



JUNE 2025

State Single Audit Guide

DEPARTMENT OF TRANSPORTATION APPENDIX

*EFFECTIVE FOR SINGLE AUDITS HAVING FISCAL YEARS
BEGINNING AFTER JUNE 30, 2025*



Wisconsin Department of Transportation
DIVISION OF BUSINESS MANAGEMENT | BUREAU OF FINANCIAL MANAGEMENT



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1.0 General Audit Requirements

This document is part of the State Single Audit Guide ("Guide"), and should be used only in the context of the Guide as a whole. The Guide is comprised of the Main Document and state awarding agency appendices. The Main Document and available state awarding agency appendices are available at:

[https://doa.wi.gov/Pages/State-Single-Audit-Guidelines-\(SSAG\).aspx](https://doa.wi.gov/Pages/State-Single-Audit-Guidelines-(SSAG).aspx).

1.1 Audit Authority

Non-Federal entities, not including a State of Wisconsin agency, that expended \$750,000 or more in federal awards during their fiscal year must have a single audit or program-specific audit conducted for that year in accordance with Uniform Guidance, as applicable. Additionally, these agencies may be required to have an audit in accordance with Section 1.4 of the Guide - Main Document. Entities not subject to the state single audit requirements of Section 1.4 of the Guide - Main Document may be subject to additional audit requirements as established by state statute or administrative code.

1.2 Type of Audit Required

An entity that meets the applicability of Section 1.4 of the Guide - Main Document is required to have a state single audit conducted. See an example figure in Section 1.4 of the Guide - Main Document to determine the type of audit required.

1.3 Audit Waivers

Generally, State Single Audit Guide requirements and program determination are followed, and waivers will not be granted unless extenuating circumstances exist. Audit waivers may be issued on a case-by-case basis.

Send audit waiver requests to the contact information below for evaluation.

1.4 Programs Subject to Audit

The programs subject to audit are outlined within the State and Federal Program Listings at: [https://doa.wi.gov/Pages/State-Single-Audit-Guidelines-\(SSAG\).aspx](https://doa.wi.gov/Pages/State-Single-Audit-Guidelines-(SSAG).aspx).

1.5 Contact Information

Questions or comments on this appendix or state programs administered by this agency should be directed to:

Craig Felder
Audit Supervisor
DOTExternalAudit@dot.wi.gov
608-266-7435

2.0 Program-Specific Requirements

2.1 Harbor Assistance Program

Assistance Listing Number 395.263

I. PROGRAM OBJECTIVES

The objective of the harbor assistance program is to assist eligible applicants to provide necessary water access and to maintain or improve the economically effective commodity movement capabilities of Wisconsin harbors on the Great Lakes and the Mississippi system.

II. PROGRAM PROCEDURES

Funds are provided to eligible applicants, such as a county, municipality, town, or agency thereof or a board of harbor commissioners organized under s. 30.37, Stats. Every eligible harbor assistance project shall benefit a commercial transportation facility.

III. COMPLIANCE REQUIREMENTS

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirement

State funds can be expended for eligible harbor assistance projects such as: dock wall and disposal facility construction, repair, maintenance, or rehabilitation; maintenance dredging of materials from a harbor or dredging of a new harbor; dredged material disposal; and other harbor improvements related to the physical needs of a part that maintains or increases commodity movement capabilities. Eligible costs may include final engineering, construction, and dredging costs and other costs agreed to by the department and the applicant.

State funds are not eligible for reimbursement:

- Applicant's general grant administrative costs.
- Costs of acquiring permits or of preparing environmental documents, feasibility studies, conceptual project designs, or design revisions.
- Interest on money borrowed by the applicant or interest charged to the applicant for late payment of project costs.

Suggested Audit Procedures

Obtain and review a copy of the contract between the applicant and the department. Test expenditure and related documents to determine costs are eligible.

B. ELIGIBILITY

The auditor is not expected to make tests of program eligibility of applicant.

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

Compliance Requirement

In accordance with s. 85.095(2)(a), Stats., the State share of project costs may not exceed 80 percent of the eligible costs. For projects funded in part by the U.S. Army Corps of Engineers, the State share may not exceed 50 percent of the nonfederal share of the project costs. For projects with Federal funding other than those projects funded in part by U.S. Army Corps of Engineers, the State costs may not exceed 80 percent of the nonfederal share of project costs; furthermore, the minimum local share shall be no less than 10 percent of project costs.

Suggested Audit Procedures

Review the grant contract and ascertain the matching requirements.

Review financial records and determine the amount of and manner in which the applicant provided its share of project costs.

D. REPORTING REQUIREMENTS

Compliance Requirement

Grant recipient shall make periodic progress reports to the department. The content and timing of these reports shall be specified in the grant agreement.

Suggested Audit Procedures

Review the grant agreement and determine if applicant has met specified content and timing of reports.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests or provisions for the auditor to perform.

Program specific questions should be directed to:

Erika Kluetmeier

Harbor Assistance Program Manager

erika.kluetmeier@dot.wi.gov

2.2 Transit Operating Aids (State)

Assistance Listing Number: 395.165, 395.167, 395.169, 395.175, 395.176, 395.177, 395.193, 395.194

I. PROGRAM OBJECTIVES

The objective of the Urban Mass Transit Operating Assistance Program is to promote the general public good by preserving and improving existing mass transit systems in the state and encouraging their effective and efficient operation.

II. PROGRAM PROCEDURES

Funds are awarded to local public bodies for operating assistance representing the eligible operating expenses incurred during a local project year.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirement

State funds can only be expended in accordance with Wisconsin Administrative Code, Chapter TRANS 4.

Suggested Audit Procedures

Review Wisconsin Administrative Code, Chapter TRANS 4. Test expenditure records and supporting documentation.

B. ELIGIBILITY

The auditor is not expected to make tests of program eligibility of applicant.

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

Compliance Requirement

The State's share of eligible project costs shall be the lesser of: (1) percent specified in the contract* of the audited operating expenses; (2) the non-federal share of the transit system's audited operating deficit; (3) five times the amount of the recipient's local contribution as defined under Sec. 85.20 (4m)(b), Wis. Stats. This does not apply if the transit system is a shared ride taxi system; or (4) the maximum amount allowed per the transit system's contract with the department.

** Limitation is not applicable for Milwaukee County and City of Madison.*

Suggested Audit Procedures

Determine the amount of recognized operating expense, the operating deficit, and the maximum contract amount.

Determine the state share.

D. SPECIAL REPORTING REQUIREMENTS

Compliance Requirement

The eligible mass transit system must conform to the uniform system of accounts and records as prescribed under Section 15 of the Urban Mass Transportation Act of 1964, as amended (49 CFR 630).

Suggested Audit Procedures

Review UMTA's uniform system of accounts and records.

Review the eligible mass transit system's chart of accounts and records and determine if they conform with the prescribed system of accounts.

E. SPECIAL TESTS AND PROVISIONS

Compliance Requirement

The eligible applicant pays the operating deficit of the urban mass transit system involved in accordance with a schedule approved by the department.

Suggested Audit Procedure

Review the approved payment schedule to private operators' portion of contract with the department.

Determine that the local public body is disbursing aid as scheduled.

Compliance Requirement

If other local public bodies contribute assistance to the operation of the mass transit system, the state aids received are allocated among the contributors in accordance with any cost sharing agreement that is filed with the department. If no agreement is filed, the aids shall be distributed among the contributors in proportion to their contributions.

Suggested Audit Procedure

Determine whether other local bodies have contributed to the mass transit system.

Assure that state aids are allocated and distributed in the prescribed manner.

Compliance Requirement

The participating mass transit system must provide reduced fare programs for elderly and handicapped persons during nonpeak hours. Such reduced fares may not exceed one-half of the full adult cash fare applicable during peak hours of operation.

Suggested Audit Procedure

Review the fare schedules and determine whether there are reduced fares for the elderly and handicapped during off-peak hours.

Compliance Requirement

The participating mass transit system must count "revenue passenger trips" in accordance with Wisconsin Administrative Code, Chapter TRANS 4.

Suggested Audit Procedure

Obtain and review Wisconsin Administrative Code, Chapter TRANS 3.

Review applicant's methods and determine if they conform with the prescribed procedure.

Compliance Requirement

Contra-expenses are revenue items which directly offset transit expenses, and which are therefore eliminated from total expenses in computing those eligible expenses for operating assistance. Six common types of contra-expenses are:

- a. Cash discounts and refunds.
- b. Insurance claims and reimbursements.
- c. Fuel tax rebates.
- d. Sale of used parts and lubricants.
- e. Charter related revenues.
- f. Package freight revenue.

Suggested Audit Procedure

Review revenue accounts of transit system to locate contra-expenses.

Use contra-expenses as offset to expense accounts in determining state share of eligible project costs.

Program specific questions should be directed to:

Ian Ritz
Program and Policy Chief
Ian.Ritz@dot.wi.gov
608-266-0189

Brian Kierzek
Program and Policy Analyst-Adv
Brian.Kierzek@dot.wi.gov
608-261-5695

2.3 Public Transportation for Non-Urbanized Areas (Federal)

Assistance Listing Number: 395.182

I. PROGRAM OBJECTIVES

The objectives of this program are to enhance access of people in non-urbanized areas for purposes such as health care, shopping, education, recreation, public services, and employment by encouraging the maintenance, development, improvement and use of public transportation services.

II. PROGRAM PROCEDURES

These are state administered federal funds given to small urban and rural areas for public transportation projects. The funds are awarded to public and privately owned mass transit operators for: (1) capital assistance projects, such as the acquisition, construction or reconstruction of facilities and equipment for use in mass transportation; and (2) operating assistance, representing the eligible operating expenses incurred during a project year. Procedures for implementing this program are described in Wisconsin Administrative Code, Chapter TRANS 6.

III. COMPLIANCE REQUIREMENTS AND SPECIAL AUDIT PROCEDURES

A. TYPES OF SERVICE ALLOWED OR UNALLOWED

Compliance Requirement

Capital funds can be expended to replace vehicles, projects to initiate public transportation service, replacement or expanding of existing maintenance and storage facilities, and projects to purchase and install passenger amenities such as shelters and bus stop signs.

Suggested Audit Procedures

Obtain and review a copy of the contract between the applicant and the department.

Test expenditure records and supporting documentation.

Compliance Requirement

Operating assistance funds can only be expended in accordance with Wisconsin Administrative Code, Chapter TRANS 6, and the operating assistance contract.

Suggested Audit Procedures

Review Wisconsin Administrative Code, Chapter TRANS 6.

Test revenue and expenditure records.

B. ELIGIBILITY

The auditor is not expected to make tests of program eligibility of applicant.

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

Compliance Requirement

For capital assistance projects, the local share must be at least twenty percent of the eligible costs.

Suggested Audit Procedure

Ascertain the total eligible project costs.

Review financial records and determine the amount and manner in which the grantee provided its share.

Compliance Requirement

For operating assistance, the state share of eligible projects costs shall be the lesser of: (1) 50 percent of the audited operating deficit; (2) the maximum amount of the Section 18 contract with the department; or (3) the non-state share of the federal project deficit.

Suggested Audit Procedure

Ascertain the operating deficit of the eligible transit system and the amount of the Section 18 contract with the department.

Compute the amount of the Federal share.

D. SPECIAL REPORTING REQUIREMENTS

Compliance Requirement

The eligible mass transit system must conform to the uniform system of accounts and records as prescribed under Section 15 of the urban Mass Transportation Act of 1964, as amended (49 CFR 630).

Suggested Audit Procedures

Review UMTA's uniform system of accounts and records.

Review the eligible mass transit system's chart of accounts and records to determine if they conform with the prescribed system of accounts.

Compliance Requirement

The recipient shall require the transit service provider to prepare and file a year-end Revenue and Expense Statement by the deadline provided by the department.

Suggested Audit Procedures

Review the Revenue and Expense Statement to insure it is completed properly and submitted to the department in a timely manner.

E. SPECIAL TESTS AND PROVISIONS

Compliance Requirement

If the eligible applicant contracts for public transportation service with a privately owned company, the applicant shall pay the privately owned company in accordance with the contract or the actual monthly expenses.

Suggested Audit Procedures

Review the approved payment schedule to private operators' portion of the contract with the department.

Determine that the applicant is disbursing aid as scheduled.

Compliance Requirement

The applicant must assure that the Transit System will determine revenue passenger trips taken during project year in accordance with procedures defined in the Wisconsin Administrative Code, Chapter TRANS 3.

Suggested Audit Procedure

Obtain and review Wisconsin Administrative Code, Chapter TRANS 3.

Review applicant's method for determining revenue passenger trips and determine if they conform with prescribed procedures.

Compliance Requirement

Contra-expenses are revenue items which directly offset transit expenses, and which are therefore eliminated from total expenses in computing those eligible expenses for operating assistance. Six common types of contra-expenses are:

- a. Cash discounts and refunds.
- b. Insurance claims and reimbursements.
- c. Fuel tax rebates.
- d. Sale of used parts and lubricants.

- e. Charter related revenues.
- f. Package freight revenue.

Suggested Audit Procedures

Review revenue accounts of transit system to located contra-expenses.

Use contra-expenses as offset to expense accounts in determining eligible project deficit.

Program specific questions should be directed to:

Ian Ritz

Program and Policy Chief

Ian.Ritz@dot.wi.gov

608-266-0189

Brian Kierzek

Program and Policy Analyst-Adv

Brian.Kierzek@dot.wi.gov

608-261-5695

2.4 Specialized Transportation Assistance Program, Elderly & Handicapped Aids, For Counties

Assistance Listing Number: 395.168

I. PROGRAM OBJECTIVES

The objective of the specialized transportation assistance program for counties is to promote the general public health and welfare by providing financial assistance to counties providing transportation services for the elderly and handicapped.

II. PROGRAM PROCEDURES

Funds are allocated each calendar year to counties based on the ratio of the number of elderly and handicapped persons in the county to the number of elderly and handicapped persons in Wisconsin, times the annual appropriation for the program. A county must apply to the Wisconsin Department of Transportation for distribution of its allocated aid.

III. COMPLIANCE REQUIREMENTS AND SPECIAL AUDIT PROCEDURES

A. TYPES OF SERVICE ALLOWED OR UNALLOWED

Compliance Requirement

Specialized transportation assistance funds can only be expended in accordance with Wisconsin Administrative Code, Chapter TRANS 1, and the county's annual application to the department.

Suggested Audit Procedures

Obtain and review *Wisconsin Administrative Code*, Chapter TRANS 1.

Obtain and review the annual county application.

Test revenue and expenditure records.

B. ELIGIBILITY

The auditor is not expected to make tests of program eligibility of applicant.

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

Compliance Requirement

A county applying for its allocated aid shall make a matching cash contribution equal to 20% of the aid for which it applies. No in-kind services, no federal or state categorical financial aids, and no passenger revenue shall be allowed as part of the matching contribution.

Suggested Audit Procedure

Ascertain the total eligible project costs.

Determine the amount and manner in which the grantee provided its share.

D. SPECIAL REPORTING REQUIREMENTS

Compliance Requirement

Counties receiving this allocated aid shall make periodic reports to the department. The content and timing of these reports shall be specified in the grant agreement.

Suggested Audit Procedures

Review the aid contract and determine if the county has met specified content and timing of reports.

E. SPECIAL TESTS AND PROVISIONS

Compliance Requirement

A county may retain and hold in trust all or part of the allocated aid which it received in 1983 and subsequent years for the purchase or maintenance of transportation equipment according to the rules as determined in Wisconsin Administrative Code, Chapter TRANS 1.

Suggested Audit Procedures

Determine if the trust fund set up by the county conformed to the criteria listed in Chapter TRANS 1.05(2).

Review report on permitted trust fund as required under Wisconsin Administrative Code, Chapter TRANS 1.08(2)(c).

Compliance Requirement

All revenue received from passengers for transportation service in a given year shall be applied to transportation expenses incurred in that same year per TRANS 1.05(3).

Suggested Audit Procedure

Determine if revenue was obtained from passengers and that all such revenue was applied to transportation expenses incurred during the same year.

Compliance Requirement

A county shall reimburse the department for its share of the value of equipment which is sold or removed from specialized transportation service prior to the end of its useful life, unless the proceeds are spent for specialized transportation projects approved by the department.

Suggested Audit Procedures

Ascertain if equipment purchased with specialized transportation aid was sold or removed from service during the year.

Compute the amount due the department and verify reimbursement or that proceeds are spent for specialized transportation services.

Program specific questions should be directed to:

Ian Ritz
Program and Policy Chief
Ian.Ritz@dot.wi.gov
608-266-0189

Brian Kierzek
Program and Policy Analyst-Adv
Brian.Kierzek@dot.wi.gov
608-261-5695

2.5 Planning Commission Program

Assistance Listing Number: 395.461

I. PROGRAM OBJECTIVES

The objective of the planning program is the undertaking of planning, promotion, and protection activities for all transportation modes through the expenditure of state and federal funds.

II. PROGRAM PROCEDURES

Funds are provided to regional planning commissions (RPC's) and metropolitan planning organizations (MPO's) in accordance with Wisconsin Statutes (85.02).

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirement

State funds can be used to reimburse only for costs which are (a) incurred subsequent to the date of authorization to proceed; (b) in accordance with the conditions contained in the project agreement; (c) based on a recorded liability or cash disbursement; (d) allocable to a specific project; and (e) claimed for reimbursement subsequent to the date of the project agreement.

Suggested Audit Procedures

Review selected project agreements, including continuing agreements and approved annual transportation work programs.

Ascertain date of authorization to proceed.

Review selected claimed costs and determine whether the cost (1) was incurred after authorization to proceed and claimed after the date of the project agreement; (2) is allowable in accordance with the terms of the project agreement; and (3) was either paid or accrued.

Compliance Requirement

Cost Allocation Plan (CAP) and or Indirect Cost Rates Proposals (IDCRP) are to be prepared and submitted to its cognizant agency for approval.

When the actual costs for the year are determined, the difference between the originally proposed costs and actual costs should be retroactively adjusted on claims to the grantor agency or carried forward to subsequent CAP/IDCRP'S.

The indirect cost pool should only include items that are consistent with 2 CFR 200 and negotiated agreements.

Suggested Audit Procedures

Determine whether indirect costs are being charged to contracts.

Obtain and read current CAP/IDCRP and determine the types of rates and procedures required.

Sample claims for reimbursement to determine if amounts charged and rates used are in accordance with the plan. Test for allocation of plan across agency and programs.

Determine whether CAP's or IDCRP's have been approved by cognizant agency. Test indirect cost pool to ensure costs comply with 2 CFR 200.

B. ELIGIBILITY

The auditor is not expected to make tests of program eligibility of applicant.

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

Compliance Requirements

The local unit of government is generally required to pay a portion of the project costs. Portions vary according to the type of agreement.

Suggested Audit Procedures

Review the project agreement.

Determine whether the correct participating percentages have been claimed.

D. REPORTING REQUIREMENT

Compliance Requirement

Expenditure and progress reports must be submitted as required by the project agreements.

Suggested Audit Procedures

Review the project agreements.

Determine whether the proper reports have been prepared and submitted to the department.

E. SPECIAL TESTS AND PROVISIONS

Compliance Requirement

Special provisions, if required, will be specified in the annual work program approval or project agreement.

Suggested Audit Procedures

Review annual work program approval or project agreement.

Determine whether special provisions have been followed.

Program specific questions should be directed to:

Colleen Hoesly

Planning Section Chief

Colleen.Hoesly@dot.wi.gov

608-267-3611

Matthew Sorenson

Statewide MPO/RPC Coordinator

Matthew.Sorensen@dot.wi.gov

608-267-0458

2.6 Transportation Facilities Economic Assistance and Development (TEA) Program

Assistance Listing Number: 395.260

I. PROGRAM OBJECTIVES

The objective of the transportation facilities economic assistance and development program is to increase the number of jobs in this state by responding to the transportation needs of an economic development project when that project is contingent on the transportation facility improvement.

II. PROGRAM PROCEDURES

Funds are provided to businesses, consortiums, or local units of government for transportation facility improvements in accordance with Wisconsin Statute 84.185 and the Wisconsin Department of Transportation Administrative Code, Chapter TRANS. 510.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED AND UNALLOWED

Compliance Requirement

State funds can be expended for improving or bettering a transportation facility, but not maintaining or operating a transportation facility. Eligible costs include all actual costs for construction, reconstruction and the activities, operations, and processes incidental to building fabrication.

State funds can be used to reimburse only for costs which are (a) incurred subsequent to the date of authorization to proceed; (b) in accordance with the conditions contained in the project agreement; (c) based on a recorded liability or cash disbursement; (d) allocable to a specific project; (e) claimed for reimbursement subsequent to the date of the project agreement; and (f) expended in accordance with Wisconsin Administrative Code, Chapter TRANS. 510 and the department's TEA Cost Standards.

Suggested Audit Procedures

Obtain and review a copy of the contract between the applicant and the Department. Ascertain date of authorization to proceed.

Review selected claimed costs and determine whether the costs (1) were incurred after authorization to proceed and claimed after the date of the project agreement; (2) are allowable in accordance with the terms of the project agreement; (3) were either paid or accrued.

B. ELIGIBILITY

The auditor is not expected to make tests of program eligibility of applicant.

C. MATCHING LEVEL OF EFFORT AND/OR EARMARKING

Compliance Requirement

The Department's level of financial participation in a transportation facility improvement shall be 50% of the final transportation improvement costs, except that the grant ceiling per the contract may not be exceeded. The local unit of government is required to pay a portion of the project costs.

Suggested Audit Procedures

Review the project agreement and ascertain the matching requirements.

Review financial records and determine the amount of and manner in which the applicant provided its share of project costs.

D. REPORTING REQUIREMENTS

Compliance Requirement

Expenditure and progress reports must be submitted as required by the project agreement.

Suggested Audit Procedures

Review the project agreements.

Determine whether the proper reports have been prepared and submitted to the Department.

Program specific questions should be directed to:

Matt Umhoefer

Economic Development Chief

Matthew.Umhoefer@dot.wi.gov

608-266-9476

Roselynn Bittorf

Program and Policy Analyst-Adv

Roselynnx.Bittorf@dot.wi.gov

608-267-2934

2.7 Wisconsin Employment Transportation Assistance Program (WETAP), Job Access and Reverse Commute Program (JARC), Transportation Demand Management Program (TDM)

I. PROGRAM OBJECTIVES

Help low income, unemployed, and/or at-risk people access jobs, retain jobs, or advance to higher paying jobs by alleviating transportation-related barriers. Enhance the mobility options of the low-income population, including persons with disabilities, and increase their access to employment and job-related needs such as childcare, training, and interviews. Look first at

expanding capacity of public transportation systems wherever possible. Encourage ridesharing options, including vanpools or carpools. Look to innovative individual solutions. Develop transportation solutions, which are based upon a local planning process that involves all local stakeholders, including low-income individuals (the beneficiaries of the service) and the private sector (employers, chambers, trade associations, etc.)

II. PROGRAM PROCEDURES

The Wisconsin Department of Transportation (DOT) and the Wisconsin Department of Workforce Development (DWD) jointly sponsor WETAP. Transportation Demand Management (TDM) Funds are provided to local units of government and non-profit organizations in accordance with Wisconsin Statute 85.24 and the Wisconsin Department of Transportation Administrative Code, Chapter TRANS. 5. The Transportation Equity Act for the 21st Century (TEA-21) included a special section on employment transportation known as the Job Access and Reverse Commute (JARC) (20.516) program. The U. S. Department of Transportation makes JARC funding available through the Federal Transit Administration (FTA) under the WETAP program. DWD provides Temporary Assistance by Needy Family (TANF) (93.558) funds for the WETAP program.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED AND UNALLOWED

Compliance Requirement

Funds can be expended for eligible WETAP projects such as: Expansion of routes, reverse commute service, fixed route or shared-taxi creation or expansion, coordination of specialized transit for elderly and disabled, vanpooling, carpooling, shuttle services, rideshare, transportation marketing, outreach, education, volunteer driver program, creation of a Transportation Management Association (TMA). Funds can only be expended in accordance with Wisconsin Statute s. 83.24, Wisconsin Administrative Code, Chapter TRANS. 5, WETAP and TDM application materials, and terms of the contract including costs as outlined in the contract budget.

Suggested Audit Procedures

Obtain and review a copy of the grant agreement and project budget. Obtain and review Wisconsin Administrative Code, Chapter TRANS 5.

Obtain and review 2 CFR 200 as applicable for the entity being audited.

Test expenditures reported on the quarterly invoices and related accounting records to determine if costs are eligible per program guidelines, supportable and accounted for consistent with Generally Accepted Accounting Principles (GAAP).

B. ELIGIBILITY

The auditor is not expected to make tests of program eligibility of the applicant.

C. MATCHING LEVEL OF EFFORT AND/OR EARMARKING

Compliance Requirement

WETAP funding will cover no more than the percent specified in the contract of the applicant's net program costs (total costs less project revenue). A minimum local match must be met for each component's costs. Federal Transit Administration (FTA) dollars, department dollars, anticipated fare box or other revenues, any dollars currently spent on transportation related activities, or dollars that are already attached to some other match requirements are not eligible to be used as local match. Examples of acceptable match funding include CDBG, Community Reinvestment, other federal or state dollars, local tax base, and employer contributions.

Suggested Audit Procedures

Ascertain the total expenditures, revenues, and net eligible project costs for each component of the grant.

Review the financial records and determine the amount and manner in which the grantee provided its share of minimum match by component activity.

D. REPORTING REQUIREMENTS

Compliance Requirements

Invoices shall be completed and submitted quarterly for reimbursement under the WETAP transportation program. The detail to be reported is specified in the grant agreement. The grantee shall monitor program activity and file quarterly reports (within 30 days of the end of the quarter) on operations, trips, and rider ship. Other semi-annual reports on rider ship may be required per contract.

Suggested Audit Procedures

Review the contract and verify that the grantee has met the reporting requirements.

E. SPECIAL TESTS OR PROVISIONS

Compliance Requirement

All program revenue generated by each component must be used as an offset to total expenditures in determining the reimbursement to grantee. The reimbursement to the grantee shall not exceed the contract amount or specified percentage of net expenditures for the period.

Suggested Audit Procedure

Test revenues reported on the quarterly invoices and related accounting records to determine if revenues were reported properly and accounted for consistent with Generally Accepted Accounting Principles (GAAP).

Verify that DOT/DWD portion of the budget, and each invoice has not exceeded the contract percent specified of the total expenditures for that period.

Compliance Requirement

The grantee may operate its own service or may subcontract with transportation vendors or other organizations through competitive bid, requests for proposal, etc. All subcontracted services funded by WETAP must receive prior approval from DOT/DWD.

Suggested Audit Procedures

Verify that the grantee followed their normal competitive procedures in procuring the subcontractor. The auditor should verify that the subcontracted services have been approved by DOT/DWD and the invoiced costs are consistent with the awarded competitive procurements.

Program specific questions should be directed to:

Ian Ritz

Program and Policy Chief

Ian.Ritz@dot.wi.gov

608-266-0189

Brian Kierzek

Program and Policy Analyst-Adv

Brian.Kierzek@dot.wi.gov

608-261-5695