

DEPARTMENT OF TRANSPORTATION
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FY99					
572	078	6220	xxx	xxxxxx	1999 BRIDGE BOND

DEPARTMENT OF TRANSPORTATION

100 078 6070 xxx xxxxxx STATE GRANT—AIRPORT SAFETY FUND

I. PROGRAM OBJECTIVES

The objective of the State Grant-Airport Safety Fund Program is to provide funds to:

Upgrade safety of public use of general aviation airports.

Provide State assistance to privately owned public use general aviation airports. See New Jersey Administrative Code Chapter 56, 16:56-2.1 for the purpose and general policy.

II. PROGRAM PROCEDURES

The State Grant—Airport Safety Fund Program was established by the New Jersey Airport Safety Act of 1983, Assembly Bill 3344, and PL 1983 C.264 (July 11, 1983). See New Jersey Administrative Code Chapter 56,16:56-1.1 to 16:56-19.1.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirement

See N.J.A.C. Chapter 56, 16:56-2.1 and 16:56-14.1.

Suggested Audit Procedures

- Review selected agreements;
- Ascertain date of agreement;
- Test expenditures and related records; and
- Review application and agreement to ascertain that airport is in compliance with regulation.

B. ELIGIBILITY

Compliance Requirement

See N.J.A.C. Chapter 56,16:56-3.1.

Suggested Audit Procedures

- Review applications, agreements, and financial records and determine amount and manner in which matching share was provided.

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

Compliance Requirement

See N.J.A.C. Chapter 56,16:56-4.1 to 16:56- 8.1.

Suggested Audit Procedures

- Review agreement to ascertain the matching requirement; and
- Review financial records to determine amount and manner in which matching share was provided.

D. REPORTING REQUIREMENTS

Compliance Requirement

See N.J.A.C. Chapter 56,16:56-14.1. The State Aid recipient will annually engage an independent public accountant to perform the single audit of the recipient entity in accord with State of New Jersey Single Audit Policy and the Single Audit Act of 1984 (Federal OMB Circular A-128). Single audit reports submitted in accord with State audit policy will present expenditure activity on Department of Transportation agreements governed by N.J.A.C. Chapter 56 on an individual agreement basis.

Suggested Audit Procedures

- Ascertain that each recipient established and maintained adequate accounting records for each project.
- Examine contract documents, Statements of Work Performed and Inspection Reports for compliance with the terms of the State agreements and N.J.A.C. chapter 56 et al.

DEPARTMENT OF TRANSPORTATION

480 078 6310 xxx xxxxxx

TRANSPORTATION TRUST FUND AUTHORITY
ACT OF 1984 (AS AMENDED)
NJ TRANSIT CORP

GENERAL STATE REQUIREMENTS

Compliance Requirements

The following administrative requirements are applicable to the funds disbursed to New Jersey Transit from the Transportation Trust Fund:

NJ Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid;

Hatch Act (5 U.S.C. 1501-1508) and Interdepartmental Personnel Act of 1970 (PL 95-454, Section 4728);

Drug-Free Workplace Act (Public Law 100-690 Title v, Subtitle D, 41 U.S.C. 701 et seq.);

Davis-Bacon Act (Chap. 411, 40 U.S.C. 276A-276A-5);

Civil Rights Act (Age-42 U.S.C. 6101 et seq.; Race-42 U.S.C. 2000d; Handicap-29 U.S.C. 794);

Single Audit Act of 1984 (As Amended);

OMB Circular A-87 (U.S.), Cost Principles for State and Local Governments;

OMB Circular A-102 (U.S.), Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments;

OMB Circular A-133 (U.S.), Audits of State, Local Governments, and Non-Profit Organizations;

All current updates of the above requirements should be implemented timely by the auditor.

Suggested Audit Requirements

- Determine that administrative practices are in compliance with laws, regulations, and administrative requirements;
- General requirements should be tested for compliance with the requirements established by the Compliance supplement for Single Audits of State and Local Governments, issued by the U.S. Office of Management and Budget.

I. PROGRAM OBJECTIVES

The objective of the Transportation Trust Fund is to provide payment for the State's share (including State advances with respect to any federal share) of the costs of planning, acquisition, engineering, construction, reconstruction, repair, maintenance and rehabilitation of public transportation projects.

II. PROGRAM PROCEDURES

State aid is awarded to N.J. Transit in accordance with the criteria established in the Transportation Trust Fund Authority Act (as amended) and the Annual Appropriations Act.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirement

Transportation Trust Fund Authority Act (as amended) (Chap. 21:1B-21.2 and 21.3).

Annual Appropriation Act.

Suggested Audit Procedures

- Test transactions and related records including those for the maintenance of public transportation projects and compare to allowable projects and amounts.

B. ELIGIBILITY

Compliance Requirement

Determined by legislation promulgated in the Annual Appropriation Act and the Transportation Trust Fund Authority Act.

Suggested Audit Procedures

- None

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

Compliance Requirement

Transportation Trust Fund Authority Act (as amended).

Annual Appropriation Act.

Suggested Audit Procedures

- Review legislation and related records to determine if all requirements, if any, are accomplished.

D. REPORTING REQUIREMENTS

Compliance Requirement

Annual independent audit report to be submitted in accordance with NJ Circular 04-04-OMB.

E. SPECIAL TESTS AND PROVISIONS

Compliance Requirement

Any special requirements are to be tested if required by statute or regulation.

Suggested Audit Procedures

- Review related statute or regulation to determine if any special tests or provisions are called for, if so, test for compliance.

DEPARTMENT OF TRANSPORTATION

480 078 6300 xxx xxxxxx

TRANSPORTATION MANAGEMENT ASSOCIATIONS / METROPOLITAN PLANNING ORGANIZATIONS

I. PROGRAM OBJECTIVES

The Transportation Management Associates (TMA's) were created and established in the early 1980's under N.J.S.A. 27:1A. They are non-profit partnerships whose members are from the public and private sectors. They are dedicated by reducing traffic congestion and improving mobility in and around the State of New Jersey by providing a variety of commuter programs and services. Members are large and small employers, local governments, authorities, and State agencies who all share a commitment to providing transportation choices through a multi-modal balanced, transportation system.

The Metropolitan Planning Organizations (MPO's) were created and established in the 1960's. The Federal-Aid Highway Act of 1962 created the federal requirement for urban transportation planning largely in response to the construction of the Interstate Highway System. ISTEA legislation put in place a frame work to guide the operations, management and investment in a surface transportation system. Annually, both the State and the MPO's will cooperatively develop planning work programs which clearly identify the studies and other planning work that will be performed.

II. PROGRAM PROCEDURES

The Department of Transportation develops and negotiates contracts with the TMA's and MPO's which define the task to be performed, the measurements to be applied and the reporting required.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirements

Payments of authorized funds are made to the TMA's and MPO's in the form of reimbursements of expenditures.

Suggested Audit Procedures

1. Review agreements and/or Task Orders, as applicable, reimbursement and allowable project costs.
2. Review contract documents.
3. Review the legitimacy of the expenditure to the approved project.
 - a. Verify the adequacy of the Grantee's Financial Management Information System (GFMIS) to assure that the system provides cost accounting that identifies, segregates, and accumulates the direct and indirect costs allocable for the Grant, and eligible for reimbursement.

- b. Verify that the Grant cost incurred and presented for reimbursement:
 - 1) Complies with the applicable contract terms
 - 2) Complies with all applicable Federal regulations as noted and identified in the contract.
 - 3) Does not contain any cost incurred prior to the Federal authorization date.
 - 4) Contains only cost allocable to the specific Grant.
 - 5) Contains cost allowable in accordance with the appropriate Code of Federal Regulations (CFR), and is accurately identified as a Direct or Indirect cost.
 - 6) Does not contain any cost incurred after the Grant closeout date.
- c. Perform detail testing of the Time Reporting, Vendor Invoiced, Indirect Cost, and other related charges to provide assurance as to the accuracy of the charges incurred and billed, and the adequacy of the existent internal controls.
- d. Audit the applicable Overhead and Fringe Benefit rates for propriety.
- e. Determine that the Grant project deliverables have been completed or are at the appropriate phase of completion.

B. ELIGIBILITY

Compliance Requirements

All TMA's and MPO's receive an allotment of funds from the Federal Highway Administration (FHWA). Each TMA and MPO will be required to execute an agreement covering the projects in the annual work program.

Suggested Audit Procedures

None

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

Compliance Requirements

The contracts with each of the TMA's and MPO's are on a cost reimbursement basis subject to maximum allowable amounts of salaries, overhead, fringe benefits and other direct costs.

Suggested Audit Procedures

- Review financial records to determine amount and manner in which matching share was provided.
- Prepare applicable "Settle-Up" type schedules with adjustments reflected (if any), and a schedule presenting an audited statement of expenditures in comparison to the FAHP activity budgets.

D. REPORTING REQUIREMENTS

Compliance Requirements

The recipient will annually engage an independent public accountant to perform the Single Audit of the recipient entity in accordance with Single Audit Policy for Recipients of Federal Grants.

Suggested Audit Procedures

- All FHWA contracts are to be included as a major program if it meets the criteria of the Single Audit, otherwise as a Program Specific Audit when the Single Audit criteria are not met.

E. SPECIAL TESTS AND PROVISIONS

Compliance Requirements

None

Suggested Audit Procedures

None

DEPARTMENT OF TRANSPORTATION

FY85 THRU PRESENT

480	078	6320	xxx	xxxxxx	STATE AID-1984 NEW JERSEY AUTHORITY ACT (REAUTHORIZED) COUNTY AID
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FY85 THRU PRESENT

480	078	6320	xxx	xxxxxx	MUNICIPAL AID FORMULA AND DISCRETIONARY AID
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FY95 THRU PRESENT

480	078	6320	xxx	xxxxxx	CENTERS OF PLACE, PEDESTRIAN/SCHOOL SAFETY AND BIKEWAY
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FY96 THRU PRESENT

480	078	6320	xxx	xxxxxx	ECONOMIC DEVELOPMENT
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FY83

535	078	6220	xxx	xxxxxx	1983 BRIDGE BOND
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FY89

549	078	6220	xxx	xxxxxx	1989 BRIDGE BOND
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FY99

572	078	6220	xxx	xxxxxx	1999 BRIDGE BOND
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I. PROGRAM OBJECTIVES

The objective of the Local Aid portion of the New Jersey Transportation Trust Fund and the Local Bridge Bond Act is to provide funds and assistance to counties and municipalities to improve the efficiency and effectiveness of the State's transportation system through projects that enhance safety, renew the aging infrastructure and support new transportation initiatives.

II. PROGRAM PROCEDURES

The Local Aid portion of the New Jersey Transportation Trust Fund was established by the 1984 New Jersey Transportation Trust Fund Authority Act and re-authorized in 1996 and 2000 and the Local Bridge Bond Acts of 1983, 1989 and 1999. See New Jersey Administrative Code Chapter 20A, 16:20A-1.1 to 16:20A-5.1 or Chapter 20B 16:20B-1.1 to 16:20B-5.1, as applicable. The State of New Jersey Department of Transportation State Aid Handbook entitled "Procedures for State Aid to Counties and Municipalities" is updated annually.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirements

State Aid payments of allotted funds are made to the project Sponsor in the form of a grant. See N.J.A.C. Chapter 20A 16:20A-2.1 & Chapter 20B 16:20B-Subchapter 4 for eligible costs.

Suggested Audit Procedures

- Review agreements, as applicable, for allocation amount and state participation in project costs.
- Review contract documents.
- Review the legitimacy of the expenditure to the approved project.
- Examine cost reimbursement request (State Voucher Forms).

B. ELIGIBILITY

Compliance Requirement

All counties, Jersey City and Newark may receive a State Aid allotment. Each county will be required to execute one State/County agreement covering the projects in the Annual Transportation Program on forms provided by the State. Jersey City, Newark and each municipality will be required to execute State/municipal agreements for each project on forms provided by the State. State aid for municipal projects in each county will be allocated according to the formula set forth in the Transportation Trust Fund legislation which gives equal weight to percentage of total State population within a county and percentage of State municipal road mileage within a county. See N.J.A.C. Chapter 20A 16:20A-Subchapter 1 and 2; Chapter 20B 16:20B-Subchapter 1.

Suggested Audit Procedures

None

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

Compliance Requirements—In accordance with Form SA96, Resolution, Application and Agreement for State Aid to Counties and Municipalities (as amended)

The State aid recipient is responsible for, but not limited to the following:

- Preparation of contract drawings and supplemental specifications.
- The acquisition of all-necessary right-of-way, easements, slope rights and permits.
- Construction of roadway improvements.
- Monitoring and supervising compliance with all provisions of the agreement.

Suggested Audit Procedures

Review financial records to determine amount and manner in which matching share was provided.

D. REPORTING REQUIREMENTS

Compliance Requirements

The State aid recipient will annually engage an independent public accountant to perform the Single Audit of the recipient entity in accordance with the Single Audit Policy for Recipients of Federal Grants, State Aid Grants and State Aid (Circular 04-04-OMB). For County Aid and Local Bridge Bond advance payments, the recipient must comply with the State's financial reporting of earnings requirement for grantees in conformity with State of New Jersey OMB Circular Letter No.89-19 and supplemental attachments. See N.J.A.C. Chapter 20A, 16:20A-2.4, 4.1, 4.2 & 5; Chapter 20B, 16:20B-2.2 & Subchapter 3 & 5, for additional reporting requirements.

Suggested Audit Procedures

Examine contract documents, statements of work performed and inspection reports for compliance with the terms of the State agreements (SA96, paragraph "f"), and N.J.A.C. Chapters 20A & 20B and Circular Letter 98-07 (OMB) et al.

E. SPECIAL TESTS AND PROVISIONS

Compliance Requirements

See N.J.A.C. Chapter 20A, 16:20A-3.1 and Chapter 20B, 16:20B-2.1.

Suggested Audit Procedures

- Review required documents.
- Confirm registration of engineer in the State of New Jersey.