



State of Utah

GARY R. HERBERT  
*Governor*

SPENCER J. COX  
*Lieutenant Governor*

## DEPARTMENT OF TRANSPORTATION

CARLOS M. BRACERAS, P.E.  
*Executive Director*

SHANE M. MARSHALL, P.E.  
*Deputy Director*

August 30, 2017

Dear Applicant:

Thank you for your interest in providing consultant services for Utah Department of Transportation (UDOT). Completing this application or qualifying for one of our Consultant Pools does not guarantee a contract for any consultant.

### **Consultant Services**

We are a division of UDOT; a highly motivated team, charged with providing UDOT project managers with the most qualified consultants to perform a wide range of services to maintain Utah's transportation network. We are the link between UDOT project managers, FHWA, and private industry.

### **Acquiring a contract to perform services for UDOT**

Firms interested in providing services as a Prime Consultant or as a Sub-Consultant need to be aware of the three sources for selecting consultants for services:

1. General Engineering Services and Local Government Pool;
2. Request for Qualifications ( RFQ) and Request for Letter of Interest (RLOI); and,
3. Right of Way Acquisition Services and Local Government Pool.

More information regarding the three sources of work may be found at the Consultant Services web page: [www.udot.utah.gov/go/consultantservices](http://www.udot.utah.gov/go/consultantservices).

Interested firms should become aware of UDOT's Statewide Transportation Improvement Program (STIP) and the Consultant Services Manual of Instructions (MOI). These resources will greatly assist firms in determining needed governmental services and provide instructions to the firm on the qualification process in applying for the listed consultant work.

The STIP is available on-line on UDOT's main web page located at [www.udot.utah.gov](http://www.udot.utah.gov). The Consultant Services Manual of Instructions is available for downloading from the Consultant Services' website [www.udot.utah.gov/go/csmanuals](http://www.udot.utah.gov/go/csmanuals).

For future Local Government projects, firms should contact the Program Manager in the applicable UDOT Regional Office.

Interested firms may sign up as a Consultant Services e-mail subscriber at [www.udot.utah.gov/go/subscriptionlist](http://www.udot.utah.gov/go/subscriptionlist) to receive UDOT updates regarding projects and other valuable information.

## Financial Screening

This is a necessary process for consultants desiring to provide services for UDOT. There are two methods, or choices, to accomplish the screening requirement:

1. UDOT Consultant Services will perform a pre-award audit of prospective consultants' financial records to determine a fair overhead rate, or
2. Consultant Services will accept a pre-award audit performed by another state acting as the cognizant agency.

In either method, once an overhead rate is agreed upon between the consultant and Consultant Services, the rate remains effective for one year. Financial Screening renewals follow the same format and requirements as an initial application, with the firm's most recent financial records.

Consultant Services Audit: Consultants must be financially screened within 14 calendar days of selection for any project. Interested firms must provide the necessary financial statements, the *Financial Screening Application* and the *AASHTO Uniform Auditing & Accounting Guide (2016) Internal Control Questionnaire for Consulting Engineers* (Questionnaire), to UDOT's Consultant Services Division. The Application and Questionnaire (*Financial Screening Application and Questionnaire*) may be downloaded from the website [www.udot.utah.gov/go/csforms](http://www.udot.utah.gov/go/csforms), or you may contact Tammy Anderson, Consultant Services Financial Screener, at (801) 965-4138 or by email at [tammypanderson@utah.gov](mailto:tammypanderson@utah.gov).

Cognizant Agency Audit: Consultants must provide the Consultant Services Division an official letter from the State transportation agency where their financial records are maintained. The letter must contain a statement with the following information:

1. Approval of the consultant's overhead rate;
2. The DOT agency has an audited overhead rate developed in accordance with the Federal Acquisition Regulation (FAR) stated in the Code of Federal Regulations, 48 CFR Part 31, 2 CFR 200 Subpart E the fiscal year (ending date) of the financial records used to develop the Cognizant Agency's audit with the appropriate documentation; and,
3. Other supporting documentation as requested by UDOT.

In addition to providing the above statement the consultant must complete and provide Consultant Services with a completed *Financial Screening Application and Questionnaire*, located at the above website.

Consultants may submit their *Financial Screening Application and Questionnaire* to Consultant Services at any time. Consultants are not required to complete the screening process unless they are selected or awarded project work. Firms may elect to allow their Financial Screening status to expire when they are under contract with UDOT; however, financial screening is required before any contract modifications will be processed.

## Utilization of Disadvantaged Business Enterprises (DBE) is encouraged, but not required.

Eligibility information is located at [www.udot.utah.gov/go/civilrights](http://www.udot.utah.gov/go/civilrights); see also DBE Directory under "Downloads". Consultants should consider this list for possible project work. UDOT encourages prime consultants and contractors to use DBE's as subcontractors where practicable. You may also request information from the Utah Department of Transportation, Civil Rights Division, P.O. Box 141520, Salt Lake City, Utah 84114-1520 or by calling (801) 965-4102.

It is the policy of UDOT that no person in the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the UDOT receives Federal Assistance from the Department of Transportation including Federal Highway Administration. (Title VI of the 1964 Civil Rights Act, 42 U.S.C. 2000, section 601)

The Age Discrimination Act of 1975, 42 U.S.C. 6101, provides: "No person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance." (Prohibits discrimination based on age.)

Once again, we appreciate your interest in UDOT and look forward to working with qualified firms. For any questions or concerns when completing the financial screening process, please contact me.

Tammy Anderson  
Financial Screener  
UDOT Consultant Services  
4501 South 2700 West, 4<sup>th</sup> Floor  
PO Box 148490  
Salt Lake City, Utah 84114-8490  
Office phone 801-965-4138, fax 801-965-4796  
[tammyanderson@utah.gov](mailto:tammyanderson@utah.gov)

## FINANCIAL SCREENING INSTRUCTIONS / RENEWAL PROCESS

Financial screening is required for firms interested in becoming eligible for UDOT projects. The screening process can be accomplished at any time. Successful completion of the financial screening process does not guarantee selection for projects. However, contracts will not be written if a consultant has not completed the screening process.

Financial screening consists of the following. All items must be completed and submitted for review.

1. Complete the financial screening application included in this document.
2. Provide a form W-9 with Federal Tax I.D. number, signature and date.
3. Complete the FHWA Form- Certification of Final Indirect Costs), see page 8. This form is required to be signed by an officer of the firm.
4. Provide a sample copy of a labor time sheet.
5. Complete the *AASHTO Uniform Auditing & Accounting Guide (2016) Internal Control Questionnaire for Consulting Engineers* (Questionnaire). The Questionnaire may be downloaded from [www.udot.utah.gov/go/csforms](http://www.udot.utah.gov/go/csforms). The Questionnaire is labeled as "Financial Screening Questionnaire".
6. Complete the *Allocation of Expenses Table* included in this document on page 9.
7. Complete the *National Compensation Matrix* (with the appropriate year). The *National Compensation Matrix* may be downloaded from [www.udot.utah.gov/go/csforms](http://www.udot.utah.gov/go/csforms).
8. Furnish an Overhead Rate Schedule (Schedule of Indirect Costs) developed in accordance with the Federal Acquisition Regulations (FAR) published in the Code of Federal Regulations (CFR), 48 CFR Part 31, 2CFR 200 Subpart E. (An example format copy is attached, see page 14.)
9. Provide a certified copy of an independent Schedule of Indirect Costs (Overhead Rate Schedule) audit report from a Certified Public Accountant or an independent accounting firm. (Example copy attached, see page 13.)

Note: To obtain a contract for projects over \$250,000 an independent CPA overhead rate audit is required. However, the independent audit report is not required if desiring contracts for less than \$250,000. All Consultants working as a sub-consultant will also need to meet the above listed requirements for subcontracts over \$250,000. New Consultants that are establishing their business plan will have a maximum of two years before being required to provide actual financial data to establish the firm's actual overhead rate. The annual review will still be required during this two-year period.

10. Provide a copy of the firm's chart of accounts, from the accounting system.
11. Provide the most recent annual financial statements (balance sheet and income statement) that provide support in the calculation of the overhead rate.
12. This application is intended to be simple and inexpensive. Please submit your application electronically via e-mail in Microsoft Word or PDF format or in an unbound format, on 8½ x 11" paper.
13. Liability Insurance Coverage and Certification Requirement, see page 10.
14. Health Insurance Coverage Requirement, ( Applicable for contracts \$1,000,000 for Subs & \$2,000,000 for Prime Consultants. see page 10

To become financially screened, complete the items listed above and submit them either electronically or via regular mail to:

**Via Email:**

Tammy Anderson  
[tammypanderson@utah.gov](mailto:tammypanderson@utah.gov)

**Via Mailing/Courier/Express:**

Tammy Anderson  
Utah Department of Transportation  
Consultant Services  
P.O. Box 148490  
Salt Lake City, Utah 84114-8490

**Via Hand Delivery:**

UDOT, Tammy Anderson  
4501 South 2700 West 4<sup>th</sup> Floor  
Taylorsville, Utah 84129

Failure to respond timely to information requests, not fully completing an application, or failure to submit all necessary documentation will delay the review process or even disqualify a Consultant from becoming financially screened.

For your convenience an MS Word copy of the financial screening application is available on-line at [www.udot.utah.gov/go/csforms](http://www.udot.utah.gov/go/csforms), you may also request a copy from Tammy Anderson at (801) 965-4138 or via e-mail at [tammypanderson@utah.gov](mailto:tammypanderson@utah.gov).

When the financial screening review is complete, an agreement letter is sent to the consultant with the overhead rate verification and a place for the consultant's signature. Your signature indicates that you are in agreement with this overhead rate to be used for billing purposes. Please note, the final overhead rate is subject to the terms of the project contract and may be adjusted pending the results of a post project audit, if applicable. Return the signed agreement letter as soon as possible to the Consultant Services Financial Screener.

**Annually**, Consultant Services will notify consultants of their forthcoming financial screening expiration date. At that time, the Consultant may:

1. Submit a new completed financial screening application and questionnaire including updated financial statements and a new calculated overhead rate. If a consultant is already under contract with UDOT, financial screening is required.
2. Request that their name be removed from the Consultant Pool List if they no longer desire to do project work with UDOT.
3. Provide no response, since it is not necessary to be financially screened until awarded or selected for project work. At that time the financial screening application must be submitted and agreed upon within 14 days after being selected or awarded for a project. Keep in mind that if the financial screening is not completed and agreed upon in advance, this will delay the contracting process or disqualify a consultant for a project.

Information regarding General Service Administration travel per diems can be found at [http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA\\_BASIC&contentId=17943&noc=T\\_](http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA_BASIC&contentId=17943&noc=T_) to assist you in determining qualified travel expenses.

**FINANCIAL SCREENING APPLICATION  
 UTAH DEPARTMENT OF TRANSPORTATION (UDOT) – CONSULTANT SERVICES**

<b>Financial Screening Application</b>	
<b>Date:</b>	
<b>Firm</b>	
<b>Firm Name:</b>	
<b>Firm Address:</b>	
<b>City, State, Zip:</b>	
<b>Mailing Address (if different):</b>	
<b>City, State, Zip:</b>	
<b>Company Website:</b>	
<b>Tax Information</b>	
<b>Federal Tax ID Number:</b>	
<b>Fiscal Year End (Month):</b>	
<b>Primary Contact (for Accounting Questions)</b>	
<b>Primary Contact Name:</b>	
<b>Email:</b>	
<b>Office Phone No.:</b>	
<b>Cell Phone No.:</b>	
<b>Primary Contact (for Project Management)</b>	
<b>Primary Contact Name:</b>	
<b>Email:</b>	
<b>Office Phone No.:</b>	
<b>Cell Phone No.:</b>	
<b>Overhead Rates</b>	
Listed below are the overhead rates calculated for our firm for contracting with UDOT. These rates were calculated based on a percentage of the direct labor dollar amount. We have also provided an overhead rate schedule indicating total direct labor and related costs (fringe benefits) and general and administrative costs (indirect expenses). Any CFR and FAR related un-allowed costs have been excluded.	
<b>Fringe Benefits Overhead Rate:</b>	
<b>General and Administrative Rate:</b>	
<b>Combined Total Overhead Rate:</b>	
<b>Certification</b>	
I certify that all information submitted as part of this Financial Screening process (such as but not limited to statements, answers to questions, schedules, the completed Financial Screening Questionnaire) are accurate and completed to the best of my knowledge.	
<b>Signature:</b>	
<b>Printed Name:</b>	
<b>Title:</b>	
<b>Date:</b>	

**Certificate of Final Indirect Costs**

Per (23 CFR 172.11(c)(3)(iii)) FHWA Form

**Certification of Final Indirect Costs**

Firm Name: \_\_\_\_\_

Indirect Cost Rate Proposal: \_\_\_\_\_

Date of Proposal Preparation (mm/dd/yyyy): \_\_\_\_\_

Fiscal Period Covered (mm/dd/yyyy to mm/dd/yyyy): \_\_\_\_\_

*I, the undersigned, certify that I have reviewed the proposal to establish final indirect cost rates for the fiscal period as specified above and to the best of my knowledge and belief:*

- 1.) All costs included in this proposal to establish final indirect cost rates are allowable in accordance with the cost principles of the Federal Acquisition Regulations (FAR) published in the Code of Federal Regulations (CFR); 48 CFR Part 31, 2CFR 200 subpart E*
- 2.) This proposal does not include any costs which are expressly unallowable under the cost principles of the 48 CFR part 31 and 2 CFR 200 sub part E*

*All known material transactions or event that have occurred affecting the firm's ownership, organization and indirect cost rates have been disclosed.*

Signature: \_\_\_\_\_

Name of Certifying Official (Print): \_\_\_\_\_

Title: \_\_\_\_\_

Date of Certification (mm/dd/yyyy): \_\_\_\_\_



Firms Name: \_\_\_\_\_

Point of Contact: \_\_\_\_\_

**Allocation of Expenses Table (below) – please identify how your firm allocates the following types of expenses.**

(Direct costs must be identified here in order to be included in cost proposals and/or invoices.)

<b>Allocation of Expenses</b>			
<b>Expense</b>	<b>Direct Expense</b>	<b>Indirect Expense</b>	<b>N/A</b>
Bonuses			
Clerical Labor			
Computer / Software Usage			
Computer Maintenance & Supplies			
Contracted Labor			
Equipment charges			
Field Supplies & Consumables			
Material Testing			
Mileage reimbursement			
Office Supplies & Consumables			
Per Diem			
Photocopies, printing			
Postage			
Technological			
Telecommunications			
Travel Expense			
Vehicle Expense			
Other (Identify)			

## LIABILITY INSURANCE

### **LIABILITY INSURANCE REQUIREMENTS**

Services to be provided by the Consultant are required to be covered by insurance. The Consultant will furnish UDOT a Certificate of Insurance for each type of liability insurance required, to be approved by UDOT, before the Consultant begins work:

- General Liability
- Automobile Liability
- Professional Liability
- Workers Compensation
- Valuable Papers
- Aircraft Liability (if applicable)

Please provide your firm's liability insurance certificates as stated in the Consultant Services Manual of Instructions (MOI) Section 5 page 49.

**Please add the following statement to your certificate for the general liability coverage certificate:**  
*UDOT, the State of Utah, and Local Government (if applicable) should be an additional insured for Commercial General Liability insurance*

Consultants are required to submit Certificates of Insurance on an annual basis. For specifics on the minimum liability insurance requirements, please reference the *Consultant Services Manual of Instructions* (MOI). The MOI may be downloaded from the website of [www.udot.utah.gov/go/csmanuals](http://www.udot.utah.gov/go/csmanuals).

### **QUALIFIED HEALTH INSURANCE COVERAGE REQUIREMENT**

(Reference UCA 72-6-107.5 and Administrative Rule R916-5)

For contracts exceeding \$2M (Prime Consultant) and \$1M (Sub-Consultant)

Web link to qualified health care coverage limits:  
<https://www.udot.utah.gov/main/f?p=100:pg:0:::1:T,V:3010>,

Web link To Rule R916-5  
<https://rules.utah.gov/publicat/code/r916/r916-005.htm>

## CONSULTANT SELECTION PROCESS

To meet its project schedule, UDOT uses Consultants to supplement its design and construction efforts. Being financially screened does not mean you will be automatically used on projects without going through the standard selection process. Firms must complete the financial screening process before contracts will be written. To select Consultants, we have set up the following procedure:

1. Firms that have been accepted as part of the General Engineering Services and Local Government Pool (Pool) are eligible for project work on small dollar amount contracts (Less than \$600,000). This pool is established every three years with annual interim qualifications. The current Pool period began on July 1, 2016 and expires June 30, 2019. Consultant cumulative pool dollar caps have been set at \$5,000,000 for State projects and \$4,000,000 for Local Government projects.

To qualify for larger dollar amount projects, (over \$600,000) a Consultant must go through the normal project-specific Request for Qualifications (RFQ) or Request for Letter of Interest (RLOI) process, submitting a Statement of Qualification (SOQ) or LOI for various work disciplines in response to advertisements on our website. There is no dollar cap on RFQ and RLOI projects.

2. Consultants are selected based on qualifications, experience and by submittal of an SOQ or LOI, and being able to negotiate a fair and reasonable compensation for the project with UDOT.
3. UDOT uses a qualifications-based procedure to select Consultants for RFQ or RLOI contracts to perform specific advertised work. This procedure consists of:
  - a. Short-listing Consultants by their submitted SOQs or LOIs; and
  - b. Having an interview by the Selection Team
4. Consultants who are part of the Pool have already been selected based on qualifications in their submitted SOQ. UDOT Project Managers select Consultants for small dollar contracts (less than \$150,000), from the qualified work discipline lists. For \$150,000 to \$600,000 an additional project-specific Request for Pool Letter of Qualifications (RPLOQ) is performed.
5. Local Government projects – UDOT is the management agency for Federal, State, and Local Government projects. Local Government agencies can select Consultants from the following three sources:
  - a. The Local Government Request for Qualification (LG-RFQ) process;
  - b. The Consultant Pool; or

- c. The Engineer of Record (EOR) in which the Local Government agency requests UDOT Consultant Services to advertise an EOR selection through an RFQ for federally funded transportation projects.

For additional details, refer to the *UDOT Consultant Services Manual of Instructions* (CS MOI). The CS MOI may be downloaded from the website [www.udot.utah.gov/go/csmanuals](http://www.udot.utah.gov/go/csmanuals).

## INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF INDIRECT COSTS

### (EXAMPLE FORMAT)

*(This letter should be on accounting firm or independent CPA letterhead.)*

*(This report is from the AASHTO Uniform Audit and Accounting Guide for Transportation Consultants, 2016 Revision)*

We have **audited** the Schedule of Indirect Costs for \_\_\_\_\_ for the fiscal year ended \_\_\_\_\_. This schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this schedule based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the financial audit standards contained in the Government Auditing Standards issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Indirect Costs. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall schedule presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying schedule was prepared on a basis of accounting practices prescribed by Federal Acquisition Regulations (FAR) published in the Code of Federal Regulations (CFR); 48 CFR Part 31, 2CFR 200 Subpart E, and 2016 edition of The AASHTO Guide and certain other federal and state regulations and is not intended to be a presentation in conformity with generally accepted accounting principles.

In our opinion, the schedule referred to above presents fairly, in all material respects, the direct labor, fringe benefits, and general overhead of the Company for the year ended \_\_\_\_\_.

In accordance with the Government Auditing Standards, we have issued a report, dated \_\_\_\_\_ on our consideration of the Company's internal controls and its compliance with laws and regulations.

This report is intended solely for the use and information of the Consultant and government agencies or other customers related to contracts employing the cost principles of the Federal Acquisition Regulations (FAR) published in the Code of Federal Regulations (CFR); 48 CFR Part 31, 2CFR 200 Subpart E, and should not be used for any other purpose.

\_\_\_\_\_  
Signed by Accounting Firm or CPA

\_\_\_\_\_  
Date

**OVERHEAD RATE SCHEDULE BASED ON ALLOWABLE AND UNALLOWABLE COSTS  
ABC Company**

**FOR THE YEAR OR PERIOD ENDED: DECEMBER 31, 2007**

THIS SCHEDULE IS PROVIDED AS AN ASSISTANCE IN CALCULATING AN OVERHEAD RATE BASED ON TOTAL DIRECT LABOR COSTS. YOUR COMPANY'S ACCOUNTS AND STRUCTURE MAY VARY WHICH IS ACCEPTABLE. THIS SCHEDULE IS INTENDED TO BE USED AS A GUIDELINE TO HELP ESTABLISH A STANDARD REPORTING FORMAT AND COMPLY WITH THE FEDERAL ACQUISITION REGULATIONS (FAR), TITLE 48, PART 31.

YOUR EXPENSE ACCOUNT BALANCE IN YOUR OVERHEAD RATE SCHEDULE SHOULD AGREE WITH YOUR INCOME STATEMENT.

ACCOUNT DESCRIPTION	EXPENSE ACCOUNT BALANCE	TOTAL COSTS AS PERCENT OF DIRECT LABOR	FAR UNALLOWED COSTS	FAR ALLOWED COSTS	TOTAL ALLOWED OVERHEAD RATE PERCENT
<b>Total Direct Labor</b>	\$ 1,825,564	100.00%	\$ -	\$ 1,825,564	100.00%
<b>Fringe Benefits &amp; Related Costs:</b>					
Employee Health Insurance	\$ 170,120	9.32%	\$ -	\$ 170,120	9.32%
Payroll Taxes	\$ 116,054	6.36%	\$ -	\$ 116,054	6.36%
Paid Leave & Pension Costs	\$ 232,602	12.74%	\$ -	\$ 232,602	12.74%
	\$ -	0.00%	\$ -	\$ -	0.00%
<b>Total Fringe Benefits</b>	\$ 518,776	28.42%	\$ -	\$ 518,776	28.42%
<b>General Overhead (Indirect Expenses)</b>					
Indirect Labor	\$ 1,545,805	84.68%	\$ 378,672	\$ 1,167,133	63.93%
Indirect fringe benefits	\$ 401,088	21.97%	\$ 5,259	\$ 395,829	21.68%
Depreciation	\$ 114,529	6.27%	\$ -	\$ 114,529	6.27%
Rent	\$ 54,000	2.96%	\$ -	\$ 54,000	2.96%
Insurance	\$ 43,544	2.39%	\$ -	\$ 43,544	2.39%
Computer services & supplies	\$ 42,041	2.30%	\$ -	\$ 42,041	2.30%
Training & education	\$ 22,782	1.25%	\$ -	\$ 22,782	1.25%
Professional fees	\$ 22,534	1.23%	\$ -	\$ 22,534	1.23%
Travel, meals & lodging	\$ 17,987	0.99%	\$ 1,000	\$ 16,987	0.93%
Taxes & licenses	\$ 15,486	0.85%	\$ 3,579	\$ 11,907	0.65%
Utilities	\$ 14,981	0.82%	\$ -	\$ 14,981	0.82%
Telephone	\$ 14,613	0.80%	\$ -	\$ 14,613	0.80%
Office supplies	\$ 13,821	0.76%	\$ -	\$ 13,821	0.76%
Interest expense	\$ 10,527	0.58%	\$ 10,527	\$ -	0.00%
Key man life insurance	\$ 7,835	0.43%	\$ 7,835	\$ -	0.00%
Postage	\$ 5,322	0.29%	\$ -	\$ 5,322	0.29%
Dues & subscriptions	\$ 5,065	0.28%	\$ 495	\$ 4,570	0.25%
Small tools & supplies	\$ 4,547	0.25%	\$ -	\$ 4,547	0.25%
Repairs & maintenance	\$ 3,419	0.19%	\$ -	\$ 3,419	0.19%
Donations & contributions	\$ 4,128	0.23%	\$ 4,128	\$ -	0.00%
Fees & permits	\$ 2,616	0.14%	\$ 100	\$ 2,516	0.14%
Printing expenses	\$ 2,586	0.14%	\$ -	\$ 2,586	0.14%
Recruiting expense	\$ 1,294	0.07%	\$ 513	\$ 781	0.04%
Technical publications	\$ 524	0.03%	\$ -	\$ 524	0.03%
<b>Total General Overhead (Indirect Expenses)</b>	\$ 2,371,074	129.88%	\$ 412,108	\$ 1,958,966	107.31%
<b>Total Fringe Benefits &amp; General Overhead</b>	\$ 2,889,850	158.30%	\$ 412,108	\$ 2,477,742	135.72%

## Request for Taxpayer Identification Number and Certification

Give form to the  
requester. Do not  
send to the IRS.

Print or type  
See Specific Instructions on page 2.

Name (as shown on your income tax return)	
Business name, if different from above	
Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ ----- <input type="checkbox"/> Exempt payee <input type="checkbox"/> Other (see Instructions) ▶	
Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
City, state, and ZIP code	
List account number(s) here (optional)	

### Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number
or
Employer identification number

### Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

**Sign Here**

Signature of U.S. person ▶

Date ▶

### General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

#### Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

## Internal Control Questionnaire (ICQ) for Consulting Engineers

Name of Engineering Consultant (“the Company”): \_\_\_\_\_

TIN (Taxpayer Identification Number): \_\_\_\_\_

Headquarters Address: \_\_\_\_\_

Company Website: \_\_\_\_\_

Fiscal Year End: \_\_\_\_\_

This ICQ was prepared for (DOT/agency name): \_\_\_\_\_

Time Period Covered: \_\_\_\_\_

Location of Accounting Records: \_\_\_\_\_

- Please include the following items as **attachments** to this ICQ:

- FAR Part 31 Overhead Audit Report for most recent fiscal year, including audited Statement of Direct Labor, Fringe Benefits, and General Overhead (hereinafter “Indirect Cost Rate Schedule”) and related reconciliation to the financial statements.
- Cognizant audit report or cognizant letter of concurrence from the cognizant Government agency.  
*Check here if not applicable:*
- Post-closing trial balance and financial statements (balance sheet, income statement, and statement of cash flows) for the most recent fiscal year. (Note: If the indirect cost rate schedule does not directly tie to the trial balance, then please provide a supplemental reconciliation schedule.)
- Current chart of accounts that ties to financial statements and indirect cost rate schedule.
- Independent Auditor’s Report on financial statements and accompanying management letter.  
*Check here if not applicable:*
- Sample timesheet.
- The Company’s policies for vacation and sick leave.
- The Company’s bonus policy.
- Other written policies, as requested throughout this ICQ.

**Note:** Throughout this ICQ, all references to “AASHTO Guide” pertain to the 2015 Edition of the *AASHTO Uniform Audit & Accounting Guide*.

- Please identify the Company’s primary contact for accounting questions:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Mailing address (if different than headquarters address listed above): \_\_\_\_\_

### A. Background Information

**A.1. Year Established**. When was the Company formed? \_\_\_\_\_

**A.2. Business Form**. What form of business entity is the Company?

Sole Proprietorship     Partnership     C Corporation     S Corporation

Other \_\_\_\_\_



## AASHTO Internal Control Questionnaire for Consulting Engineers

**A.3. Parent/Subsidiary.** Is the Company a subsidiary of any other company?

- Yes                      If “yes,” please explain: \_\_\_\_\_
- No

**A.4. Common Ownership.** Does the Company own or control any other company or legal entity (e.g., trust or foundation) through common ownership? (See AASHTO Guide Section 8.23.B for details.)

- Yes                      If “yes,” please explain: \_\_\_\_\_
- No

**A.5. Ownership.** Please list the stockholders, partners, or other owners with greater than five percent ownership of the Company and their respective percentages of ownership.

**Table 1: Company Ownership**

Name	Title	Ownership Percentage
		%
		%
		%
		%
		%
		%
		%
		%
		%
		%
		%
		%
		%

**A.6. Services Provided.** What types of services does the Company provide? (e.g., consultant–Architectural and Engineering Design)

- a. \_\_\_\_\_
- b. \_\_\_\_\_
- c. \_\_\_\_\_
- d. \_\_\_\_\_

**A.7. Locations.** How many offices does the Company operate, and where are these offices located?

- a. Number:     \_\_\_\_\_
- b. Locations:    \_\_\_\_\_

# AASHTO Internal Control Questionnaire for Consulting Engineers

**A.8. Number of Employees** . How many employees (including managers and principals) does the Company currently employ?

a. Full time: \_\_\_\_\_ b. Part time: \_\_\_\_\_

- Has this number changed in the past one-year period?

No  Yes. If “yes,” please explain: \_\_\_\_\_

**A.9. Revenue Sources** .

1. For most recent fiscal year, what percentage of the Company’s revenue was generated from each of the following?

a. State government: \_\_\_\_\_%                      c. Local government: \_\_\_\_\_%  
 b. Federal government: \_\_\_\_\_%                      d. Commercial/private: \_\_\_\_\_%

2. Please specify all revenues earned as either a prime consultant or subconsultant:

a. Revenues from Government Projects:     \$ \_\_\_\_\_  
 b. Revenues Other Customers:                 \$ \_\_\_\_\_  
*Total Company Gross Revenue:*             \$ \_\_\_\_\_

**A.10. Contract Mix** . What percentage of the Company’s revenue was generated from each of the following contract types?

a. Lump sum: \_\_\_\_\_%                      c. Cost plus (time and materials): \_\_\_\_\_%  
 b. Cost plus fixed fee: \_\_\_\_\_%                      d. Other: \_\_\_\_\_% Please explain “Other.” \_\_\_\_\_

**B. Accounting: General Background**

**B.1. Fiscal Period** . Has the Company used the same fiscal reporting period for the past two years?

Yes  No

**B.2. Accounting Method/Basis** . What basis of accounting does the Company use to prepare general purpose financial statements?

Cash     Accrual     Hybrid. Please explain “Hybrid.” \_\_\_\_\_

- Was the same basis of accounting also used to prepare the firm’s indirect cost rate schedule?

Yes  No. Please explain: \_\_\_\_\_

**B.3. Accounting Policies** . Does the Company have written accounting policies that address the following topics?

(If “yes,” please provide a copy.)	<b>Yes</b>	<b>No</b>
a. Accounting system . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
b. Billing . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
c. Cost estimating/allowability. . . . .	<input type="checkbox"/>	<input type="checkbox"/>
d. Recording time worked/timesheet preparation . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
e. Fringe benefits/leave time . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
f. Recording overtime . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
g. Compliance with FAR Part 31 <sup>(†)</sup> and applicable CAS . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
h. Recording direct and indirect costs . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
i. Overhead/indirect cost rate development . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
j. Billing rate development . . . . .	<input type="checkbox"/>	<input type="checkbox"/>

<sup>(†)</sup> FAR Part 31 is codified at 48 CFR Part 31, which is available at <https://www.acquisition.gov/far/html/FARTOCP31.html>.

AASHTO Internal Control Questionnaire for Consulting Engineers

**B.4. Preparing the Indirect Cost Schedule**. How frequently does the Company prepare an indirect cost rate schedule to determine costs eligible for reimbursement per FAR Part 31?

Annually                       Other (please specify): \_\_\_\_\_

- Was the most recent schedule prepared by the Company or by another entity instead (e.g., CPA firm)?

Prepared by:     Internal staff                       External party (specify): \_\_\_\_\_

- Period covered by most recent indirect cost schedule:

One-year period ended December 31, 20\_\_\_\_

Other (please specify): \_\_\_\_\_

**B.5. Fraud, Abuse, and Contract Violations**. Is the Company’s management aware of any material instances of fraud, illegal acts, abuse, or violations of contracts provisions or grant agreements?

No                       Yes. If “yes,” please explain: \_\_\_\_\_

**B.6. Knowledge of FAR Part 31**. Are appropriate personnel within the Company familiar with FAR Part 31?

Yes                       No. If “no,” please explain: \_\_\_\_\_

**B.7. Audits/Examinations**. Within the past three years, has a CPA or governmental agency performed an independent audit, review, attestation, or compilation of the Company’s financial data or any phase of the Company’s operations?

No     Yes. If “yes,” please complete the following (if applicable):

a. **Financial Statements**:  Audit     Review     Compilation     Other (please specify): \_\_\_\_\_

Name of CPA or Agency: \_\_\_\_\_

Contact: \_\_\_\_\_

Period Covered: \_\_\_\_\_

b. **Overhead Rate**:     Audit     Review     Compilation     Other (please specify): \_\_\_\_\_

- Was the overhead rate calculated in accordance with FAR Part 31?     Yes     No

Name of CPA or Agency: \_\_\_\_\_

Contact: \_\_\_\_\_

Period Covered: \_\_\_\_\_

c. **Project Audits**:     Audit     Review     Compilation     Other (please specify): \_\_\_\_\_

Name of CPA or Agency: \_\_\_\_\_

Contact: \_\_\_\_\_

Period Covered: \_\_\_\_\_

# AASHTO Internal Control Questionnaire for Consulting Engineers

## C. Accounting System(s)

**C.1. Accounting Software.** What type of accounting software does the Company use?

- Internally-developed system.       Commercial system. Name of vendor: \_\_\_\_\_  
 Hybrid system. Please explain: \_\_\_\_\_

- Please describe any significant manual procedures used outside of the automated accounting system to record transactions:

\_\_\_\_\_

**C.2. Job Costing.** Does the Company have a job-cost accounting system?    Yes       No

If “no,” please explain what type of system is used to determine project costs: \_\_\_\_\_

**C.3. Integration.** Does the accounting general ledger interface with the job-cost ledger?

- Yes       No       N/A (no job-cost ledger used)

a. Are billings prepared from, or reconciled to, reports generated from the Company’s job-cost system?

- Yes       No. Please explain: \_\_\_\_\_

b. Describe any manual procedures that occur outside of the automated accounting system to prepare billing packages. \_\_\_\_\_

**C.4. Accounting Records.** Which of the following types of records does the Company maintain to support financial transactions?

	<u>Yes</u>	<u>No</u>
a. General ledger . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
b. Cash disbursements journal . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
c. Cash receipts journal . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
d. Job/Project-cost ledger . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
e. Labor distribution reports . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
f. Employee expense reports . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
g. Payroll registers . . . . .	<input type="checkbox"/>	<input type="checkbox"/>

**C.5. Direct and Indirect Expenses.** Does the general ledger contain separate direct and indirect accounts for the following?

- a. Labor costs                       Yes       No  
b. Non-labor expenses               Yes       No

If “no,” please explain: \_\_\_\_\_

**C.6. Exclusion of Unallowable Costs.** Does the Company have a system in place to identify and remove from the indirect cost pools all unallowable costs, in accordance with per FAR Part 31 and applicable Cost Accounting Standards? (See AASHTO Guide, Sections 2.2, 4.4, 5.2, 5.5, and 6.3.)

- No. Please explain: \_\_\_\_\_  
 Yes. If “yes,” please answer a through c, below.

a. Please provide details about the system. \_\_\_\_\_

b. How are appropriate personnel trained to distinguish between allowable and unallowable costs?

\_\_\_\_\_

c. When does the primary review for allowability occur—at time the transaction is recorded, or later?

\_\_\_\_\_

# AASHTO Internal Control Questionnaire for Consulting Engineers

**C.7. Divisions/Cost Centers.** Does the Company have more than one division/cost center?

No       Yes

- If "yes," are separate ledgers maintained for each?     Yes     No

Comment: \_\_\_\_\_

**C.8. Reconciliations.**

a. Does the Company reconcile the financial accounting system to the job-cost system?

N/A (no job-cost ledger used).

No. Please explain: \_\_\_\_\_

Check here if systems are integrated:

Yes. If "yes," how often? (Check all that apply.)     Monthly     Quarterly     Semi-annually     Annually

Comment: \_\_\_\_\_

b. How frequently are bank statements reconciled? Who performs this process?

\_\_\_\_\_

**C.9. Budgeting.** Does the Company use a budgeting system for project planning and oversight?

Yes       No

Comment: \_\_\_\_\_

- If "yes," does the Company prepare variance reports to compare budgeted amounts to actual amounts on projects, and are the reports distributed to appropriate management personnel?

Yes     No. If "no," please explain: \_\_\_\_\_

**C.10. Cost Allocation.** Does the Company use cost allocation methods consistently for all contracts, including commercial contracts as well as for State and Federal government contracts?  
(See AASHTO Guide, Sections 5.3 and 10.5.)

Yes       No. If "no," please explain: \_\_\_\_\_

**C.11. Allocation Base(s).** When computing indirect cost rates, the Company uses—

a single base for cost allocation.    Description of base: \_\_\_\_\_

multiple bases for cost allocation.    Description of bases: \_\_\_\_\_

(See AASHTO Guide Section 4.7 for a discussion of common allocation bases for indirect costs.)

**C.12. Field Offices.** Does the Company have field offices? (See AASHTO Guide Section 5.6.)

No

Yes. If "yes,"

a. Are separate indirect cost rates used for the home office and field offices?

Yes       No

Please explain: \_\_\_\_\_

b. If home office and field office indirect cost rates are computed, are they presented consistently to all State DOTs?

Yes       No. If "no," please explain: \_\_\_\_\_

Please check here if not applicable:

## AASHTO Internal Control Questionnaire for Consulting Engineers

**C.13. Project-Specific Indirect Cost Rate(s)**. Does the Company have any special, project-specific indirect cost rates negotiated with a State DOT?

No     Yes. If “yes,” please explain, and list the States that use these rates: \_\_\_\_\_

### D. Information Technology (IT) Systems

**D.1. IT Policies**. Does the firm have written IT system policies concerning the following topics?  
(If “yes,” please provide a copy.)

	<b>Yes</b>	<b>No</b>
a. Hardware/Software		
• Purchasing .....	<input type="checkbox"/>	<input type="checkbox"/>
• Inventory .....	<input type="checkbox"/>	<input type="checkbox"/>
• Maintenance .....	<input type="checkbox"/>	<input type="checkbox"/>
• Access .....	<input type="checkbox"/>	<input type="checkbox"/>
• Use of In-house and off-site .....	<input type="checkbox"/>	<input type="checkbox"/>
• Addition and removal/retirement/disposition of .....	<input type="checkbox"/>	<input type="checkbox"/>
b. Business Continuation Plan .....	<input type="checkbox"/>	<input type="checkbox"/>
c. Security Protocol .....	<input type="checkbox"/>	<input type="checkbox"/>
d. Activation and deactivation of employees upon hiring or termination. . . . .	<input type="checkbox"/>	<input type="checkbox"/>

**D.2. IT Risk Assessment**. Has the Company’s management conducted an IT system risk assessment within the past three years?

Yes     No

**D.3. IT Security Review**. Are system security and application access logs enabled and reviewed periodically?

Yes     No

Comment: \_\_\_\_\_

**D.4. IT Electronic Data Safeguards**. If documents are retained in electronic format, are they stored in a format that cannot easily be modified, removed, or replaced, and does a mechanism/audit trail exist to track all such events?

Yes     No

Comment: \_\_\_\_\_

AASHTO Internal Control Questionnaire for Consulting Engineers

E. Accounting – Payroll and Timekeeping

**E.1. Payroll Service.** Does the Company use an external payroll service?

No  Yes. If “yes,” please specify: \_\_\_\_\_

**E.2. Pay Cycle.** What is the Company’s standard pay cycle?

Bi-weekly  Monthly  1st & 15th  Other (please specify): \_\_\_\_\_

If the Company uses more than one pay cycle, please explain: \_\_\_\_\_

**E.3. Payroll Register.** Does the payroll register include the following data?

	<b>Yes</b>	<b>No</b>
a. Employee Name. . . . .	<input type="checkbox"/>	<input type="checkbox"/>
b. Employee ID number. . . . .	<input type="checkbox"/>	<input type="checkbox"/>
c. Gross pay . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
d. Payroll deductions . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
e. Net pay . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
f. Check amount . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
g. Hourly rate . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
h. Pay period . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
i. Normal hours for pay period . . . . .	<input type="checkbox"/>	<input type="checkbox"/>
j. Overtime hours for pay period . . . . .	<input type="checkbox"/>	<input type="checkbox"/>

Comments: \_\_\_\_\_

**E.4. Timekeeping System.**

a. Does the Company use an electronic timekeeping system?

Yes  No

- If “yes,” please provide an explanation of its operation, or provide system documentation:

\_\_\_\_\_

b. Are all employees, including managers and owners/principals, responsible for signing their own timesheets?

Yes  No

If “no,” please explain: \_\_\_\_\_

c. Are all employee timesheets approved by supervisors?

Yes  No

If “no,” please explain: \_\_\_\_\_

d. Is there a certification and approval process required for all time worked by owners and principals?

Yes  No

If “no,” then how is time accounted for and billed to projects? \_\_\_\_\_

e. How are timesheet coding errors detected and corrected?

\_\_\_\_\_

f. How do timesheets identify work performed outside an agreement’s original scope of services?

\_\_\_\_\_

# AASHTO Internal Control Questionnaire for Consulting Engineers

## F. Labor Cost Accumulation

**F.1. Direct & Indirect Labor**. Do the Company's timesheets include reporting codes for both direct and indirect hours? (See AASHTO Guide, Chapter 6.)

Yes  No

- If "yes," do all employees, including managers and principals, record direct and indirect time on their timesheets?

\_\_\_\_\_

- If "no," then please explain the method used to segregate direct and indirect labor hours. \_\_\_\_\_

**F.2. Work Week**. Please list the Company's normal hours of business operation (normal work week):

\_\_\_\_\_

**F.3. Uncompensated Overtime** (see AASHTO Guide, Section 5.4). Does the Company record all hours worked by all employees, including managers and principals, regardless of whether the employees are exempt from overtime pay or whether all direct labor hours are billed to specific contracts?

No. If "no," please explain: \_\_\_\_\_

Yes. If "yes," which of the following methods does the Company use to account for *uncompensated overtime*—the hours worked without additional compensation in excess of an average of 40 hours per week by direct-charge employees who are exempt from the Fair Labor Standards Act?

Effective Rate Method. Please explain: \_\_\_\_\_

Salary Variance Method. Please explain. (E.g., What was the total dollar amount of the salary/payroll variance for the year?): \$\_\_\_\_\_

Other. Please explain: \_\_\_\_\_

**F.4. Contract Modifications/Time Tracking**. How does the Company segregate work performed under a basic agreement/contract from work performed for contract changes/modifications? \_\_\_\_\_



# AASHTO Internal Control Questionnaire for Consulting Engineers

## G. Labor Billings and Project Costing

**G.1. Billing Rates**. Please describe how billing rates are determined, or attach the Company's billing-rate policy.

- Description: \_\_\_\_\_
- Billing-rate policy attached.

**G.2. Premium Overtime**. Does the Company pay overtime at a premium to any employees?  Yes  No

- If "yes,"

a. What premium rate is paid, and what categories of employees are eligible for this rate?

- Time-and-a-half for all non-exempt employees.
- Other. Please explain: \_\_\_\_\_

b. How is the overtime premium accounted for and billed?

- As part of direct labor, and overhead is applied.
- As an Other Direct Cost (no overhead applied).
- As an indirect labor cost (included in the indirect cost rate).
- Other. Please explain: \_\_\_\_\_

**G.3. Allocation of Overtime Costs**. Are overtime costs allocated to contracts consistently, regardless of the type of contract (lump sum versus actual cost) or customer (government versus commercial)?

- Yes  No. If "no," please explain: \_\_\_\_\_

**G.4. Cost Allocation versus Billing**. If the Company pays a principal or an employee at a rate in excess of a contract's maximum hourly labor rate, where will the excess cost be allocated/charged? \_\_\_\_\_

**G.5. Contract/Purchased Labor**. Does the Company invoice/bill contract labor directly to any customers?

- Yes  No  N/A

- If "yes," please complete the following: Contract labor is billed—

- As part of direct labor, and overhead is applied.
- As an Other Direct Cost (no overhead applied).
- Other. Please explain: \_\_\_\_\_

# AASHTO Internal Control Questionnaire for Consulting Engineers

## H. Expense Accumulation and Billing

**H.1. Nonsalary Direct Costs (Other Direct Costs)**. Besides labor, what type of costs does the Company normally bill/invoice as direct expenses?  
\_\_\_\_\_

**H.2. Credits Associated with Direct Costs**. Is the indirect cost pool relieved/reduced for credits/reimbursements received for direct costs?

Yes  No. If "no," please explain: \_\_\_\_\_

**H.3. Design/Build Stipends**. Has the Company received a stipend from any State DOT in connection with design/build efforts?

Yes  No

- If "yes," please explain how the Company accounted for the stipend in the accounting system: \_\_\_\_\_

**H.4. Classification of Cost Items**. How are the following cost items accounted for and billed? (Check both "D" and "I," if applicable.)

(D = Direct; I = Indirect; N/A = not applicable)

	<u><b>D</b></u>	<u><b>I</b></u>	<u><b>N/A</b></u>
a. Vehicles . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Computer Assisted Design and Drafting (CADD) . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Computer (non-CADD) . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Telephone . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Printing / Reproduction . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Postage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Lab	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. Drilling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i. Travel and Subsistence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
j. GPS and/or Nuclear Density Meters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
k. Other (list if significant)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**H.5. Nonbillable Costs**. Describe the accounting treatment for direct costs not billable to clients. (Where/how are these costs recorded?) \_\_\_\_\_

**H.6. Authorization**. How does the Company ensure that costs are not billed to Government projects prior to proper authorization?  
\_\_\_\_\_

**H.7. Vehicle Expenses**. Does the Company provide vehicles to employees for business purposes?

Yes  No

a. If "yes," are the vehicles leased or owned?

Leased  Owned

b. Identify the total number of vehicles owned or leased by the company.

\_\_\_\_\_ Leased \_\_\_\_\_ Owned

c. Are mileage logs maintained for all vehicles? If "no," please explain below.

Yes  No

Explanation: \_\_\_\_\_

AASHTO Internal Control Questionnaire for Consulting Engineers

- d. Is mileage separated by direct and indirect classifications, and is mileage incurred in connection with unallowable activities tracked?  Yes  No  
Explanation: \_\_\_\_\_
- e. What recovery/billing rate is used for Company vehicle mileage reimbursement?  
\$ \_\_\_\_\_ per mile.  
Explanation: \_\_\_\_\_
- f. How was the rate developed? \_\_\_\_\_

**H.8. Computer Expenses** . Are the Company’s computer expenses incurred as a result of (select one):

- a.  Outside Services?  Company ownership?  Both?
- b. Does the Company compute a charge rate for computers?  Yes  No
  - If “yes,” what is the rate? \_\_\_\_\_
  - How was the rate developed? \_\_\_\_\_
- c. Is computer usage segregated by direct and indirect classifications?  Yes  No
- d. Are computer usage logs maintained and coded by job/project?  Yes  No

**H.9. Printing and Reproduction Costs** . How are printing and reproduction expenses treated?

- In House:  Direct cost  Indirect cost  Combination of direct and indirect
- Outside vendor:  Direct cost  Indirect cost  Combination of direct and indirect
- If you marked “combination of both,” please explain: \_\_\_\_\_*
- a. For in-house services, are usage logs maintained and coded by job/project?  
 Yes  No
- b. Is usage segregated by direct and indirect classifications?  
 Yes  No
- c. If these costs are incurred through the use of an outside vendor, are the invoices coded by job/project when received?  
 Yes  No

**H.10. Telephone Costs** . How is the expense for telephone service recorded and billed?

- Direct cost  Indirect cost  Combination of direct and indirect
- If you marked “combination of direct and indirect,” please explain below:*  
\_\_\_\_\_
- Does the Company maintain a telephone log to record toll calls?  Yes  No
- Are the calls job-coded by direct and indirect classifications?  Yes  No

## AASHTO Internal Control Questionnaire for Consulting Engineers

**H.11. Activities Ineligible for Cost Reimbursement**. Did any of the Company’s employees engage in activities for lobbying, advertising, public relations, charity, and/or entertainment?

- If “yes,” please list the employees who engaged in these activities, and describe how the associated costs were tracked and accounted for in relation to the submitted indirect cost rate.

**Table 2: Unallowable Activities**

Employee Name or ID & Title/Classification:	Activities:	Accounting Treatment:

### I. Compensation for Owners and Employees

**I.1. Bonuses**.

- a. Did the Company pay, or accrue for, bonuses earned by owners or employees during the period covered by the latest indirect cost rate schedule?  
 Yes  No  
 - If “yes,” were the bonuses included in the submitted overhead rate?  Yes  No  N/A  
 - Was any portion of these bonuses excluded from the submitted overhead rate?  Yes  No  N/A  
 Comment: \_\_\_\_\_
- b. Does the Company have a written bonus plan?  
 Yes. Please provide a copy of the plan.  
 No. Please describe how bonuses are determined and how this is communicated to employees. \_\_\_\_\_
- c. Are all employees eligible for the bonuses?  Yes  No. If “no,” please explain: \_\_\_\_\_

**I.2. Executive Compensation**. Has the Company, an independent CPA, or compensation consultant performed an evaluation of executive compensation for *reasonableness* in accordance with FAR 31.205-6? (See AASHTO Guide Section 7.5.)

- Yes  No
- If “yes,” describe the methodology used and how this process has been documented: \_\_\_\_\_

# AASHTO Internal Control Questionnaire for Consulting Engineers

## J. Related-Party Transactions

**J.1. Related Employees.** Please provide the following information for all **employees** who are related to the parties listed in the Ownership Table (Table 1) shown in A.5:

**Table 3: Employees Related to Company Owners**

	Name or ID:	Title/Position:	Wages/Salary:	Bonus:	Other Compensation:	Total Compensation:
1			\$	\$	\$	\$
	Total Hours Worked During Year:	Job Duties: Related to: How Related (e.g., spouse, parent, child, sibling, in law):				
2			\$	\$	\$	\$
	Total Hours Worked During Year:	Job Duties: Related to: How Related:				
3			\$	\$	\$	\$
	Total Hours Worked During Year:	Job Duties: Related to: How Related:				
4			\$	\$	\$	\$
	Total Hours Worked During Year:	Job Duties: Related to: How Related:				
5			\$	\$	\$	\$
	Total Hours Worked During Year:	Job Duties: Related to: How Related:				
6			\$	\$	\$	\$
	Total Hours Worked During Year:	Job Duties: Related to: How Related:				
7			\$	\$	\$	\$
	Total Hours Worked During Year:	Job Duties: Related to: How Related:				
8			\$	\$	\$	\$
	Total Hours Worked During Year:	Job Duties: Related to: How Related:				

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	Name or ID:	Title/Position:	Wages/Salary:	Bonus:	Other Compensation:	Total Compensation:
			\$	\$	\$	\$
9	Total Hours Worked During Year:	Job Duties: Related to: How Related:				
			\$	\$	\$	\$
10	Total Hours Worked During Year:	Job Duties: Related to: How Related:				

**J.2. Related Vendors.** Please provide the following information for all **vendors** related to the parties listed in the Ownership Table (Table 1) shown in A.5:

**Table 4: Vendors Related to Company Owners**

Name:	Contact Information:	How Related:	Products/Services Provided:	Total Payments During Year:
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$

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**J.3. Property or Facilities Leased from Related Parties** . Does the Company rent or lease property and/or facilities from another entity (organization or individual)?

Yes    No

- If “yes,”

a. Are any of the Company’s owners/stockholders, or members of their immediate family, also owners/stockholders of the other entity?

Yes    No

- If “yes,” please explain: \_\_\_\_\_

b. Have the rental/lease costs been adjusted to the property owner’s actual costs?

Yes    No

- If “yes,” what basis was used to determine actual cost? (E.g., the property owner’s tax return less interest expense, plus cost of money).

Description: \_\_\_\_\_

**J.4. Other Related-Party Transactions** . Did the Company engage in any transactions with related parties other than those listed and described in J.1 through J.3?

No    Yes. If “yes,” please complete Table 5:

**Table 5: Other Related-Party Transactions**

Name:	Contact Information:	How Related:	Products/Services Provided:	Total Payments During Year:
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$

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## K. Other Questions

**K.1. Life Insurance**. Does the Company pay life insurance for officers/principals?

Yes  No

- If "yes,"

(a) Have any costs associated with this life insurance been included on the indirect cost rate schedule?

Yes – total amount: \_\_\_\_\_  No

(b) Please identify the beneficiary of the life insurance:

Company/surviving partners  Officer/principal's family

Other (specify) \_\_\_\_\_

(c) Please identify the type(s) of the life insurance:

Term  Whole life  Universal life  Endowments (annuities)

Accidental death  Other (please specify): \_\_\_\_\_

**K.2. Suspension or Debarment**. Has the Company, its parent, subsidiary, or any owner, stockholder, officer, partner, or employee of the Company been suspended or debarred from doing business by any State or the Federal government?

Yes  No

- If "yes," please provide complete details: \_\_\_\_\_

**K.3. Updates for Changes to FAR Part 31**. Does the Company have an existing process designed to provide timely updates to company policies and procedures to accommodate changes in the FAR Subpart 31.2 cost principles?

Yes  No

- If "yes," please describe the process: \_\_\_\_\_

**K.4. Risk Assessment**. Does the Company have a process for assessing risks that may result from changes in cost accounting systems or processes?

Yes  No

- If "yes," please describe the process. How are risks identified and addressed? \_\_\_\_\_

**K.5. Communications of FHWA/DOT Requirements**. How does information flow from the FHWA/State DOT to appropriate management personnel? (E.g., How are relevant updates to State DOT procedures or Federal Regulations disseminated to project managers and accounting personnel?)

\_\_\_\_\_



## AASHTO Internal Control Questionnaire for Consulting Engineers

I certify that to the best of my knowledge and belief this ICQ is a complete and accurate representation of the above-named Company's cost accounting and billing practices.

\_\_\_\_\_  
**Typed or Printed Name**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Title**

\_\_\_\_\_  
**Date Completed**

**Note:** The representations on this ICQ were made by, and are the responsibility of, the Company's management.

## AASHTO Internal Control Questionnaire for Consulting Engineers

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Accounting system (integration of)	C.3	B-6
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Allocation of cost versus billing	G.4	B-11
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Audits/examinations (within the past three years)	B.7	B-5
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