.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Contract Maintenance: fees and expenses of outside individuals and organizations, under a contract or single job basis, for the servicing, repair or maintenance of general communication system components.

Other Materials and Supplies: repair parts, maintenance materials and other related materials and supplies used to clean, maintain and repair components of general communication system equipment.

Expense Reclassification (Expense Transfers): a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs (Expense Transfers): a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

127. MAINTENANCE OF GENERAL ADMINISTRATION BUILDINGS, GROUNDS AND EQUIPMENT

Component activities include: inspecting, repairing and replacing components of buildings and equipment used for general administration - providing custodial services for buildings and grounds used for general administration.

Note: Maintaining data processing facilities should be included under the Data Processing function.

Object Class Expenses Included:

Other Salaries and Wages: working supervisors, lead workers, inspectors, mechanics, service staff, carpenters, plumbers, electricians, custodians, painters, janitors, utility workers, groundskeepers, and others engaged in the repair and maintenance of general administration buildings, grounds and equipment.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Contract Maintenance: fees and expenses of outside individuals and organizations, under a contract or single job basis, for the servicing, repair or maintenance of general administration buildings, grounds and equipment.

Custodial Services: fees and expenses of outside individuals and organizations, under a contract or single job basis, providing janitorial and other cleaning services for general administration buildings and grounds.

Other Materials and Supplies: repair parts, maintenance materials, janitorial supplies and other related materials and supplies used to clean, maintain and repair components of general administration buildings, grounds and equipment.

Expense Reclassification (Expense Transfers): a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs (Expense Transfers): a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

128. ACCIDENT REPAIRS OF BUILDINGS, GROUNDS, AND EQUIPMENT

Component activities include: repairing all damage to buildings, grounds and equipment resulting from collisions with stationary or moving objects, floods, accidentally ignited fires, etc.

Other Salaries and Wages: all direct and indirect maintenance and administrative labor actually expended on or allocated to the repair of accident damage on buildings, grounds and equipment.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Contract Maintenance: fees and expenses of outside individuals and organizations, under a contract or single job basis, for the repair of accident damage to buildings, grounds and equipment.

Other Materials and Supplies: all repair parts and materials (e.g., paint, wood, glass, metal) used to restore buildings, grounds and equipment from accident damage.

Premiums for Physical Damage Insurance (Casualty and Liability Costs): insurance premiums, applicable to an accounting period, to insure the transit agency against loss from collision, fire, theft, flood and similar damage to its buildings, grounds and equipment.

Recoveries of Physical Damage for Losses (Casualty and Liability Costs): amounts recovered from insurance companies and third parties for claims of property damage to buildings, grounds and equipment.

Expense Reclassification (Expense Transfers): a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs (Expense Transfers): a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

131. VANDALISM REPAIRS OF BUILDINGS, GROUNDS AND EQUIPMENT

Component activities include: repairing all special damage to buildings, grounds and equipment resulting from willful or malicious destruction or defacement.

Note: Covers work done specifically because of a vandal's act. If repair would be done soon (repainting) and is speeded up because of the vandalism, charge this repair to the appropriate maintenance function.

Object Class Expenses Included:

Other Salaries and Wages: all direct and indirect maintenance and administrative labor actually expended on or allocated to the repair of vandalism damage on buildings, grounds and equipment.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Contract Maintenance: fees and expenses of outside individuals and organizations, under a contract or single job basis, for the repair of vandalism damage to buildings, grounds and equipment.

Other Materials and Supplies: all repair parts and materials (e.g., paint, wood, glass, metal) used to restore buildings, grounds and equipment to operating condition.

Expense Reclassification (Expense Transfers): a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs (Expense Transfer): a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

141. OPERATION AND MAINTENANCE OF ELECTRIC POWER FACILITIES

Component activities include: supervising, monitoring and operating power generation and distribution facilities (i.e., inspecting, cleaning, repairing and replacing all components of electric power generation and distribution facilities and equipment (including third rail and overhead lines).

Object Class Expenses Included:

Other Salaries and Wages: managers, supervisors, lead workers, operators, monitors, clerks and others directly engaged in the generation and distribution of electric power: working supervisors, lead workers, inspectors, mechanics, carpenters, plumbers, electricians, custodians, painters, janitors, utility workers, service staff, and others engaged in the repair and maintenance of electric power generation and distribution facilities.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Professional and Technical Services: fees and expenses of outside individuals, firms and companies for providing professional and technical services for generation and distribution of electric power, (e.g., electrical engineers, mechanical engineers).

Contract Maintenance Services: fees and expenses of outside individuals and organizations, under a contract or single job basis, for the servicing, repair of maintenance of components of electric power generation and distribution facilities.

Other Materials and Supplies: repair parts, maintenance materials and Supplies and other related materials and supplies used to clean, maintain and repair components of electric power generation and distribution equipment.

Propulsion Power: cost of electric power purchased from an outside organization to propel vehicles.

Electric Power Taxes: payments on accruals of utility taxes for the cost of electric power used to propel vehicles.

Function Reclassification (Expense Transfers): a credit amount representing the total costs of this function to be distributed to expense reclassification - a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs (Expense Transfers): a credit amount composed of a combined group of object class expenses (e.g., labor, materials,

services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

Power Generation and Distribution Facilities (Rentals and Leases): payments or accruals for the lease or rental of land, buildings, office equipment and furnishings and other machinery and equipment used only in generation and distribution of electric power.

Power Generation and Distribution Facilities (Depreciation and Amortization): depreciation on buildings, office equipment and furnishings and other machinery and equipment used only in generation and distribution of electric power.

160. GENERAL ADMINISTRATION

165. INJURIES AND DAMAGES

Component activities include: providing supervision and clerical support for injury and damage activities; insuring the transit agency against liability losses; receiving injury and damage claims filed against the transit agency; investigating accidents to determine liability; negotiating settlements of public liability cases; making payments in settlement of liability cases; defending public liability cases in court; and, accumulating accident and liability claim statistics.

Object Class Expenses Included:

Other Salaries and Wages: managers, department heads and supervisors engaged in supervising injuries and damages activities; secretaries and clerks supporting administration and supervision; negotiators, lawyers, claims adjusters, investigators, special agents and photographers; statisticians and clerks accumulating and maintaining claims and accident data.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Management Service: fees and expenses of an outside management service company for providing continuous transit supervision and management of injuries and damages.

Professional and Technical Services: fees and expenses of outside individuals, firms and companies for providing professional and technical services for injuries and damages activities (e.g., witnesses, attorneys, claims agents and adjusters, investigators, photographers, doctors, hospitals, ambulances, nurses, courts).

Temporary Help: fees and expenses of outside individuals and agencies for providing temporary secretarial, clerical and other administrative help for use in injuries and damages activities.

Premiums for Public Liability and Property Damage Insurance: insurance premiums, applicable to an accounting period, to insure the transit agency against loss from liability for acts which cause damage to other persons or property.

Payouts for Uninsured Public Liability Settlements: payments or accruals of actual liability to others arising from culpable acts of the transit agency which are not covered by public liability and property damage insurance.

Provision for Uninsured Public Liability and Property Damage: periodic estimates of liability to others arising from culpable acts of the transit agency which are not covered by public liability and property damage insurance.

Payouts for Insured Public Liability and Property Damage Settlements: payments or accruals of actual liability to others arising from culpable acts of the transit agency which are covered by public liability and property damage insurance.

Recoveries of Public Liability and Property Damage Settlements: amounts recovered from insurance companies to indemnify the transit agency for acts giving rise to liability for damage to other persons or property.

Expense Reclassification: a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs: a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

166. SAFETY

Component activities include: providing supervision and clerical support for a system safety program providing safety-first and other campaigns among employees or the public for the purpose of preventing accidents and damages compiling and maintaining safety statistics.

Note: The cost of those items considered to be the normal safety responsibility of the transit agency (e.g., safety glasses, shoes, hats) should be included under its appropriate function (Maintenance and Servicing) and not as part of the safety function.

Object Class Expenses Included:

Other Salaries and Wages: managers, directors, and department heads engaged in directing, conducting, and supervising a system safety program; secretaries and clerks supporting safety activities; safety instructors, statisticians, and others engaged in implementing system safety policies and procedures.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Management Service Fees: fees and expenses of an outside management service company for providing continuous transit supervision and management of safety programs.

Professional and Technical Services: fees and expenses of outside individuals, firms and companies for providing professional and technical services for safety activities (e.g., safety consultants, inspectors).

Temporary Help: fees and expenses of outside individuals and agencies for providing temporary secretarial, clerical and other administrative help for use in the administration of safety activities.

Other Materials and Supplies: general safety materials and supplies (e.g., training aids, posters, forms) used in the administration of a system-wide safety program.

Expense Reclassification (Expense Transfers): a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs (Expense Transfers): a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

167. PERSONNEL ADMINISTRATION

Component activities include: providing supervision and clerical support for personnel activities; maintaining employment history records; recruiting, interviewing, testing, screening and giving medical examinations to prospective employees; administering fringe benefit, medical, welfare, pension job evaluation, performance evaluation, promotion and other related programs; conducting orientation programs; providing supervisory and management training; researching labor relations issues; negotiating labor contracts; administering low level grievances; and, administering a worker's compensation program.

Object Class Expenses Included:

Other Salaries and Wages: managers, directors, supervisors, and department heads engaged in administering and supervising personnel activities; secretaries and clerk-typists supporting personnel administration; recruiters, interviewers, testers, counselors, reviewers and examiners; employee welfare representatives, analysts, technicians and clerks; medical directors, nurses and first-aid assistants; job and performance

evaluation analysts, orientation and training instructors, employment history record clerks, labor relations researchers, negotiators and grievance administrators.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Management Service Fees: fees and expenses of an outside management service company for providing continuous transit supervision and management of personnel administration.

Professional and Technical Fees: fees and expenses of outside individuals, firms and companies for providing professional and technical services for personnel administration activities, (e.g., employment agencies, personnel consultants, testing services, training instructors, labor relations firms).

Temporary Help: fees and expenses of outside individuals and agencies for providing temporary secretarial, clerical and other administrative help for use in the administration of personnel activities.

Expense Reclassification (Expense Transfers): a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs: a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

168. GENERAL LEGAL SERVICES

Component activities include: supervising and providing clerical support for general legal service activities performing legal services other than those concerned with public liability claims for injuries and damages.

Object Class Expenses Included:

Other Salaries and Wages: managers, directors and department heads engaged in administering and supervising general legal activities; secretaries and clerks supporting administration and supervision; attorneys, regulatory specialists, researchers, legal clerks and others providing general legal services to the transit agency.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Management Service Fees: fees and expenses of an outside management service company for providing continuous transit supervision and management of general legal services.

Professional and Technical Services: fees and expenses of outside individuals, firms and companies for providing professional and technical services for general legal activities, (e.g., attorneys, courts, witnesses).

Temporary Help: fees and expenses of outside individuals and agencies for providing temporary secretarial, clerical and other administrative help for use in general legal services.

Expense Reclassification: a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs: a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

169. GENERAL INSURANCE

Component activities include: providing supervision and clerical support for insurance activities other than public liability; insuring the transit agency against losses other than public liability (e.g., fidelity, fire, accident); and, preparing, submitting and pursuing insurance claims for losses other than public liability.

Note: Insurance activities involved with public liability should be included under the Injuries and Damages function.

Object Class Expenses Included:

Other Salaries and Wages: managers, supervisors, and department heads engaged in administering and supervising a general insurance program; secretaries and clerk typists supporting general insurance administration; claims adjusters, investigators, researchers, special agents, statisticians and clerks accumulating and maintaining claims and other general insurance information.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Management Service Fees: fees and expenses of an outside management service company for providing continuous transit supervision and management of general insurance programs.

Professional and Technical Services: fees and expenses of outside individuals, firms and companies for providing professional and technical services for general insurance activities (e.g., claims adjusters, appraisers, investigators).

Temporary Help: fees and expenses of outside individuals and agencies for providing temporary secretarial, clerical and other administrative help for use in general insurance activities.

Premiums for Other Corporate Insurance: insurance premiums, applicable to an accounting period, to insure the transit agency from losses against other than damage to its property or liability for its culpable acts, (e.g., fidelity bonds, business records insurance).

Other Corporate Losses: charges for actual losses resulting from events covered by the other corporate insurance.

Recoveries of Other Corporate Losses: amounts recovered from insurance Corporate Losses companies for other corporate insurance claims.

Expense Reclassification: a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs: a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

170. DATA PROCESSING

Component activities include: providing supervision, training, and clerical support for data processing activities; entering and verifying input data; operating data processing equipment (e.g., computers, and more conventional devices); designing data processing applications, programming and testing data processing applications; controlling and distributing output data; and, maintaining data processing equipment.

Object Class Expenses Included:

Other Salaries and Wages: managers, supervisors and department heads engaged in supervising data processing activities; secretaries and clerk-typists supporting data processing supervision; operators of computers, bookkeeping and accounting machines, unit record and other data processing equipment; keypunch operators and verifiers; system analysts and programmers; data processing input and output control clerks; service staff and other repair people responsible for maintaining data processing equipment.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Management Service Fees: fees and expenses of an outside management service company for providing continuous transit supervision and management of data processing.

Professional and Technical Services: fees and expenses of outside individuals, firms and companies for providing professional and technical services (e.g., data processing consultants, training and instruction firms, service bureaus, programmers, system analysts).

Temporary Help: fees and expenses of outside individuals and agencies for providing temporary secretarial, clerical and other administrative help for use in data processing activities.

Contract Maintenance: fees and expenses of outside individuals and organizations, under a contract or single job basis, for the servicing, repair or maintenance of data processing equipment.

Other Materials and Supplies: punch cards, magnetic tapes, disks, print paper, coding forms, paper tape, magnetic ledger cards.

Data Processing: payments and accruals for the lease or rental of land, buildings, office furniture and equipment used exclusively for data processing activities; computers and peripherals, bookkeeping and accounting machines, unit record and other similar data processing equipment.

Depreciation and Amortization: depreciation on buildings, office furniture and equipment used exclusively for data processing activities; computers and peripherals, bookkeeping and accounting machines, unit record and other similar data processing equipment.

Expense Reclassification: a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs: a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

171. FINANCE AND ACCOUNTING

Component activities include: supervising, training, and supporting the finance and accounting activities; maintaining general accounting records (general ledger);

publishing financial statements; processing payrolls and labor cost distribution; paying vendors for material and service purchases; accounting for investments in fixed assets and receivables; preparing and submitting financial reports to public and regulatory agencies; investing available cash in short-term securities; obtaining funds through debt, equity and subsidy financing transactions; billing charter sales; budgeting; and, performing internal audit of accounting system performance.

Other Salaries and Wages: comptroller, treasurer, supervisors, chief accountants and department heads engaged in supervising finance and accounting activities; secretaries and clerk-typists supporting finance and accounting administration; accountants, bookkeepers and accounting clerks; budget analysts, cost accountants and internal auditors; receipts and labor distribution clerks, property and other fixed assets clerks.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Management Service Fees: fees and expenses of an outside management service company for providing continuous transit supervision and management of finance and accounting.

Professional and Technical Services: fees and expenses of outside individuals, firms and companies for providing professional and technical services for finance and accounting activities (e.g., auditors, brokers, payroll processing services, accounting consultants, investment consultants).

Temporary Help: fees and expenses of outside individuals and agencies for providing temporary secretarial, clerical and other administrative help for use in finance and accounting activities.

Expense Reclassification: a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs: a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

172. PURCHASING AND STORES

Component activities include: providing supervision and clerical support for purchasing and stores activities; preparing specifications for materials and supplies; procuring material and supplies from vendors; issuing and receiving material and supplies at storage facilities; delivering materials and supplies to and from requisition points; maintaining physical control of materials and supplies, including storing, picking and

packing; and, maintaining inventory control records of materials and supplies, including determining reorder points and order quantities.

Object Class Expenses Included:

Other Salaries and Wages: managers, directors, supervisors and department heads engaged in administering and supervising purchasing and stores activities; secretaries and clerk-typists supporting purchasing and stores administration; purchasing agents, buyers and specification analysts, storekeepers, stock clerks, shipping and receiving clerks, material handlers and deliverers; price, order and inventory control clerks.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

173. GENERAL ENGINEERING

Component activities include: providing supervision and clerical support for general engineering activities; researching available technology for performing transit activities; and, preparing specifications for purchasing or constructing capital assets.

Note: All engineering associated with maintenance of plant and equipment is to be included in the appropriate Maintenance Administration functions.

Other Salaries and Wages: managers, chief engineers, supervisors, and department heads engaged in directing and supervising general engineering activities; secretaries and clerk typists supporting administration of general engineering; engineers, specification analysts, researchers and drafters.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Management Service Fees: fees and expenses of an outside management service company for providing continuous transit supervision and management engineering activities.

Professional and Technical Services: fees and expenses of outside individuals, firms and companies for providing professional and technical services for general engineering activities (e.g., engineering consultants, drafters).

Temporary Help: fees and expenses of outside individuals and agencies for providing temporary secretarial, clerical and other administrative help for use in general engineering activities.

Expense Reclassification: a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non Operating Costs: a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

174. REAL ESTATE MANAGEMENT

Component activities include: providing supervision and clerical support for real estate management activities; researching transit real estate opportunities; negotiating purchases and sales of transit real estate; and, arranging and managing concessionaire contracts and negotiating leases.

Object Class Expenses Included:

Other Salaries and Wages: managers, directors and department heads engaged in managing transit real estate; secretaries and clerical staff supporting administration of real estate activities.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Management Service Fees: fees and expenses of an outside management service company for providing continuous transit supervision and management of real estate activities.

Professional and Technical Services: fees, commissions and expenses of outside individuals, firms and providing professional and technical services for real estate management activities, (e.g., agents, brokers, appraisers, engineers).

Temporary Help: fees and expenses of outside individuals and agencies for providing temporary secretarial, clerical and other administrative help for use in real estate management activities.

Expense Reclassification: a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-Operating Costs: a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

175. OFFICE MANAGEMENT AND SERVICES

Component activities include: providing supervision and clerical support for office management and services; performing general office activities (e.g., receptionist, switchboard operator); printing and distributing office supplies and forms; processing incoming and outgoing mail; and, operating library and central file facilities.

Object Class Expenses Included:

Other Salaries and Wages: office managers, supervisors and department heads engaged in supervising office management and services activities; secretaries and clerk-typists supporting administration of office management and services; main receptionists, switchboard operators, messengers, librarians, central file clerks, and mail room workers; printing shop operators and clerks; in-house newspaper writers and publishers; cafeteria and custodial employees.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Management Service Fees: fees and expenses of an outside management service company for providing continuous transit supervision and management of office services.

Professional and Technical Services: fees and expenses of outside individuals, firms and companies for providing professional and technical services for office management and services activities, (e.g., interior decorators, messenger services, overnight delivery, efficiency consultants, forms design services).

Temporary Help: fees and expenses of outside individuals and agencies for providing temporary secretarial, clerical and other administrative help for use in office management and services activities.

Other Materials and Supplies: postage, stationery, office forms, pencils and pens, typing supplies, envelopes, paper, waste baskets and other general office materials and supplies.

Expense Reclassification: a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-Operating Costs: a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

176. GENERAL MANAGEMENT

Component activities include: providing executive assistance and clerical support for general management activities and special projects; establishing policies for the development and operation of the transit agency; and, providing top level management for the transit agency to implement the development and operation policies.

Object Class Expenses Included:

Other Salaries and Wages: directors, general manager, assistant general manager, marine superintendent and operations manager (responsible for maintenance and transportation); administrative analysts, assistants and staff, special projects manager and staff; secretaries and other clerical staff supporting general management activities.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Management Service Fees: fees and expenses of an outside management service company for providing continuous transit general management.

Professional and Technical Services: fees and expenses of outside individuals, firms and companies for providing professional and technical services for general management activities, (e.g., transit industry consultants, management consultants).

Temporary Help: fees and expenses of outside individuals and agencies for providing temporary secretarial, clerical and other administrative help for use in support of general management administration.

Expense Reclassification: a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-Operating Costs: a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

145. PRELIMINARY TRANSIT AGENCY DEVELOPMENT

Component activities include: researching transit technology; researching service area to determine - which transit technology to apply, route configurations, service level requirements, conducting hearings and meetings with various interest groups to identify their perceived needs and to expose planning concepts for discussion; developing construction project management capability; and, performing preliminary design and engineering work on major construction projects.

Note: This function covers the expenses associated with performing these activities prior to the time when a firm commitment to construction is made. Costs of this nature incurred after the commitment to construct is made would be capitalized.

Object Class Expenses Included:

Other Salaries and Wages: all direct and indirect labor actually expended on or allocated to the preliminary development of a transit agency.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Management Service Fees: fees and expenses of an outside management service company for performing preliminary development activities.

Professional and Technical Services: fees and expenses of outside individuals, firms and companies for providing professional and technical services related to preliminary development activities.

Temporary Help: fees and expenses of outside individuals and agencies for providing temporary secretarial, clerical, and other administrative help of the nature of the above preliminary development activities.

Other Materials and Supplies: all parts and materials (e.g., paint, wood, glass, metal) used in the preliminary development of a transit agency.

Expense Reclassification: a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-Operating Costs: a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

181. GENERAL FUNCTION

This function is established as a general category to collect expenses not related to or easily associated with the other prescribed functions in this reporting structure.

Other Services: other fees and expenses, not significant in amount to total expenses or easily associated with a prescribed function, of outside individuals and organizations for providing services to the transit agency.

Other Materials and Supplies: other materials and supplies used, not significant in amount to total expenses or easily as associated with a prescribed function.

Utilities Other than Propulsion Power: heat, light, power, water, telephone and other utilities purchased from an outside utility company for purposes other than propelling revenue vehicles.

Federal Income Tax: tax payments and accruals to the Federal government based on the net income of the transit agency.

State Income Tax: payments and accruals to the state government(s) based on transit agency net income or some other required basis.

Property Tax: property tax payments or accruals to state and/or local governments based on a valuation of the property owned by the transit agency.

Vehicle Licensing and Registration Fees: payments or accruals of fees assessed by Federal, state and local governments for granting authority to operate service vehicles.

Other Taxes: other payments or accruals of taxes levied by Federal, state and local governments against the transit agency (e.g., capital stock taxes, city licenses and permits).

Purchased Transportation: payments or accruals to other transit agencies to subsidize their operations of passenger transit services.

Dues and Subscriptions: membership fees and dues in trade, technical, professional and other industry associations (e.g., APTA, AICPA); subscriptions for newspapers, trade journals, technical manuals and other periodicals.

Travel and Meetings: transportation fares and allowances of transit agency employees and related officials; food and lodging; registration fees and related expenses of attending industry conferences (APTA and other business meetings).

Bridge, Tunnel and Highway Tolls: fees paid for use of bridges, tunnels, highways and similar facilities.

Entertainment Expense: expenses incurred by transit agency employees and related officials for participation in non-operating activities.

Charitable Donations: contributions to charitable organizations made by the transit agency.

Fines and Penalties: payments made to cover the cost of fines and penalties incurred by the transit agency.

Bad Debt Expense: revenue earned by the transit agency which the system determines is uncollectible.

Other Miscellaneous Expenses: expenses incurred that cannot be identified with any other expense account.

Expense Reclassification: a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-Operating Costs: a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

Other General Administration Facilities: depreciation on buildings, furnishings, office equipment (e.g., typewriters, postage machines, reproduction machines, computers, fax machines) and other similar equipment used in general administration activities.

Amortization of Intangibles: amortization of organization costs, franchises, patents, and other types of intangible assets of the transit agency.

162. CUSTOMER SERVICES

Component activities include: providing supervision and clerical support for public information and customer relations activities; selling and arranging for the provision of charter services; providing route information in passenger stations and at other points along the transit way: providing telephone information service; handling customer complaints; and, administering a lost and found operation.

Operators' Salaries and Wages: revenue vehicle operators' pay for time spent on customer service activities.

Other Salaries and Wages: managers, department heads and supervisors engaged in supervising customer service activities; charter service managers, sales personnel and staff workers; people operating route information booths and stands; telephone information operators and clerks; employees staffing a lost and found department; people engaged in designing, producing and distributing system maps and timetables.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Management Service Fees: fees and expenses of an outside management service company for providing continuous transit supervision and management of customer services.

Professional and Technical Services: fees and expenses of outside individuals, firms and companies for providing professional and technical services for customer service activities, (e.g., telephone information consultants, printers for charter materials, timetables, system maps).

Temporary Help: fees and expenses of outside individuals and agencies for providing temporary secretarial, clerical and other administrative help for use in customer services activities.

Other Materials and Supplies: expenses for other materials and supplies (e.g., timetables, system maps).

Utilities Other than Propulsion Power: telephone charges incurred as a result of providing telephone information service.

Expense Reclassification: a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs: a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

163. PROMOTION

Component activities include: providing supervision and clerical support for promotion activities; media relations including preparing and distributing press releases, designing, producing and distributing promotional material (e.g., posters, decals, photographs, leaflets, newspaper mats); designing and implementing, with or without outside agency assistance; and, programs for advertising and promoting the use of transit service.

Object Class Expenses Included:

Other Salaries and Wages: marketing and advertising managers, public information directors and other supervisors and department heads engaged in directing and supervising promotion activities; secretaries and clerks supporting supervision of promotion; design and layout artists, news writers and editors, mass media and public relations representatives; printers and machine operators producing promotional material.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Management Service Fees: fees and expenses of an outside management service company for providing continuous transit supervision and management of promotion.

Advertising Fees: fees, commissions and expenses of an outside advertising agency for the development and production of advertising campaigns and other promotional material.

Professional and Technical Services: fees and expenses of outside individuals and agencies for providing temporary secretarial, clerical and other administrative help for use in promotion activities.

Temporary Help: fees and expenses of outside individuals and agencies for providing temporary secretarial, clerical and other administrative help for use in promotion activities.

Other Materials and Supplies: brochures, leaflets, posters, mats, decals, display items, photographs, and similar materials and supplies used in promotion activities.

Promotion Media: media fees and expenses for advertising space in newspapers and periodicals, billboards, radio, television, etc.

Expense Reclassification: a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs: a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

164. MARKET RESEARCH

Component activities include: The activities in this expense function include providing supervision and clerical support for research activities; and, conducting consumer behavior research and transit service demand surveys to help define new routes, revisions to existing routes, etc.

Object Class Expenses Included:

Other Salaries and Wages: directors, managers, supervisors and department heads engaged in directing and supervising transit market research activities; secretaries and clerks supporting supervision activities; customer and market researchers.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Management Service Fees: fees and expenses of an outside management service company for providing continuous transit supervision and management of market research.

Advertising Fees: fees and expenses of an outside advertising agency for providing professional and technical services for market research activities.

Professional and Technical Services: fees and expenses of outside individuals, firms, and companies for providing professional and technical services for market research activities, (e.g., consumer research, consultants).

Temporary Help: fees and expenses of outside individuals and agencies for providing temporary secretarial, clerical and other administrative help for use in market research activities.

Expense Reclassification: a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs: a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

177. PLANNING

Component activities include: providing supervision and clerical support for planning activities; and, conducting long-range and regional transit planning and analysis.

Object Class Expenses Included:

Other Salaries and Wages: directors, managers, supervisors and department heads engaged in directing and supervising planning activities; secretaries and clerks supporting supervision activities; transit analysts and planners; design, layout and graphics specialists.

Fringe Benefits: a prorated share of total fringe benefits based on labor amounts in this function.

Management Service Fees: fees and expenses of an outside management service company for providing continuous transit supervision and management of planning.

Professional and Technical Services: fees and expenses of outside individuals, firms and companies for providing professional and technical services for planning activities (e.g., planning consultants).

Temporary Help: fees and expenses of outside individuals and agencies for providing temporary secretarial, clerical and other administrative help for use in planning activities.

Expense Reclassification: a debit or credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) which cannot be segregated by object class for reporting under this function.

Capitalization of Non-operating Costs: a credit amount composed of a combined group of object class expenses (e.g., labor, materials, services) in this function which have been capitalized as property or transferred to other asset accounts (e.g., receivables, inventory).

APPENDIX A

ASSET DEFINITIONS

This appendix presents the classifications of transit agency assets.

List of Asset Categories

101. CASH AND CASH ITEMS

01. Cash
02. Working (Imprest) Funds
03. Special Deposits, Interest
04. Special Deposits, Dividends
05. Special Deposits, Other
06. Temporary Cash Investments

102. RECEIVABLES

01. Accounts Receivable
02. Notes Receivable
03. Interest and Dividends Receivable
04. Receivables from Associated Companies
05. Receivable Subscriptions to Capital Stock
06. Receivables for Capital Grants
07. Receivables for Operating Assistance
08. Other Receivables
09. Reserve for Uncollectible Accounts

103. MATERIALS AND SUPPLIES INVENTORY

104. OTHER CURRENT ASSETS

105. WORK IN PROCESS

01. Unbilled Work for Others
02. Capital Projects

111. TANGIBLE TRANSIT OPERATING PROPERTY

01. Property Cost
02. Leased-Out Property Cost
03. Accumulated Depreciation

112. TANGIBLE PROPERTY OTHER THAN FOR TRANSIT OPERATIONS

01. Property Cost

- 02. Accumulated Depreciation
- 121. INTANGIBLE ASSETS
 - 01. Organization Costs
 - 02. Franchises
 - 03. Patents
 - 04. Goodwill
 - 05. Other Intangible Assets
 - 06. Accumulated Amortization
- 131. INVESTMENTS
 - 01. Investments and Advances, Associated Companies
 - 02. Other Investments and Advances
 - 03. Reserve for Revaluation of Investments
- 141. SPECIAL FUNDS
 - 01. Sinking Funds
 - 02. Capital Asset Funds
 - 03. Insurance Reserve Funds
 - 04. Pension Funds
 - 05. Other Special Funds
- 151. OTHER ASSETS
 - 01. Prepayments
 - 02. Miscellaneous Other Assets

Definitions of Asset Object Classes

101. CASH AND CASH ITEMS

These categories cover cash on hand and in banks available for the liquidation of transit agency liabilities, including special deposits for which a current liability exists.

- 01. Cash and Cash Items - Cash

The amount of current funds available for use on demand. They may be in the hands of financial officers or on deposit in banks and trust companies.

- 02. Cash and Cash Items - Working (Imprest) Funds

The amounts advanced to officers, agents, employees, masters, pursers and others as petty cash or working funds from which certain expenditures are to be made and accounted for.

03. Cash and Cash Items - Special Deposits, Interest

The monies and bank credits specially deposited in the hands of fiscal agents or others for the payment of interest on behalf of the transit agency. When interest is paid from such deposits, this account shall be credited and the appropriate accrued or matured interest liability account shall be debited.

04. Cash and Case Items - Special Deposits, Dividends

The monies and bank credits in the hands of fiscal agents or others for the payment of dividends on behalf of the transit agency. When dividends are paid from such deposits, this account shall be credited and the appropriate dividend account shall be debited.

05. Cash and Cash Items - Special Deposits, Other

The monies and bank credits in the hands of fiscal agents or others for special purposes other than the payment of interest or dividends. This includes cash or securities deposited with Federal, state or municipal authorities, public utilities or others as a guarantee for the fulfillment of obligations. When the purposes for which the deposit exists have been satisfied, this account shall be credited with the amount of the deposit disbursed or released.

06. Cash and Cash Items - Temporary Cash Investments

The book cost of investments such as time drafts receivable and time loans, bankers' acceptances, United States Treasury certificates, marketable securities and other similar investments acquired for the purpose of temporarily investing cash. Any securities included herein must be of such a nature as to be readily convertible into cash at substantially the book value.

102. RECEIVABLES

These categories cover amounts owed to the transit agency by other parties.

01. Receivables - Accounts Receivable

The amounts due from others (except associated companies) for material and supplies furnished and services rendered, including transportation and storage charges, property use charges, other matured rents, amounts owing by public authorities, amounts of collectible judgments, current accounts with officers and employees and other accounts and claims upon which responsibility is acknowledged by solvent concerns or individuals.

02. Receivables - Notes Receivable

The book cost of all collectible obligations in the form of notes receivable, contracts receivable and similar evidences of money receivable on demand or within a time not exceeding one year from date of issue.

03. Receivables - Interest and Dividends Receivable

The amount of current interest accrued to the date of the balance sheet on bonds, mortgages, notes and other commercial paper owned; on loans made; and on open accounts, bank deposits, etc.

The amount of dividends receivable on stocks owned.

04. Receivables - Receivables from Associated Companies

The total of amounts receivable from associated companies which are subject to current settlement, such as balances in open accounts for services rendered, material furnished, traffic accounts, claims, rent for use of property and similar items.

- interest and dividends receivable from associated companies.
- loans, notes and drafts for which associated companies are liable.

05. Receivables - Receivable Subscriptions to Capital Stock

The balance due from subscribers upon legally enforceable subscriptions to capital stock.

06. Receivables - Receivables for Capital Grants

Grant amounts receivable from Federal, state and local governments or other parties, for capital projects and acquisitions.

07. Receivables - Receivables for Operating Assistance

Amounts receivable from Federal, state and local governments or other parties, for general operating assistance, special fare subsidies, demonstration project assistance, and purchase-of- service payments.

08. Receivables - Other Receivables

Amounts receivable from solvent debtors based on debtor-creditor relationships other than those specified in categories 102.01 through 102.07.

09. Receivables - Reserve for Uncollectible Accounts

Amounts reserved for receivables which may become uncollectible.

103. MATERIALS AND SUPPLIES INVENTORY

This category covers the cost of all unapplied materials and supplies including tools, repair parts, fuel, etc. The cost shall include all specifically assignable transportation charges incurred in obtaining the delivery of such materials and supplies upon the premises of the carrier, including loading and unloading. The cost shall also include sales and excise taxes, except for such taxes on fuel and lubricants, on the materials and supplies included in the account (see Section 2.4). If the "inventory method" of accounting for repairable items (see Section 2.5) is used, this category will also include the value at which the repaired items are to be held and eventually reissued for use.

104. OTHER CURRENT ASSETS

This category covers the amount of all assets of a current nature not included in any of the foregoing current asset accounts, 101 through 103. The nature of current assets is such that they are convertible to cash within one year of the balance sheet date.

105. WORK IN PROCESS

These categories cover labor, material and overhead amounts applied to projects not yet completed or placed in service.

01. Work in Process - Unbilled Work for Others

Labor, material and overhead costs applied to work for others and for which the system will be reimbursed.

02. Work in Process - Capital Projects

Labor, material and overhead costs applied to capital projects not yet completed or placed in service.

111. TANGIBLE TRANSIT OPERATING PROPERTY

These categories cover transit operating property owned by the transit agency and having an expected life in service of more than one year at the time of its installation and a unit cost greater than the transit agency's capitalization cutoff. Transit operating property is that property used in providing urban mass transit services. It includes the rolling stock, maintenance facilities, general administration buildings, and equipment, etc., that are used to support the provision of transit services.

02. Tangible Transit Operating Property - Property Cost

The cost to the transit agency of acquiring the tangible property it owns and uses in its own transit operations. The cost includes the transportation charges, sales and excise taxes, installation costs, etc., necessary to place the property in an operating condition.

03. Tangible Transit Operating Property - Leased-Out Property Cost

The cost to the transit agency of acquiring tangible transit operating property which it owns but leases to another party for the latter's transit operations.

03. Tangible Transit Operating Property - Accumulated Depreciation

The cumulative depreciation charges since time of acquisition for all of the tangible transit operating property items owned by the transit agency.

112. TANGIBLE PROPERTY OTHER THAN FOR TRANSIT OPERATIONS

These categories cover tangible property owned by the transit agency but not used in transit operations. This property has an expected life in service of more than one year at the time of installation and a unit cost greater than the transit agency's capitalization cutoff. It includes property being used in some operation other than transit service and property not being used in any operations.

01. Tangible Property Other Than for Transit Operations - Property Cost

The cost to the transit agency of acquiring the tangible property it owns but does not use in transit operations. The cost includes the transportation charges, sales and excise taxes, installation costs, etc., pertaining to the property units covered.

02. Tangible Property Other Than for Transit Operations - Accumulated Depreciation

The cumulative depreciation charges since time of acquisition for all of the tangible property items covered in the above categories.

121. INTANGIBLE ASSETS

These categories cover the intangible rights and benefits accruing to the transit agency with a value enduring through a period of time longer than one year.

01. Intangible Assets - Organization Costs

The fees paid to a state or other governmental authority for the privilege of incorporation and expenditures incident to organizing the transit agency and putting it into readiness to do business.

02. Intangible Assets - Franchises

The amounts paid to a state, a political subdivision thereof or to some other governmental authority in consideration of franchises, permits, consents or certificates running in perpetuity or for a specified term of more than one year, together with the necessary reasonable expenses incident to procuring such franchises, consents or certificates of convenience and necessity.

03. Intangible Assets - Patents

The cost of patents, rights, licenses and privileges necessary or valuable to the economical conduct of transit operations.

04. Intangible Assets - Goodwill

At acquisition, the difference between the total value of the transit agency and the aggregate value of its separable resources and property rights, less liabilities.

05. Intangible Assets - Other Intangible Assets

The cost of any intangible assets not included in the above categories.

06. Intangible Assets - Accumulated Amortization

The cumulative amortization charges since the time of acquisition for all of the intangible assets recorded in the above categories.

131. INVESTMENTS

These categories cover investments of transit agency funds in the operation of other entities for purposes other than the temporary investment of surplus cash.

01. Investments - Investments and Advances, Associated Companies

The book cost of the transit agency's investments in securities issued or assumed by associated companies.

The notes of associated companies maturing more than one year from date of issue.

The amount of advances to associated companies not subject to current settlement including accrued interest on such advances when not subject to current settlement.

02. Investments - Other Investments and Advances

The book cost of the transit agency's investments in securities issued or assumed by non-associated companies.

The notes of non-associated companies and persons maturing more than one year from date of issue.

The cash surrender values of insurance policies carried on the lives of officers and employees when the transit agency is beneficiary of such policies.

The amount of advances to non-associated companies and individuals not subject to current settlement including accrued interest on such advances when not subject to current settlement.

03. Investments - Reserve for Revaluation of Investments

Reserves to reflect the decline or loss in book value of securities or like assets held for investment where there appears to be a permanent impairment in value.

141. SPECIAL FUNDS

These categories cover cash and near cash items whose use is restricted to satisfying a specific class of transit agency long-term obligations.

01. Special Funds - Sinking Funds

The cash, cost of securities of other companies and cost of other assets placed on deposit or in the hands of trustees or segregated from the transit agency's other assets as a sinking fund to meet obligations maturing in the future or to carry out such operations as the retirement of preferred stock or the procurement of serial bonds.

02. Special Funds - Capital Asset Funds

The cash, cost of securities of other companies and cost of other assets which have been specifically set aside for the purpose of providing a fund for the acquisition of units of depreciable property.

03. Special Funds - Insurance Reserve Funds

The cash, cost of securities of other companies and cost of other assets placed on deposit or in the hands of trustees to guarantee the satisfaction of obligations for losses that related to the current or a prior accounting period in instances where the transit agency is a "self-insurer" in whole or in part.

04. Special Funds - Pension Funds

The cash, cost of securities of other companies and cost of other assets which have been specifically set aside, placed on deposit or in the hands of trustees to provide for employees' pensions, relief, savings, and hospital benefits accruing to employees for performance of their labor services.

05. Special Funds - Other Special Funds

The cash, cost of securities of other companies and cost of other assets that have been specifically set aside for special purposes not provided for in the above categories.

151. OTHER ASSETS

These categories cover the assets not properly included in major categories 101 through 141 above.

01. Other Assets - Prepayments

The payments for items whose benefit is to be realized subsequent to the time of the payment, e.g., prepaid rent, prepaid insurance, etc. As the benefit is realized, the prepayment will be reduced and the appropriate expense category charged.

02. Other Assets - Miscellaneous Other Assets

The cost of all assets not provided for in any other asset object class.

APPENDIX B**LIABILITY DEFINITIONS**

This appendix presents classifications for transit agency liabilities.

201. TRADE PAYABLES

01. Payables to Associated Companies

202. ACCRUED PAYROLL LIABILITIES**203. ACCRUED TAX LIABILITIES****204. SHORT-TERM DEBT**

01. Notes Payable

02. Matured Equipment and Long-Term Obligations

03. Unmatured Equipment and Long-Term Obligations, Current Portion

04. Matured Interest Payable

05. Accrued Interest Payable

06. Current Pension Liabilities

205. OTHER CURRENT LIABILITIES

01. Unredeemed Fares

02. CODs Unremitted

03. Dividends Declared and Payable

04. Short-Term Construction Liabilities

05. Miscellaneous Other Current Liabilities

211. ADVANCES PAYABLE

01. Advances Payable to Associated Companies

02. Other Advances Payable

221. LONG-TERM DEBT

01. Equipment Obligations

02. Bonds

03. Receivers' and Trustees' Securities

04. Long-Term Construction Liabilities

05. Other Long-Term Obligations

06. Unamortized Debt Discount and Expense

07. Unamortized Premium on Debt

08. Reacquired and Nominally Issued Long-Term Obligations

231. ESTIMATED LIABILITIES

01. Long-Term Pension Liabilities
02. Uninsured Public Liability and Property Damage Losses
03. Other Estimated Liabilities

241. DEFERRED CREDITS**Liability Definitions**

These categories cover obligations to pay for purchases of goods and services.

201. TRADE PAYABLES - ACCOUNTS PAYABLE

The amounts payable to others (except associated companies) for materials and services received, including use of property, other matured rents, amounts due to public authorities, amounts of payable judgments, current accounts with officers and employees, personal injury and property damage claims and other similar items.

01. Trade Payables - Payables to Associated Companies

The amounts payable to associated companies which are subject to current settlement, such as credit balances in open accounts for services rendered, materials furnished, claims, rents for use of property and similar items.

202. ACCRUED PAYROLL LIABILITIES

This category covers obligations to pay for the labor services rendered by employees of the transit agency, including deductions from employees' wages for Social Security, income taxes and other similar items.

203. ACCRUED TAX LIABILITIES

This category covers obligations to pay taxes (income, property, payroll, etc.) which have accrued during the accounting period.

204. SHORT-TERM DEBT

These categories cover obligations to repay borrowings for periods of less than one year and current maturities of longer term financing transactions.

01. Short-Term Debt - Notes Payable

The face value of outstanding obligations in the form of notes, drafts, acceptances and other similar evidences of indebtedness which, by their terms, do not run for a period in

excess of one year, including the face value of notes receivable discounted or sold without releasing the transit agency from liability as endorser thereon.

02. Short-Term Debt - Matured Equipment and Long-Term Obligations

The amount (including obligations for premiums) of equipment obligations, long-term obligations and receiver's certificates which have matured, but are unpaid, without any specific agreements for extension of maturity. This category includes unrepresented bonds called for redemption.

03. Short-Term Debt - Unmatured Equipment and Long-Term Obligations, Current Portion

The amount of bonds, equipment obligations and other long-term debt obligations, including obligations maturing serially or payable in installments, which are due and payable within one year from the current period ending date, for which arrangements for refunding have not been made and for which no sinking funds have been provided.

04. Short-Term Debt - Matured Interest Payable

The amount of matured (i.e., past due) and unpaid interest on obligations of the transit agency, whether the cause of the failure to pay the interest is on the part of the creditor or for other reasons, except where such interest is added to the principal of the obligation.

05. Short-Term Debt - Accrued Interest Payable

The amount of interest accrued to the date of the balance sheet, but not payable until after that date, on all indebtedness of the transit agency, except interest which is added to the principal.

06. Short-Term Debt - Current Pension Liabilities

The amount to be paid within one year of the current period ending date to retired employees, their beneficiaries or a trustee or manager of a pension fund for the pension, savings, relief or hospital benefits accruing to employees for their labor services.

205. OTHER CURRENT LIABILITIES

These categories cover miscellaneous obligations of the transit agency due within one year of the current period ending date and not properly included in the above categories.

01. Other Current Liabilities - Unredeemed Fares

The amount of the obligation to provide transit service upon the redemption of tickets or tokens in the possession of patrons.

02. Other Current Liabilities - CODs Unremitted

The net amount of CODs collected from consignees, but not remitted to shippers.

03. Other Current Liabilities - Dividends Declared and Payable

The amount of dividends declared, but not paid, on any issue of capital stock of the transit agency.

04. Other Current Liabilities - Short-Term Construction Liabilities

The amount of construction retentions scheduled as due within one year of the current period ending date.

05. Other Current Liabilities - Miscellaneous Other Current Liabilities

The amount of obligations due within one year of the current period ending date and not properly included in the above categories.

211. ADVANCES PAYABLE

These categories cover longer term obligations of the transit agency evidenced by open accounts and notes rather than by more conventional long-term debt instruments, such as equipment obligations, bonds, etc.

01. Advances Payable - Advances Payable to Associated Companies

The amount of advances from associated companies, whether evidenced by notes or open accounts, which are not subject to current settlement, including interest accrued thereon when such interest is not subject to current settlement.

02. Advances Payable - Other Advances Payable

The amount of advances from individuals and companies other than associated companies, whether evidenced by notes or open accounts, which are not subject to current settlement, including interest accrued thereon when such interest is not subject to current settlement.

221. LONG-TERM DEBT

These categories cover obligations of the transit agency due after one year from the current period ending date and evidenced by formal long-term debt instruments such as equipment obligations, bonds, etc.

01. Long-Term Debt - Equipment Obligations

The face value of equipment obligations issued by the transit agency which will mature more than one year from the current period ending date or, if payable in installments, the face amount of such installments not due within one year from that date. This includes equipment bonds, equipment notes, chattel mortgages and other obligations for which equipment is pledged as security or held under a conditional sales agreement. It also includes the face value of equipment obligations issued by others, the payment of which has been assumed by the transit agency, and equipment obligations so issued or assumed, the majority of which has been extended by specific agreement.

02. Long-Term Debt - Bonds

The face value of bonds, other than equipment obligations, issued by the transit agency which will mature more than one year from the reporting date. Unsecured debentures and general revenue bonds are to be included in this category. This category also includes the face value of such bonds issued by others, the payment of which has been assumed by the transit agency.

03. Long-Term Debt - Receivers' and Trustees' Securities

The par value of evidences of indebtedness issued or assumed by receivers or trustees acting under the orders of a court.

04. Long-Term Debt - Long-Term Construction Liabilities

The amount of construction retentions scheduled as due after one year from the current period ending date.

05. Long-Term Debt - Other Long-Term Obligations

The amount of long-term obligations not provided for in the above categories and maturing more than one year from the current period ending date. This covers such items, executed or assumed, as real estate mortgages, assessments for public improvements, receipts outstanding for long-term obligations and other obligations maturing more than one year from the reporting date.

06. Long-Term Debt - Unamortized Debt Discount and Expense

The amount of unamortized discount and expense incurred in connection with the issuance of the transit agency's outstanding long-term debt instruments.

07. Long-Term Debt - Unamortized Premium on Debt

The amount of unamortized premium incurred in connection with the issuance of the transit agency's outstanding long-term debt instruments.

08. Long-Term Debt - Reacquired and Nominally Issued Long-Term Obligations

The par value of long-term debt of the transit agency nominally issued or reacquired by the transit agency and held uncanceled by it, except debt held in sinking or other special funds.

231. ESTIMATED LIABILITIES

These categories cover amounts which have been established and segregated as estimates of future liabilities.

01. Estimated Liabilities - Long-Term Pension Liabilities

The estimated obligations of the transit agency, due more than one year from the current period ending date, to make payments to employees, their beneficiaries or trustees or managers of pension funds for pension, savings, relief and hospital benefits accruing to employees for the performance of their labor services.

02. Estimated Liabilities - Uninsured Public Liability and Property Damage Losses

The estimated amounts required from which to pay settlements for injuries and damages to the person or property of others which are not covered by outside insurance.

03. Estimated Liabilities - Other Estimated Liabilities

Estimated obligations other than those for pensions and satisfaction of uninsured public liability settlements.

241. DEFERRED CREDITS

This category covers credit balances in suspense accounts that cannot be entirely cleared and disposed of until additional information is received, and other items of a deferred nature.

