

**RURAL OPERATING ASSISTANCE PROGRAM (ROAP)**

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**State** DOT-16CL  
**Authorization:** N.C.G.S. 143B – 273 E&DTAP  
N.C.G.S. 136 – 2B Rural General Public Program  
Work First Transitional/Employment Transportation Assistance

**Department of Transportation  
Public Transportation Division (PTD)**

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The auditor should not consider the Supplement to be “safe harbor” for identifying audit procedures to apply in an engagement, but the auditor should be prepared to justify departures from the suggested procedures. The auditor can consider the supplement a “safe harbor” for identification of compliance requirements to be tested if the auditor performs reasonable procedures to ensure that the requirements in the Supplement are current. The grantor agency may elect to review audit working papers to determine that audit tests are adequate.

The Rural Operating Assistance Program (ROAP) is the combination of three separate funding sources available to counties to assist in the cost of providing transportation services to elderly and disabled persons, employment transportation and transportation to the general public.

The Single Audit Compliance Unit of the NCDOT Office of Inspector General (OIG) reviews all single audits, financial audits, and management letters of all “grantees”. We are looking at both the presentation (information as to program, state funding, NCDOT identification numbers) and the dollar amounts presented versus our records. Any reports not received will be requested.

The county receives their ROAP moneys as either a warrant or an electronic funds transfer (EFT). If an EFT, “ACH” will appear under the check number column; if a warrant, the appropriate information will be shown under the check column number. These funds should be identified on the Schedule of Expenditures of Federal and State Awards. On NCDOT’s confirmation from the Grant Master List (GML), these funds are shown as DOT-16CL.

Financial Assistance must be properly identified by program name, i.e. EDTAP, RGP, or Employment.

**I. PROGRAM OBJECTIVES**

A description of the separate programs that were combined to make ROAP is as follows:

The Elderly and Disabled Transportation Assistance Program (EDTAP) provides operating assistance funds for the transportation of the state's elderly and disabled citizens. This transportation assistance allows these individuals to reside for a longer period in their homes, thereby enhancing their quality of life. Program funds may only be used to purchase additional trips and are not to be used to supplant existing funds used for client transportation.

The Employment Transportation Assistance Program (EMPL) is intended to provide operating assistance for employment transportation needs. The funds are intended to help DSS clients that transitioned off Work First or TANF in the last 12 months, Workforce Development Program participants and/or the general public to travel to work, employment training and/or employment related destinations.

The Rural General Public Program (RGP) operating funds are intended to provide transportation services to individuals who do NOT have a human service agency or organization that will pay for the transportation service and live in the non-urbanized area of the county. The county in consultation with the Community Transportation System must determine the RGP services to be provided with the RGP funds.

The FY08 state appropriations bill (Section 21.18 of Senate Bill 1741) gave the Public Transportation Division (PTD) the ability to consolidate its rural funding programs for vehicles, technology and facilities into one large capital program. PTD had the flexibility to transfer funding from the consolidated capital program to the operating programs, based on the ability to obligate additional Section 5311 funds to meet the capital needs of rural transportation systems.

**II. PROGRAM PROCEDURES**

The program is administered by the Public Transportation Division of NCDOT. Local recipients are county governments, or eligible transit authorities that must submit grant applications and meet program requirements. All one hundred North Carolina counties are eligible to receive a formula-based allocation for EDTAP and Work First/Employment funds. Those counties providing transportation services to the general public will receive an RGP allocation. The Eastern Band of Cherokee Indians is also eligible to receive an RGP allocation. Funds are disbursed only to the county's finance officer or to the local transit authority created pursuant to Article 25 or Article 26 of Chapter 160A of the General Statutes (through a Memorandum of Understanding). A transportation authority must have an agreement with each county detailing the requirements of the ROAP program before funds are disbursed to them. The county can request an amount less than the total allocation for each of the three programs. The county finance officer will be responsible for program administration at the local level. As the recipient of the funds, the county or eligible transit authority is responsible for monitoring the use of funds that are passed through to local agencies. The funds can be passed through from the county to the local transportation system for administration. Since FY2000, the program funds were disbursed under a consolidated application package called the Rural Operating Assistance Program (ROAP). However, program requirements did not change.

Counties and eligible transit authorities have the ability to transfer Employment Transportation Assistance funds, all or in part, to the EDTAP and/or RGP programs provided such funds are not needed to provide employment trips or eligible other services. The applicant attests via the Certified Statement that an assessment of employment transportation needs has occurred prior to any transfer of funds. Employment Transportation Assistance funds that are transferred assume the requirements of the program to which they are transferred. The county finance officer or the eligible authority's executive director can determine after December 31st that there are unexpended EMPL funds that are not needed before the end of the year for employment needs and transfer them to the Community Transportation System. The Community Transportation System decides whether these funds will be transferred to EDTAP or RGP or used for employment transportation based on their predicted service demands. The annual ROAP Report includes a Local Transfer of Funds form to document the transfer of EMPL funds to EDTAP or RGP within the county or authority.

For regional transportation systems only, ROAP funds may be transferred between and/or among member counties. EDTAP and RGP funds must remain within the same program if such funds are transferred between and/or among counties. EMPL funds may be transferred either to the same program or to EDTAP or RGP. The eligible regional systems are: Craven County; Choanoke Public Transportation Authority; Kerr Area Rural Transportation Authority; City of Rocky Mount (Tar River Transit); Albemarle Regional Health Services (ICPTA); Randolph Senior Adults Association, Yadkin Valley Economic Development District, Inc., and Western Piedmont Regional Transit Authority.

### III. COMPLIANCE REQUIREMENTS

#### 1. ACTIVITIES ALLOWED OR UNALLOWED

**Compliance Requirement** - Funds will be provided for services as described in the grant Agreement. PTD staff reviews grant progress reports to ensure only allowable activities are implemented. The following table indicates specific activities/costs are eligible and ineligible for Employment, EDTAP and RGP Program Activities.

#### **Eligible Transportation Expenses Matrix**

Services must be provided to a person that meets the eligibility criteria.

**Trip Based Services** - Trips may be provided by car/vanpool, taxi, public transit vehicle, private transit vehicle, and agency vehicle or mileage reimbursement to a volunteer. The most cost-effective option should be chosen. Public /Private transportation providers shall be reimbursed based on the fully allocated cost per mile, per hour, or per passenger trip. Volunteers can be reimbursed for mileage only. If a human service agency uses an agency vehicle to provide the trip, the agency must include the fully allocated cost of a trip in their reimbursement request including fuel, staff time and benefits, depreciation, vehicle insurance and licensing.

Trip Purpose	EDTAP	EMPL	RGP
Personal care, non-emergency medical appointments, pharmacy pickup, shopping, bill paying, public hearings, committee meetings, classes, banking, etc.	Yes	No	Yes
Job interviews, job fair attendance, job readiness activities or training, GED classes	Yes	Yes	Yes
Transportation to Workplace (trip must be scheduled by the individual passenger)	Yes	Yes	Yes
Child(ren) of Working Parent transported to Child Care	No	Yes	Yes
Group field trips/tours to community special events	Yes	No	*
Overnight trips to out-of-county destinations	Yes	No	*
Human Service Agency appointments	Yes	No	Yes
Fuel assistance (gas vouchers, gas cards, reimbursement to fuel provider), vehicle repairs or vehicle insurance premiums	No	No	No
<b>Human service agencies cannot purchase passes, tickets or tokens from the community transit systems for the agency's program needs or their clients' needs. Human service agencies must pay the fully allocated cost for the transportation services needed. Clients must purchase passes, tickets and tokens from the community transit system, not the Human Service agency.</b>			

\* Must be provided under the provisions of [Federal Charter regulations](#).

No testing is needed.

## 2. ALLOWABLE COSTS/COST PRINCIPLES

**Compliance Requirement** - The subrecipient shall submit requests for financial reimbursement within 30 days following the end of the quarter as specified in the annual agreement using the format prescribed by NCDOT. Supporting documentation is required to be submitted by all grantees with requests for reimbursement (claims). Instructions for invoicing NCDOT are provided with the executed agreement approved project budget following the FTA grant award. Costs must be reasonable, necessary, allowable and allocable and conform to

any limitation or exclusion set forth by laws, agreements or circulars. PTD staff has an extensive manner by which expenses are reviewed to ensure compliance.

ROAP funds are disbursed to the County Finance Office based on formulas in three (3) disbursements with a milestone report due each quarter, from the County, explaining the use of the ROAP funds and identifying unspent funds. All North Carolina counties are eligible to receive a formula-based disbursement for the EDTAP and EMPL programs. Only those counties providing transportation services to the general public, in the coordinated transportation system, receive a RGP disbursement. ROAP funds must be used towards the cost to provide trips (operating expenses) when other funding is not available. ROAP funds may not be used for administrative or capital expenses. PTD staff reviews applications from eligible ROAP recipients annually. A Financial Plan and proposed budget, certification funds will be spent on only eligible activities are documents PTD staff reviews prior to a County receiving a ROAP disbursement.

No testing is needed.

4. **CONFLICT OF INTEREST:** G.S. 14-234 includes a general prohibition against any public official having a personal interest in any contract to which he/she is a party in his/her official capacity. Any other statute or agency policy that applies should be tested as part of this compliance requirement.

Please refer to DOT Cross Cutting section for additional guidance.

**Compliance Requirement** – State law prohibits governmental employees or officers from receiving compensation from public contracts.

**Audit Objective** – Determine if conflict of interest statements were obtained annually and are current.

**Suggested Audit Procedure** – Inspect conflict of interest statements,

5. **ELIGIBILITY**

**Compliance Requirement** – The ROAP funds must be used for the population group or trip purpose as specified in the [program guidelines](#).

**Audit Objective** – Determine if EDTAP, Employment, and RGP funds were expended for the intended population group or trip purpose.

**Suggested Audit Procedure** – Review program eligibility certification, passenger records, trip data, and accounting records to determine eligibility compliance.

6. **EQUIPMENT/REAL PROPERTY MANAGEMENT** - Equipment is not eligible for reimbursement under this grant. Therefore, this requirement is not passed down to the local level. PTD staff reviews applications and ensures no equipment or real property requests are included in the application.

No testing is required.

7. **MATCHING, LEVEL OF EFFORT, EARMARKING**

1. **Matching**

**Compliance Requirement** – The allocation is to be used in accordance with the guidelines of each program (e.g., Employment, EDTAP, RGP) as stated in the ROAP application package.

**Audit Objective** – Determine that funds were correctly applied. State match requirements—no match required for EDTAP or Employment, and 10% required for RGP can be from passenger fare or local funds.

**Suggested Audit Procedure**

1. Compare the total reported project cost with the financial records to determine the costs are allowed and acceptable expenses.
2. Review financial records and determine the sources, amounts and acceptability of shares claimed.
2. Level of Effort – EDTAP funds cannot be used to supplant existing transportation funding for elderly and persons with disabilities. Review documentation to ensure supplanting has not taken place.
3. Earmarking – Employment funds can be transferred to EDTAP or RGP if not needed for employment transportation. Verify only the transfer of EDTAP to RGP has taken place and not EMPL funds transferred to neither EDTAP nor RGP.

8. PERIOD OF AVAILABILITY OF STATE FUNDS

**Compliance Requirement** - The funds are available for use during the State Fiscal Year, July 1<sup>st</sup> through June 30<sup>th</sup>.

**Audit Objective** – Determine if the allocation was expended within the time period.

**Suggested Audit Procedure** - Verify that the allocation and interest was expended within the twelve-month time period for FY funds by reviewing trip and financial records.

9. PROCUREMENT, SUSPENSION & DEBARMENT

Procurement

**Compliance Requirement** – Local units of government that enter into contractual agreements for services must obtain approval from NCDOT. Consultant contracts are governed by NC General Statutes 136-28.1(f), 143-64.31, 143-64.32, 143-64.33 ([www.ncqa.state.nc.us](http://www.ncqa.state.nc.us)).

Please refer to DOT Cross Cutting Section for additional guidance.

**Audit Objective** – Determine that the entity received written approval by NCDOT before execution of a consultant contract, if applicable.

**Suggested Audit Procedure** - Ascertain whether or not the entity received written approval by NCDOT before execution of a consultant contract, if applicable.

Debarment

**Compliance Requirement** – It is the policy of NCDOT not to award contracts or grant agreements to entities debarred by any government agency, Federal or State. The entity’s agents or contractors shall not be debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in transactions by any Federal or State department or agency.

**Audit Objective** – Determine each entity has not entered into any agreements with parties that have been debarred by any government agency.

**Suggested Audit Procedure** - Ascertain whether or not the entity has not entered into any agreements with parties that have been debarred by any government agency.

10. PROGRAM INCOME – This requirement is not passed down to the local level for ROAP funding, therefore testing is not required.

11. RESERVED

12. REPORTING

Financial Reporting

**Compliance Requirement** –Quarterly reports are due to be uploaded to the EBS drop box for compliance tracking on or before: 10/31, 1/31, 4/30 and the Annual Report is due 8/31 of each fiscal year. The reports reflect the number of trips and expenditures by the county. Eligible Transit Authorities provide one report that includes all the counties served. Other Regional transportation systems must provide a separate report for each county in the system/service area.

**Audit Objective** - Determine if the reported expenditures are adequate, documented appropriately and were submitted by the reporting deadline.

**Suggested Audit Procedure** – Test reported program expenditures against documented costs and dates of report submittal.

13. SUBRECIPIENT MONITORING

**Compliance Requirement** – The County Finance Director/Officer is responsible for program administration at the local level, including monitoring the use of the funds that are sub-allocated to the local transportation system and agencies, to ensure that the funds are being used according to program guidelines and that the amounts of funds, if any, to be returned to NCDOT is accurate.

**Audit Objective** – Determine activities administered by the Finance Director/Officer to monitor use of the program funds.

**Suggested Audit Procedures**

Determine the amount of unexpended funds, if any, that are to be returned to NCDOT.

1. Review any written procedures for periodic reporting of the use of the funds by agencies receiving the sub-allocation.

2. Ascertain that efforts were made by the Finance Director/Officer to reallocate funds that have been sub-allocated to agencies, but not expended in a timely manner.
3. Determine if funds were sub-allocated to non-governmental entities and if appropriate reports were submitted by that entity to NCDOT.

North Carolina General Statute 143C-6-23 "Use of State Funds by Non-State Entities," and North Carolina Administrative Code Chapter 9, Subchapter 03M "Uniform Administration of State Grants" addresses reporting requirements for non-governmental entities.

NC Grants reporting regulations and reporting forms are available on the PTD page of the [CONNECT NCDOT website](#).