

RIDESHARE

State Authorization: N. C. G. S. Article 2B of Chapter 136

**N. C. Department of Transportation
Integrated Mobility Division (IMD)**

Agency Contact Person – Program

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The auditor should **not** consider the Supplement to be “safe harbor” for identifying audit procedures to apply in a particular 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 whether audit tests are adequate.

Auditors may request documentation of monitoring visits by the State Agencies

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, pass-through and state funding, and NCDOT identification numbers) and the dollar amounts presented versus our records. Any reports not received will be requested.

Grants must be properly identified by program name (“Rideshare”), DOT number (“DOT-11”) and WBS number on the Schedule of Expenditures of Federal and State Awards. This information is available from the agreement with NCDOT; Grantor and program title should also be included. Please do not combine like projects into one-dollar amount since we would need to call you for the breakdown; please report award amount, Federal Pass through, State share, and local share.

On NCDOT’s confirmation from the Grant Master List (GML), these funds are shown by DOT number “DOT-11”.

I. PROGRAM OBJECTIVES

Transportation Demand Management (TDM) programs promote alternative transportation options to the single occupant vehicle. Including among these alternatives are carpooling, vanpooling, telecommuting, transit, bicycle, flexible work hours, compressed workweeks and parking policies/pricing structures. The NCDOT Integrated Mobility Division (IMD) is funding these Rideshare/TDM programs to continue supporting the provisions of the Ambient Air

Quality Improvement Act of 1999, Senate Bill 953, which addressed concerns over ground level ozone pollution from motor vehicles and the need to deal with increasing vehicle miles traveled (VMT) and NOx emissions. The bill established a goal of reducing the growth of commuter VMT in the state by 25% from 2000 until 2009 and that goal was achieved. Continuing strides have been made in the years following this achievement. The organizations applying for these funds must be public bodies responsible for promotion of Rideshare/TDM activities with a Rideshare/TDM Plan in place and may also provide services such as carpool/vanpool matching and vehicles for use in vanpooling. It is the intent of this program to primarily fund only one organization per region; however, multiple agencies may be funded within one region if a clear need is identified. The goal of the statewide TDM Program is to continue the average annual percentage reduction in the growth of commuter VMT that was achieved between 2000 and 2015. There are six TDM Strategies/Options listed below that all applicants should identify to accomplish the TDM Program Goal.

STRATEGIES

The following six strategies/options must be included/considered in each project/program to accomplish the Rideshare/TDM Goal:

1. Identification of a travel option coordinator;
2. Education of travel options (marketing);
3. Recruitment of travelers into non-SOV modes (outreach);
4. Establishment of tools for employers and commuters (programs);
5. Development of pilot programs; and
6. Coordination and development of transportation innovations.

All applicants shall operate in a manner consistent with the NCDOT goals regarding making our transportation network safer, making our transportation network move people and goods more efficiently, and making our infrastructure last longer.

II. PROGRAM PROCEDURES

This program administered by IMD funds administrative costs associated with Rideshare/TDM program, up to 50% of the total administrative expenses. This includes salaries, fringe benefits, office supplies, marketing and other planning and program related items. This program does not fund capital expenses such as vehicle or vehicle parts acquisition, building costs, or operating costs like vehicle maintenance. This program also does not provide funding for prizes and incentives and does not provide funding for food for events/meetings/etc. (except personal per diem during travel, as stated in the State Travel Policy).

III. COMPLIANCE REQUIREMENTS

Noted below in the following matrix are the types of compliance requirements identified by the State Agency, noted by “Y” that are that are subject to the audit for the State program. The auditor must determine if the Type noted by “Y” has a direct and material effect on the State program for the auditee.

CC	1	2	3	4	5	6	7	8	9	10	12	13	14
Cross-cutting requirements	Activities Allowed or Unallowed	Allowable Costs/ Cost Principles	Cash Management	Conflict of Interest	Eligibility	Equipment/ Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	N	Y	Y	Y	N	N	Y	Y	Y	N	N	N	N

1. ACTIVITIES ALLOWED OR UNALLOWED

Compliance Requirement - Funds must be expended as specified in the funding application; the award letter; and the grant agreement, which incorporates the grantee’s application (scope of services) by reference. Eligible uses of the funds are limited to the subrecipient’s approved application as defined in the approved Board of Transportation agenda for the Program. Applications are reviewed by IMD staff to determine if eligible projects are proposed. If ineligible projects are proposed, IMD staff informs applicants and applications are denied.

No testing is needed at the local level.

2. ALLOWABLE COSTS/COSTS PRINCIPLES

Compliance Requirement – Costs must be reasonable, necessary, allowable and allocable and conform to any limitation or exclusion set forth by and NCDOT laws, agreements or circulars. A list of required documentation for each G-code is provided in the External Procedures - [Appendix EX-302](#).

Audit Objective – Determine whether costs charged are allowable, accurately and adequately documented.

Suggested Audit Procedure – Select a sample of transactions charged to approved G-codes and perform procedures to verify that expenditures are accurate, properly allocated to the award, and adequately documented. Examine supporting documentation submitted by all grantees with requests for reimbursement (claims) to determine if the claims are adequately supported.

3. CASH MANAGEMENT

Compliance Requirement - Project Agreements specify that this is a cost reimbursement program. If the subrecipient receives payment of federal and state funds in advance of incurring the cost, which is an exception to the general method of payment and only in extenuating situations, the funds must be paid to the vendor within three (3) days of receipt from the department.

Audit Objective – Determine if advanced funds were paid to the vendor within three (3) days of the grantee receiving reimbursement from the Department.

Suggested Audit Procedure – Examine documentation of transactions related to an advance to ensure it was approved by the Department and properly disbursed to the vendor.

4. CONFLICT OF INTEREST

North Carolina General Statute (N.C.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. RGS staff requires each subrecipient to submit Conflict of Interest statements from each member of the governing boards over seeing fiscal and program decisions, annually.

Please refer to the DOT Cross-Cutting Supplement for testing procedures

5. ELIGIBILITY

Compliance Requirement - There are three categories of eligible subrecipients of these program funds:

- a. Private non-profit organizations;
- b. State or local governmental authority; and
- c. Operators of public transportation services, including private operators of public transportation services.

RGS staff reviews application documents to determine the type of entity an applicant is classified as during the application process. Applicants are required to submit proof of a current UEI registration number. In reviewing the UEI Registration Summary, the Business Type is listed under the Entity Registration Summary. If it is determined the applicant does not meet the requirement above as being classified as one of the three (3) types, the applicant is ineligible to apply for grant funding.

No testing is required at local level.

6. EQUIPMENT AND REAL PROPERTY MANAGEMENT

Equipment is not an expense eligible for reimbursement in this funding program. Equipment is not an option for applicants to select when building the budget in EBS.

No testing is needed.

7. MATCHING, LEVEL OF EFFORT, EARMARKING

Matching

Compliance Requirement – The grant agreement, the proposed budget and the award letter will identify the State share and the local share each as 50%. The State participation cannot exceed the amount stated in the grant agreement, grant award letter and approved project budget. The local share may increase for unallowable costs or costs exceeding project budget that must be absorbed at the local level.

Audit Objective - Determine whether the subrecipient provided the minimum amount or percentage of local contributions or matching funds set forth in the grant agreement.

Suggested Audit Procedures

1. Examine the approved project budget and any subsequent budget revisions and amendments. Ascertain the total project costs. Review financial records and determine the amount which can be claimed as the Federal and State share. Ascertain that if total project costs were exceeded, the local share increased and covered the costs.
2. Ascertain the sources of matching contributions and verify that they were from an allowable source.
3. Test transactions used to satisfy the local match requirements for compliance with the allowable costs/cost principles requirements.

Level of Effort – Not Applicable

Earmarking – Not Applicable.

8. PERIOD OF AVAILABILITY OF STATE FUNDS

Compliance Requirement - The eligible project costs are to be completed within the timeframe specified in the agreement unless a written authorization was requested and received from NCDOT prior to the end of the period of performance identifying the new contract end date.

Audit Objective – Determine whether funds were obligated and expended in accordance with the time frame specified in the agreement or in accordance with a period of performance approval letter if the project exceeded the initial contract period.

Suggested Audit Procedure

1. Test transactions recorded during the period of availability and verify that expenditures occurred within the period of availability.
2. Test adjustments (i.e., manual journal entries) and verify that adjustments were for transactions during the period of availability.

3. Test transactions charged to the program after the end of the period of availability to verify that the underlying obligation occurred within the period of availability.

9. PROCUREMENT AND SUSPENSION AND DEBARMENT

Procurement

Compliance Requirement – N.C.G.S. 143-129 requires the solicitation of bids on construction or repair work requiring expenditure of public money in an amount equal to or more than five hundred thousand dollars (\$500,000) or purchases of apparatus, supplies, material, or equipment in an amount equal to or more than ninety thousand dollars (\$90,000). N.C.G.S. 143-131 states that all contracts for construction or repair work or for the purchase of apparatus, supplies, materials, or equipment, involving the expenditure of public money in the amount of thirty thousand dollars (\$30,000) or more, but less than the limits prescribed in G.S. 143-129, shall be made after informal bids have been secured. Bid tabulation and governing agency resolution recommending award is required for contract award to the lowest responsible bidder.

Audit Objective – Determine if bids, formal or informal, were required and if required were received.

Suggested Audit Procedure - Verify that bids were properly solicited and that the contract was awarded to the lowest qualified bidder.

Please refer to the DOT Cross-Cutting Supplement for additional testing procedures.

Debarment

Compliance Requirement – Verify that project vendors and labor sources are not debarred or suspended from doing business with the State. A certified statement must be provided that indicates the entity has not entered into any agreements with parties that have been debarred by any government agency.

Audit Objective – Determine that grantees have not entered into contracts or grant agreements with entities that are debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in transactions by any Federal or State department agency.

Please refer to the DOT Cross-Cutting Supplement for testing procedures

10. PROGRAM INCOME

IMD does not pass this requirement to its subrecipients.

No testing is required

11. RESERVED

12. REPORTING

Compliance Requirement - Invoices are submitted, after expenses have been incurred, for reimbursement as set forth in the grant agreement. Other support documents are required to be submitted with the claim such as: DBE Report, Program

Progress Report and support documents to show proof of payment for the expenses being reimbursed. IMD staff reviews documents at two levels prior to costs being submitted for approval. The Grants Administration staff reviews documents, advances the claim request to Finance for review and approval prior to submitting for payment. Subrecipients are required to submit a Work Plan outlining activities the Rideshare/TDM Program will undertake in support of the six strategies.

No testing needed at the local level.

13. SUBRECIPIENT MONITORING

NCDOT passes this oversight requirement to its subrecipients, when they choose to pass the funds down further to another subrecipient. Oversight requirements include periodic program and financial reporting, on-site visits, attendance at required trainings and periodic compliance reviews. If subrecipients pass grant funds to a third party, the IMD subrecipient is required to complete all required grant reports to the extent that it may involve collecting data from the third party.

No testing is needed at the local level.

14. SPECIAL TESTS AND PROVISIONS

Not applicable