

RURAL OPERATING ASSISTANCE PROGRAM (ROAP)

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
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 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.

RURAL OPERATING ASSISTANCE PROGRAM (ROAP)

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.

II. PROGRAM PROCEDURES

The program is administered by the Integrated Mobility 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 RGP funds may also be transferred to the EDTAP and/or EMPL programs. The EDTAP funds must remain within that program. The monthly ROAP Report through Smart Sheet indicates whether funds have been transferred into or out of each program.

For regional transportation systems only, ROAP funds may be transferred between and/or among member counties. EDTAP 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

Noted below in the following matrix are the types of compliance requirements that are applicable to the federal program. These Types are determined by the State agency noted by “Y.”

If the Matrix indicates “Y,” the auditor must determine if a particular type of compliance requirement 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	N	N	Y	Y	N	Y	Y	Y	N	Y	Y	N

1. ACTIVITIES ALLOWED OR UNALLOWED

Compliance Requirement - Funds will be provided for services as described in the grant Agreement. IMD 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.

<p>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.</p>			
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
<p>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.</p>			

* Must be provided under the provisions of [Federal Charter regulations](#).
No testing is needed at the local level.

2. ALLOWABLE COSTS/COST PRINCIPLES

ROAP funds are disbursed to the County Finance Office based on formulas in a disbursement schedule determined each year upon receipt of the funding from the legislature. 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. IMD 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 IMD staff reviews prior to a County receiving a ROAP disbursement. ROAP reports detailing the trip numbers, expenses, and transfers for each program are submitted on a monthly basis through Smart Sheet.

No testing is needed at the local level.

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. NCDOT relies on the Federal Compliance Supplement, Part 3, Cash Management for guidance.

Not Applicable.

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. IMD staff reviews applications and ensures no equipment or real property requests are included in the application.

No testing is required at the local level.

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. The ROAP program has no requirement for matching funds in any individual program.

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 1st through June 30th.

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).

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.

No testing is needed at the local level.

- 11. RESERVED

- 12. REPORTING

Financial Reporting

Compliance Requirement – Reports are submitted monthly through SmartSheet for compliance tracking 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 IMD page of the [CONNECT NCDOT website](#).

14. Special Tests and Provisions – Not applicable