# SUBJECT

Prepaid Turnpike Accounts

# PURPOSE

To document accounting controls and reimbursements methods for moneys advanced for prepayment of turnpike tolls for existing prepaid turnpike accounts.

# AUTHORITATIVE REFERENCE

None

# GENERAL INFORMATION

**Note:** The Kansas Turnpike Authority (KTA) no longer offers a prepaid option for new accounts. Sticker tags are offered at no charge and with no additional monthly fees. The account must be backed by a credit or debit card and tolls are charged to the card monthly. The 15% discount on tolls still applies. The KTA has not indicated whether or when they will transition existing prepaid accounts to this plan.

Turnpike authorities are constantly reviewing technologies and methods available that will enable them to serve their clientele more efficiently while reducing costs incurred in the collection of user fees (toll). The KTA’s K-TAG system automatically identifies a vehicle as it passes an electronic sensor, records the trip information and deducts the toll from a prepaid account established for this purpose. The KTA issues an electronic device that is attached to the inside of the vehicle’s windshield. As the vehicle travels through designated lanes when entering and exiting the turnpike, the identification number of the device is read and the trip information is recorded electronically. The KTA incurs some economies in operations while the motorist receives discounted fees and the convenience of not having to stop at a toll plaza.

For agencies with prepaid turnpike accounts the purpose is limited to making advance deposits against which future turnpike toll fees will be charged. The prepaid turnpike account requires the agency to maintain a positive account balance in order to receive a 15% discount. For budgeting purposes, agencies with prepaid accounts are reminded there is a $1.00 monthly maintenance fee per vehicle tag. The agency is responsible for developing and implementing adequate internal procedures for the prevention of unauthorized use or abuse of the K-TAGs or electronic devices and for the detection of any errors in the statements received from the KTA.

Because of prepayment, the itemized monthly statements are not billings. Each agency should estimate its turnpike toll usage needs for the next month when making a monthly payment. Turnpike tolls should not be prepaid for more than the next thirty days.

## PROCEDURES

## Responsibility Action Step

State Agency 1. Upon receipt of the KTA statement, verify the charges and prepare a payment voucher, payable to the KTA for the amount necessary to maintain an adequate balance for the anticipated usage through the next remittance cycle. Payment may be charged to the agency Procurement Card, or made by a check processed in SMART.

 2. Any time the agency is notified that the prepaid balance has reached the minimum level required for the specified account, the agency should immediately review the level of usage of the prepaid account and re-compute the prepayment amount anticipated for future remittance cycles. A payment voucher should be processed for any additional amount necessary to maintain the account through the current remittance cycle. A brief explanation of the necessity for a supplemental amount to be advanced should be provided in the comment area of the payment voucher.

 3. Charge the tolls for the period on the voucher to the budgetary accounts, programs and account codes to which the turnpike tolls would have been charged had there been no prepaid expenditures. The account code used in the SMART Accounts Payable module would normally be 525130, 525230 or 525330 for state car expense in-state, out-of-state or international travel, respectively, or 525190, 525290 or 525390 for non-subsistence items.

 4. Reconcile the unexpended account balance to the monthly statement provided by the KTA.

 5. When the prepayment process is no longer considered necessary, request a final statement from the KTA and a refund check payable to the agency for the balance. Prepare a final reconciliation and deposit the refund check with the State Treasurer into the budgetary account from which the initial balance was originally created. Use the same account code that was charged on the voucher that originally established the account.

**CONTACT SOURCES**

Questions regarding the maintenance of prepaid turnpike accounts should be directed to:

Department of Administration

[Office of the Chief Financial Officer](http://admin.ks.gov/offices/chief-financial-officer)

Agency Audit Services Team

Specific questions regarding K-TAG should be directed to:

 Kansas Turnpike Authority

 9401 E Kellogg

 Wichita KS 67207

 (Internet: <http://ksturnpike.com>)