

PROGRAM 1 - GRANT PROGRAM

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

I. PROGRAM OBJECTIVES

The objective of the grant program is to fund various activities of the grantee based on legislative intent associated with the funding. The Department of Transportation administers pass-through funding appropriated by the Legislature to local communities. These activities include, but are not limited to: community transit, highway safety, construction, maintenance activities and formulation of transportation plans.

II. PROGRAM PROCEDURES

Funds are provided to the grantee on a reimbursable basis after signing a written agreement with the Department, unless an alternate funding method is specified in the agreement. The Department reserves the right to monitor the project, study or plan during its development, and may perform project inspections and perform an audit as needed.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED -

Compliance Requirement: Funding cannot be expended for other than the intended purpose of the grant and must comply with State laws and regulations.

Suggested Audit Procedure: There are no special suggested audit procedures.

B. ELIGIBILITY -

Compliance Requirement: Only eligible charges should be reimbursed to the grantee. Special stipulations for eligibility may also be noted in the grant agreement.

Suggested Audit Procedures:

- a) Test expenditures and related records for adequate supporting documentation and proper approvals.
- b) Test indirect expenses such as overhead for proper allocation methodology and reasonableness.
- c) Verify existence and/or completion in the case of equipment purchases or facility construction.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

Compliance Requirement: Matching or level of effort for the grant recipient will be specified in the grant agreement.

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Suggested Audit Procedure: Determine that the grant recipient's records show sufficient match to meet the agreement requirements, if any.

D. REPORTING REQUIREMENTS -

Compliance Requirement: Financial or progress reports may be required in the grant agreement. In addition, certification and acceptance may be required for construction project grants.

Suggested Audit Procedure: Insure that reporting requirements have been met by the grantee and that reports have been submitted on a timely basis as specified in the grant agreement.

E. SPECIAL TESTS AND PROVISIONS -

Compliance Requirement: The grant agreement may contain additional stipulations that have not been tested in prior steps.

Suggested Audit Procedure: Examine project documentation provided by the grantee to verify compliance with the special stipulations or requirements contained in the grant agreement.