Architectural and Engineering Contracts
Financial Documents Submittal Instructions

Column Title	Definition / Instructions
NOTES regarding submission of electronic files: 1) Files MUST clearly identify the name of the [prime or sub]-[contract #]-[title of document per checklist column]. Example: FAR Compliant, Inc-55A0333-Certified Payroll 2) Files MUST NOT be password protected.	
Firm Name	Identify the prime consultant or subconsultant firm's legal business name that corresponds with the appropriate firm type: **-No Caltrans Acceptance Identification Number (CT ID#)** assigned for the proposed Indirect Cost Rate (ICR) fiscal year end (FYE) **-CT ID#** assigned for the proposed ICR FYE **-Safe Harbor Rate** (SHR) firm **-Vendor**
1. Complete Cost Proposal	Cost Proposal (**ADM 2033**) for Direct Labor and the Schedule of Other Direct Cost (ODC) Items **in EXCEL format** with formulas (http://www.dot.ca.gov/hq/dpac/aeinfo.htm) Cost proposal should be complete and accurate; all personnel should be properly identified (**no vacancies**). Provide a description of any information (excluding information shown in the actual salary column) contained in the cost proposal that is different from any other cost proposal your firm has submitted after the close of the last financial fiscal year. **Administrative classifications should not be included in the cost proposal** **All Seasonal/Temporary/On-Call** employees should be clearly identified on the Cost Proposal as such and **should exclude fee from the loaded hourly billing rate**
2. Cost Justifications for ODC (if applicable)	ODCs are costs, other than direct labor and operational direct costs, that can be identified with a final cost objective (48CFR, Chapter 1, Part 31.202 and 31.203) and incurred specifically for this contract. For any direct cost items that contain an in-house unit rate, provide justification/support on development of rate based on actual historical cost analysis (**not based on estimates or quotes**) to justify a fair and reasonable rate. Refer to AASHTO, 5.3-Cost Centers. All variables/components in a unit rate calculation must be supported. Supporting documentation includes, but is not limited to: -General Ledger/Trial Balance Accounts and related Account # associated with expenses included in the unit rate calculation -Detailed General Ledger reports -Explanations, including a cross-walk if necessary, that allows a reviewer sufficient detail to verify amounts used in the unit rate calculation have been removed from the indirect expense pool -Invoices supporting large dollar equipment purchases when the costs are used to establish unit rates -Usage logs or accounting records to support the basis of the unit rate (such as mileage logs or number of cars used to calculate a vehicle usage rate) **ODCs that are unsupported or are included in the overhead should not be proposed on the Schedule of ODC Items.**
3. Certified Payroll or Offer Letter	Consultant's (including SHR firms) certified payroll information showing the salary breakdown **as of the date the RFQ was advertised.** Payroll information must include but not be limited to: **Employee name, pay period, hours, rate of pay, deductions, net pay and, if applicable, fringe benefit statements for prevailing wage personnel.** This information will be used to verify the hourly rates for all personnel shown in the cost proposal. If payroll record is not available for newly hired employees, provide copies of offer letters and available pay stubs. Sole proprietors/micro business (one, two, or three person firms): DPAC will recommend to A&I a reasonable hourly rate if the Consultant cannot support his/her hourly rates. This type of firm should apply for the Safe Harbor Rate or zero (0) overhead would be applied. Also, see item #10 below. **Unsupported payroll will result in removal of Consultants' employee from the contract or pay rate will be adjusted to the supported rate.**

Architectural and Engineering Contracts
Financial Documents Submittal Instructions

Column Title	Definition / Instructions
4. Indirect Cost Rate (ICR)(s)	The indirect cost rate (ICR) fiscal year-end (FYE) to be applied to the contract is based on the date the RFQ was advertised. If the RFQ was advertised prior to 6/30/2017, the FYE ICR 2015 must be applied to the contract or the FYE ICR 2016, if available. If the RFQ was advertised after 6/30/2017, the FYE ICR 2016 must be applied. Please provide one of the following ICR(s): **-Cognizant approval letter** issued by a State DOT should be provided if available for the most recently completed financial fiscal year. With a cognizant approval letter, it is optional to provide items #7-10. **-Certified Public Accountant (CPA) audited ICR Schedule and audit report (including disclosure notes)** must address the most recently completed financial fiscal year. Include accompanying management letter. REQUIRED for Prime Consultant participating in a contract at or above $3.5 million. (Note: SHR firms cannot be a Prime on contracts ≥ $3.5 million) **-In-house prepared ICR Schedule** must be FAR compliant, see "Example #4" tab or refer to AASHTO Chapter 5, Tables 5-4 and 5-5. *If field rate is required in the Scope of Work*, the ICR Schedule **must allocate a separate home office rate and field rate**, refer to Table 5-5. **If ICR is unsupported, an adjustment will be made to the ICR if unallowable costs can be determined, otherwise, zero (0) overhead reimbursement will be recommended.** *If ICR Schedule is prepared using the effective rate method for uncompensated overtime, or overtime hours are not properly tracked, the* ***ICR Schedule must be adjusted*** *per the "Uncompensated Overtime Interpretive Guidance Document" found here (http://dot.ca.gov/audits/).*
5. AASHTO ICQ Appendix B	Internal Control Questionnaire (ICQ). Refer to AASHTO, Appendix B. The information contained in the ICQ and the accounting period should be consistent with each Consultant's proposed FYE ICR.
6. Contractor Cost Certification	See "Example #6" tab or refer to AASHTO Appendix F.
7. Executive Compensation Analysis	Executive Compensation Analysis (ECA) to support reasonableness of claimed compensation costs in accordance with FAR 31.205-6. Refer to AASHTO, Chapter 7-Compensation and the AASHTO website for the National Compensation Matrix (NCM) (http://audit.transportation.org). If the NCM was used, provide schedule; if salary surveys were used, provide schedule and details of surveys. **If the ECA is not provided or unsupported, the ICR is deemed non-FAR compliant and the entire executive compensation amount or indirect labor cost of the ICR will be removed from the ICR calculation.**
ICQ Required Attachments:	
8. Other Review/Audit (if applicable)	Enter CT ID#; or if financial documents for the FYE ICR proposed have been submitted to any other agency for review/audit, provide the letter or report issued.
9. Labor Summary Report	Conditional upon request, must be available at the time of review by A&I. Report should be for the 12-month period consistent with FYE ICR proposed. Report should detail: All Employees, annual salary or hourly rate, total hours worked for the year, total hours paid, direct hours, indirect hours, PTO, holiday hours, & uncompensated hours. See "Example #9" tab. **Labor Summary Report must summarize ALL labor costs and agree to direct labor and indirect labor included in the ICR schedule proposed on the contract. Uncompensated overtime must be presented for salaried/exempt employees that are not compensated for hours worked in excess of 8 hours a day/40 hours per week/2080 hours per year.**
10a. Post Closing Trial Balance	Post Closing Trial Balance for the ICR FYE proposed and reconciled to the ICR schedule. **Overhead cost items that do not reconcile to the financial statement will result in adjustment recommendation to the ICR.**
10b. Income Statement	Income Statement for the ICR FYE proposed.
10c. Chart of Accounts	At a minimum, Chart of Accounts should include direct, indirect and unallowable accounts that are tied to the ICR schedule.

Column Title	Definition / Instructions
11a. Prevailing Wage Policy (if applicable)	Consultants should prepare a written policy on company letterhead, signed and dated, outlining the following information regarding prevailing wage (PW): -Description of types of work they perform which require payment of PW rates -Explanation of how the firm pays PW deltas to affected employees (e.g. pay directly to employee as single amount to cover delta base and delta fringe, pay delta base to employee and pay delta fringe amount to a third party plan, etc.) -Accounting method used for PW delta base costs (Direct Labor, Other Direct Cost, or Indirect Cost) -Accounting method used for PW delta fringe costs (Direct Labor, Other Direct Cost, or Indirect Cost) -Effect on firm's most recently completed ICR In addition, if the Consultant has a CPA audited ICR, the audit report should include a disclosure note describing the Consultant's accounting treatment of PW deltas for both base and fringe. The CPA firm is expected to perform testing to verify the information disclosed in that footnote, including testing to support that the Consultant accounts for PW deltas consistently. Consultants with a CPA-audited ICR will be allowed to provide other supporting documentation while transitioning to inclusion of this information in the audit report. Without a CPA audited ICR, Consultants will be required to submit their PW Policy prior to contract execution. A&I reserves the right to perform additional procedures at any time, as deemed necessary, to verify the Consultant's accounting treatment is consistent and properly supported. Refer to Prevailing Wage Interpretive Guidance Document" found here (http://dot.ca.gov/audits/). **If PW delta base and delta fringe's accounting treatment is unclear/unidentified, the recommended multipliers for delta base will be 0 and delta fringe will be 0.**
11b. Overtime (OT) Policy	-Consultant's accounting treatment policy for OT and how it applies to exempt and non-exempt employees (salaried and hourly employees, respectively). -Consultant's accounting treatment policy for OT Premium as: Direct Labor, Other Direct Cost, Indirect Cost (overhead), or other. Policy should also explain the OT Premium rate paid. Policy should be consistent with response in the ICQ, and if applicable, Independent CPA ICR Audit Report disclosure note. **Inconsistency will result in recommending no OT/OT Premium on the contract.**
11c. Bonus Policy (if applicable)	Consultant's Bonus Policy, if applicable. Refer to AASHTO, 7.11-Bonus and Incentive Pay Plans. **Bonus that is not consistent with FAR 31.205-6(f) will result in recommending disallowance of all bonus costs from the ICR.**
12. Safe Harbor Rate Questionnaire, Certification of Eligibility, and Table 6-1	Consultants electing to apply for the Safe Harbor Rate (SHR) are required to submit the following: 1) Questionnaire For Evaluating Consultant's Financial Management System, 2) Consultant's Certification of Eligibility; Contract Costs and Financial Management System, and 3) AASHTO Table 6-1. See corresponding "SHR" tabs or refer to (http://www.dot.ca.gov/audits/). (Note: SHR firms cannot be a Prime on contracts ≥ $3.5 million. See #4 above.) **Sole proprietors/micro business (one, two, or three person firms) should apply for the SHR or zero (0) overhead reimbursement will be recommended. Also, see item #3 above.**
13. Vendor Rate Sheet	Detailed vendor rate sheets should be provided. Must be on company letterhead, dated-annually, and available to/consistent for all clients. See "Example #13" tab.

Legend:
CT ID# = Caltrans Acceptance Identification Number
Greyed Out Cell = Not Applicable
Safe Harbor Rate (SHR) = Utilizing or Requesting SHR

Architectural and Engineering Contracts
Financial Documents Submittal Checklist

		Cost Proposal & Schedule of ODC Items								Conditional	Financial Statements			Company Policies				
Firm Type	***Name***	1. Complete Cost Proposal	2. Cost Justifications for ODC (if applicable)	3. Certified Payroll or Offer Letter	4. Indirect Cost Rate (ICR)(s)	5. AASHTO ICQ Appendix B	6. Contractor Cost Certification	7. Executive Compensation Analysis	8. Other Review/ Audit (if applicable)	9. Labor Summary Report	10a. Post-Closing Trial Balance	10b. Income Statement	10c. Chart of Accounts	11a. Prevailing Wage Policy (if applicable)	11b. Overtime (OT) Policy	11c. Bonus Policy (if applicable)	12. SHR Questionnaire, Certification of Eligibility, and Table 6-1	13. Vendor Rate Sheet
No CT ID#																		
CT ID#																		
SHR																		
Vendor																		

TABLE 5-4. SAMPLE INDIRECT COST RATE SCHEDULE

Sample Consulting Company
Statement of Direct Labor, Fringe Benefits, and General Overhead
For the Year Ended December 31, 200x

Description	General Ledger Account Balance	Disallowed Costs	Notes	Proposed Company Wide	% of Direct Labor
DIRECT LABOR	$ 1,950,501	$ -		$ 1,950,501	100.00%
FRINGE BENEFITS					
6300 Benefits: Bonuses	$ 234,060	$ (28,560)	(a)	$ 205,500	10.54%
6310 Benefits: 401(k) - Employer's Contribution	97,525	-		97,525	5.00%
6320 Benefits: PTO (vacation, sick, and holiday)	253,565	-		253,565	13.00%
6820 Insurance: Disability	58,515	-		58,515	3.00%
6830 Insurance: Life	21,846	(800)	(b)	21,046	1.08%
6840 Insurance: Medical	136,535	-		136,535	7.00%
6850 Insurance: Workers' Comp	15,799	-		15,799	0.81%
7500 Payroll Taxes: FICA and Med	180,421	-		180,421	9.25%
7510 Payroll Taxes: FUTA and SUTA	78,020	-		78,020	4.00%
TOTAL FRINGE BENEFITS	$ 1,076,286	$ (29,360)		$ 1,046,926	53.67%
GENERAL OVERHEAD					
6700 Indirect Labor	$ 741,190	$ (3,300)	(c)	$ 737,890	37.83%
6000 Advertising and Marketing	23,991	(6,750)	(d)	17,241	0.88%
6100 Automobile Expense	68,268	(13,580)	(e)	54,688	2.80%
6200 Bank Service Charges	9,753	-		9,753	0.50%
6400 Contributions and Gifts	14,629	(14,629)	(f)	-	0.00%
6500 Depreciation Expense	117,030	-		117,030	6.00%
6600 Dues and Subscriptions	16,189	(350)	(g)	15,839	0.81%
6800 Insurance: Automotive	15,409	-		15,409	0.79%
6810 Insurance: Business Liability	23,406	-		23,406	1.20%
6900 Interest Expense	36,084	(36,084)	(h)	-	0.00%
7000 Licenses and Permits	21,456	-		21,456	1.10%
7100 Maintenance and Repairs	97,135	-		97,135	4.98%
7200 Meals and Entertainment	19,310	(1,050)	(i)	18,260	0.94%
7300 Miscellaneous Fees, Fines, and Penalties	6,827	(6,827)	(j)	-	0.00%
7400 Office Expense: Cleaning	8,192	-		8,192	0.42%
7410 Office Expense: Postage and Delivery	4,486	-		4,486	0.23%
7420 Office Expense: Office Supplies	32,183	-		32,183	1.65%
7430 Office Expense: Other Office Expense	35,889	-		35,889	1.84%
7600 Personal Property Tax	42,911	-		42,911	2.20%
7700 Professional Fees: Accounting and Legal	30,428	-		30,428	1.56%
7800 Rent	180,049	(2,400)	(k)	177,649	9.11%
7900 Telephone	60,466	-		60,466	3.10%
8000 Utilities	29,472	-		29,472	1.51%
Direct Cost Recovery	-	(107,278)	(l)	(107,278)	-5.50%
TOTAL GENERAL OVERHEAD	$ 1,634,753	$ (192,248)		$ 1,442,505	73.96%
TOTAL FRINGE BENEFITS AND GENERAL OVERHEAD	$ 2,711,039	$ (221,608)		$ 2,489,431	127.63%

FAR References and Notes:

(a) 31.205-6(b)(2): Executive compensation in excess of reasonable amount is disallowed.
(b) 31.205-19: Key-officers' life insurance is disallowed (beneficiary is company and/or officers).
(c) 31.201-6(e)(2): Labor costs associated with advertising, entertainment, and other unallowable activities are disallowed.
(d) 31.205-1: Advertising materials and costs are disallowed.
(e) 31.205(m)(2) & 31.205-46(d): Personal use of a company asset (automobile) is disallowed.
(f) 31.205-8 & 31.205-13: Contributions and gifts are disallowed.
(g) 31.205-22: Lobbying costs, paid as a percentage of professional dues, are disallowed.
(h) 31.205-20: Interest is disallowed.
(i) 31.205-13 & 31.205-50: Entertainment is disallowed.
(j) 31.205-15: Late fees, fines, and penalties are disallowed.
(k) 31.205-11(f) & 31.205-36: Related party rent is limited to allowable cost of ownership.
(l) 31.202: Internal allocation direct cost credit.

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TABLE 5-5. SAMPLE INDIRECT COST RATE SCHEDULE (WITH FIELD RATE)

SAMPLE CONSULTING COMPANY, INC.
Statement of Direct Labor, Fringe Benefits, and General Overhead—with Field Rate
For the Year Ended December 31, 200x

Description	General Ledger Account Balance	Disallowed Costs	Notes	Proposed Company Wide	ALLOCATIONS Proposed Home Office	Proposed Field Office	Notes	Percen to Field Office
DIRECT LABOR	$ 1,950,501	$ -		$ 1,950,501	$ 1,826,853	$ 123,648	(m	6.34%
FRINGE BENEFITS								
6300 Benefits: Bonuses	$ 234,060	$ (28,560)	(a	$ 205,500	$ 193,000	$ 12,500	(m	
6310 Benefits: 401(k) - Employer's Contribution	97,525	-		97,525	91,254	6,27	(m	
6320 Benefits: PTO (vacation, sick, and holiday)	253,565	-		253,565	241,421	12,144	(m	
6820 Insurance: Disability	58,515	-		58,515	54,805	3,71		6.34%
6830 Insurance: Life	21,846	(800	(b	21,046	19,712	1,33		6.34%
6840 Insurance: Medical	136,535	-		136,535	127,879	8,65		6.34%
6850 Insurance: Workers' Comp	15,799	-		15,799	14,797	1,00		6.34%
7500 Payroll Taxes: FICA and Med	180,421	-		180,421	168,982	11,439		6.34%
7510 Payroll Taxes: FUTA and SUTA	78,020	-		78,020	73,074	4,94		6.34%
TOTAL FRINGE BENEFITS	$ 1,076,286	$ (29,360)		$ 1,046,926	$ 984,924	$ 62,002		
GENERAL OVERHEAD								
6700 Indirect Labor (G&A and support allocation)	$ 741,190	$ (3,300)	(c	$ 737,890	$ 681,482	$ 37,760	(n	5.25%
6700 Indirect Labor (field labor allocation)				-		18,648	(m	
6000 Advertising and Marketing	23,991	(6,750)	(d	17,241	16,336	905		5.25%
6100 Automobile Expense	68,268	(13,580)	(e	54,688	51,817	2,87		5.25%
6200 Bank Service Charges	9,75	-		9,75	9,24	512		5.25%
6400 Contributions and Gifts	14,629	(14,629)	(f)	-	-	-		5.25%
6500 Depreciation Expense	117,030	-		117,030	115,801	1,22	(o	1.05%
6600 Dues and Subscriptions	16,189	(350	(g	15,839	15,007	832		5.25%
6800 Insurance: Automotive	15,409	-		15,409	14,600	809		5.25%
6810 Insurance: Business Liability	23,406	-		23,406	22,177	1,22		5.25%
6900 Interest Expense	36,084	(36,084)	(h	-	-	-		5.25%
7000 Licenses and Permits	21,456	-		21,456	20,330	1,12		5.25%
7100 Maintenance and Repairs	97,135	-		97,135	92,035	5,10		5.25%
7200 Meals and Entertainment	19,310	(1,050)	(i	18,260	17,301	959		5.25%
7300 Miscellaneous Fees, Fines, and Penalties	6,82	(6,827)	(j	-	-	-		5.25%
7400 Office Expense: Cleaning	8,19	-		8,19	8,10	8	(o	1.05%
7410 Office Expense: Postage and Delivery	4,48	-		4,48	4,43	4	(o	1.05%
7420 Office Expense: Office Supplies	32,183	-		32,183	31,845	338	(o	1.05%
7430 Office Expense: Other Office Expense	35,889	-		35,889	35,512	377	(o	1.05%
7600 Personal Property Tax	42,911	-		42,911	42,460	451	(o	1.05%
7700 Professional Fees: Accounting and Legal	30,428	-		30,428	28,831	1,59		5.25%
7800 Rent	180,049	(2,400)	(k)	177,649	175,784	1,86	(o	1.05%
7900 Telephone	60,466	-		60,466	57,292	3,17		5.25%
8000 Utilities	29,472	-		29,472	29,163	309	(o	1.05%
Direct Cost Recovery	-	(107,278)	(l	(107,278)	(106,152)	(1,126)	(o	1.05%
TOTAL GENERAL OVERHEAD	$ 1,634,753	$ (192,248)		$ 1,442,505	$ 1,363,407	$ 79,098		
TOTAL FRINGE BENEFITS AND GENERAL OVERHEAD	$ 2,711,039	$ (221,608)		$ 2,489,431	$ 2,348,331	$ 141,100		

Note allocation of indirect labor to Home Office and Field Office.

INDIRECT COST RATE AS PERCENTAGE OF DIRECT LABOR	128.55% Home Office	114.11% Field Office

FAR References & Notes:

(a 31.205-6(b)(2): Executive compensation in excess of reasonable amount is disallowed.
(b 31.205-19: Key-officers' life insurance is disallowed (beneficiary is company and/or officers).
(c 31.201-6(e)(2): Labor costs associated with advertising, entertainment, and other unallowable activities are disallowed.
(d 31.205-1: Advertising materials and costs are disallowed.
(e 31.205(m)(2) & 31.205-46(d): Personal use of a company asset (automobile) is disallowed.
(f) 31.205-8 & 31.205-13: Contributions and gifts are disallowed.
(g 31.205-22: Lobbying costs, paid as a percentage of professional dues, are disallowed.
(h 31.205-20: Interest is disallowed.
(i) 31.205-13 & 31.205-50: Entertainment is disallowed.
(j) 31.205-15: Late fees, fines, and penalties are disallowed.
(k 31.205-11(f) & 31.205-36: Related party rent is limited to allowable cost of ownership.
(l) 31.202: Internal allocation direct cost credit.
(m Field employee labor and fringe specifically identified.
(n Indirect general administrative and support labor less identified field portion is allocated.
(o Accounts allocated at a lower percentage to field offices—see facilities cost calculation in Table 5-6.

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TABLE 5-6. FIELD OFFICE COMPUTATIONS

Field Employee Worksheet

Employee Name & Classification	Direct Labor	Bonuses (fringe benefit)	401(k) (fringe benefit)	PTO (fringe benefit)	Field-Specific Totals
Name 1 - Project Manager	-	-	-	-	-
Name 2 - Senior Engineer	$ 50,176	$ 7,500	$ 2,620	$ 4,928	$ 65,224
Name 2 - Project Engineer	41,216	3,500	1,966	4,048	50,730
Name 4 - Technician 1	32,256	1,500	1,685	3,168	38,609
	$ 123,648	$ 12,500	$ 6,271	$ 12,144	$ 154,563

Field Office Direct Labor Calculation

Direct Labor (Field Office)	$ 123,648
	÷
Total Direct Labor (Home + Field)	1,950,501
Field Office Direct Labor %	6.34%

Field Office Labor Calculation

	Company Wide	Field Office
Direct Labor	$ 1,950,501	$ 123,648
PTO (vacation/sick/holiday)	253,565	12,144
Indirect Labor	737,890	18,648
Totals	$ 2,941,956	$ 154,440
		÷
Total Company Labor		2,941,956
Field Office Labor %		5.25%

Facilities Cost Calculation

Number of support staff in home office (†)	8
	÷
Total number of staff in home office	40
Percentage of facilities cost to allocate to home and field	20%
	x
Field Office Labor %	5.25%
Facilities Cost Allocation %	1.05%

(†) Support staff are employees in positions such as HR, Accounting, Payroll, Management supporting all employees (home and field).

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Appendix A. Example Contractor Cost Certification

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) of title 48, Code of Federal Regulations (CFR), part 31.*
2.) *This proposal does not include any costs which are expressly unallowable under the cost principles of the FAR of 48 CFR 31.*

All known material transactions or events 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): _____

*An individual executive or financial officer of the contractor's organization at a level no lower than a Vice President or Chief Financial Officer, or equivalent, who has the authority to represent the financial information utilized to establish the indirect cost rate proposal submitted in conjuction with the contract.

Source: https://www.wsdot.wa.gov/Audit/FormsandTemplates.htm

FAR Compliant, Inc. - Example 1

Staff Member	Salary	Hrly rate (based on 2080)	Total hrs worked per t/sheets	Direct Hours	Direct Dollars	Education/Research Hours	Education/ Research Dollars	Advertising Hours	Advertising Dollars	Administrative/ Meeting Hours	Administrative/ Meeting Dollars	Bid & Proposal Hours	Bid & Proposal Dollars
A. Adams	$ 95,834.72	$ 46.07	2,111.25	1,810.75	$ 83,421.25	4	$ 184.28	5	$ 230.35	54.00	$ 2,487.78	6.50	$ 299.46
B. Bigsby	Hourly	$ 30.00	792.50	125.00	$ 3,750.00	10	$ 300.00	0	$ -	623.50	$ 18,705.00	2.00	$ 60.00
C. Colton	$ 143,692.29	$ 69.08	2,296.25	1,511.75	$ 104,431.69	0	$ -	23	$ 1,588.84	198.00	$ 13,677.84	77.00	$ 5,319.16
D. Dean	$ 143,692.29	$ 69.08	2,246.50	1,710.50	$ 118,161.34	0	$ -	8	$ 552.64	34.00	$ 2,348.72	226.00	$ 15,612.08
E. Edwards	Hourly	$ 17.00	147.50	13.00	$ 221.00	0	$ -		$ -	134.50	$ 2,286.50		$ -
F. Franks	$ 92,700.00	$ 44.57	2,118.00	1,175.50	$ 52,392.04	59.75	$ 2,663.06	18.25	$ 813.40	383.75	$ 17,103.74	163.50	$ 7,287.20
G. Grant	$ 143,692.29	$ 69.08	2,167.00	1,062.00	$ 73,362.96	0	$ -	0	$ -	589.00	$ 40,688.12	145.00	$ 10,016.60
H. Hewitt	Hourly	$ 27.35	2,211.00	522.75	$ 14,297.21	57.75	$ 1,579.46	141.5	$ 3,870.03	916.00	$ 25,052.60	379.75	$ 10,386.16
I. Irvin	Hourly	$ 45.00	763.00	--	$ -	0	$ -	97.5	$ 4,387.50	107.50	$ 4,837.50	477.25	$ 21,476.25
J. Johnson	Hourly	$ 15.00	379.50	103.50	$ 1,552.50	0	$ -	11.5	$ 172.50	204.00	$ 3,060.00	60.50	$ 907.50
K. Knowles	$ 143,692.29	$ 69.08	2,270.00	1,718.00	$ 118,679.44	0	$ -	0	$ -	164.50	$ 11,363.66	32.00	$ 2,210.56
OVERALL TOTALS			17,502.50	9,752.75	$ 570,269.43	131.50	$ 4,726.80	304.75	$ 11,615.26	3,408.75	$ 141,611.46	1,569.50	$ 73,574.96

FAR Compliant, Inc. - Example 2

Staff Member	Salary	Hrly rate (based on 2080)	Total hrs worked per t/sheets)	Direct Hours	Direct Dollars	Indirect Hours	Indirect Dollars	Vacn Hours	Vaca Dollars	Sick Hours	Sick Dollars	Holiday Hours	Holiday Dollars
A. Adams	$ 95,834.72	$ 46.07	2,111.25	1,810.75	$ 83,421.25	72.5	$ 3,340.08	128	$ 5,896.96	20	$ 921.40	80	$ 3,685.60
B. Bigsby	Hourly	$ 30.00	792.50	125.00	$ 3,750.00	635.5	$ 19,065.00	0	$ -	4	$ 120.00	28	$ 840.00
C. Colton	$ 143,692.29	$ 69.08	2,296.25	1,511.75	$ 104,431.69	457	$ 31,569.56	161	$ 11,121.88	78.5	$ 5,422.78	88	$ 6,079.04
D. Dean	$ 143,692.29	$ 69.08	2,246.50	1,710.50	$ 118,161.34	295	$ 20,378.60	185	$ 12,779.80	8	$ 552.64	48	$ 3,315.84
E. Edwards	Hourly	$ 17.00	147.50	13.00	$ 221.00	134.5	$ 2,286.50		$ -		$ -		$ -
F. Franks	$ 92,700.00	$ 44.57	2,118.00	1,175.50	$ 52,392.04	691.75	$ 30,831.30	123.75	$ 5,515.54	39	$ 1,738.23	88	$ 3,922.16
G. Grant	$ 143,692.29	$ 69.08	2,167.00	1,062.00	$ 73,362.96	742	$ 51,257.36	246	$ 16,993.68	37	$ 2,555.96	80	$ 5,526.40
H. Hewitt	Hourly	$ 27.35	2,211.00	522.75	$ 14,297.21	1500	$ 41,025.00	88.5	$ 2,420.48	19.75	$ 540.16	80	$ 2,188.00
I. Irvin	Hourly	$ 45.00	763.00	--	$ -	708	$ 31,860.00	35	$ 1,575.00		$ -	20	$ 900.00
J. Johnson	Hourly	$ 15.00	379.50	103.50	$ 1,552.50	276	$ 4,140.00		$ -		$ -		$ -
K. Knowles	$ 143,692.29	$ 69.08	2,270.00	1,718.00	$ 118,679.44	299	$ 20,654.92	168	$ 11,605.44		$ -	85	$ 5,871.80
OVERALL TOTALS			17,502.50	9,752.75	$ 570,269.43	5,811.25	$ 256,408.31	1,135.25	$ 67,908.77	206.25	$ 11,851.17	597.00	$ 32,328.84

FAR Compliant, Inc. - Example 3

Employee	Start Date	End Date	Workdays	Salary or Hrly. Rate	Hourly Rate (based on 2080)	Total Hrs. Worked	Direct Hours	Direct $	Direct OT Hours	OT $ at 1.5	Indirect - Office Hrs	Office $	Holiday Hrs
Jane Doe (salary)				$77,745.81	$37.38	2,088	1,568	$58,608.38			392	$14,652.09	72
John Doe (hourly)				$25.00	$25.00	2,132	1,924	$48,100.00	52	$1,950.00	156	$3,900.00	
Jerry Smith (salary)	1/1/2011	7/15/2011	140	$43,000.00	$20.67	1,121	480	$9,921.60			563	$11,632.04	16
Jerry Smith (salary)	7/16/2011	12/31/2011	120	$45,000.00	$21.63	1,149	500	$10,815.00			499	$10,787.96	40
				Total		2,270	980	$20,736.60			1,062	$22,420.01	56
						6,490	4,472	$127,444.98	52	$1,950.00	1,610	$40,972.10	128

Example how to show mid-year pay increases, if applicable.

Add other columns/categories if applicable to your firm.

Please indicate hourly or salary.

One line (total) for each employee.

In this LDR example all hours are tracked. See our examples on line if you are estimating uncompensated hours for executives.

Direct Selling Hours	Direct Selling Dollars	Public Relations Hours	Public Relations Dollars	Vacn Hours	Vacn Dollars	Sick Hours	Sick Dollars	Holiday Hours	Holiday Dollars	UnComp Hours	UnComp Dollars
	$ -	3.00	$ 138.21	128	$ 5,896.96	20	$ 921.40	80	$ 3,685.60	31.25	$ 1,439.69
	$ -		$ -	0	$ -	4	$ 120.00	28	$ 840.00		
159.00	$ 10,983.72		$ -	161	$ 11,121.88	78.5	$ 5,422.78	88	$ 6,079.04	216.25	$ 14,938.55
27.00	$ 1,865.16		$ -	185	$ 12,779.80	8	$ 552.64	48	$ 3,315.84	166.50	$ 11,501.82
	$ -		$ -		$ -		$ -		$ -		
43.50	$ 1,938.80	23.00	$ 1,025.11	123.75	$ 5,515.54	39	$ 1,738.23	88	$ 3,922.16	38.00	$ 1,693.66
8.00	$ 552.64		$ -	246	$ 16,993.68	37	$ 2,555.96	80	$ 5,526.40	87.00	$ 6,009.96
1.50	$ 41.03	3.50	$ 95.73	88.5	$ 2,420.48	19.75	$ 540.16	80	$ 2,188.00		
10.25	$ 461.25	15.50	$ 697.50	35	$ 1,575.00		$ -	20	$ 900.00		
	$ -		$ -		$ -		$ -		$ -		
102.50	$ 7,080.70		$ -	168	$ 11,605.44		$ -	85	$ 5,871.80	190.00	$ 13,125.20
351.75	$ 22,923.29	45.00	$ 1,956.55	1,135.25	$ 67,908.77	206.25	$ 11,851.17	597.00	$ 32,328.84	729.00	$ 48,708.88

UnComp Hours	UnComp Dollars
31.25	$ 1,439.69
216.25	$ 14,938.55
166.50	$ 11,501.82
38.00	$ 1,693.66
87.00	$ 6,009.96
190.00	$ 13,125.20
729.00	$ 48,708.88

Holiday $	Vacation Hrs	Vacation $	Sick Hrs	Sick $	Total $ Column	Uncomp. O/T
$2,691.20	56	$2,093.16			$78,044.83	$299.02
					$53,950.00	
$330.72	29	$599.43	34	$692.45	$23,176.24	$25.84
$865.20	102	$2,195.45	9	$183.86	$24,847.46	$4,082.66
$1,195.92	131	$2,794.88	42	$876.30	$48,023.70	$4,108.50
$3,887.12	**187**	**$4,888.03**	**42**	**$876.30**	**$180,018.53**	**$4,407.52**

TABLE 6-1. LABOR-CHARGING CHECKLIST

Model Characteristics of Labor-Charging Systems:	Yes	No	N/A	Note
• Is there segregation of responsibilities for labor-related activities? For example, the responsibility for timekeeping and payroll accounting should be separated.	☐	☐	☐	
• Do supervisors who are accountable for meeting contract budgets have the opportunity to initiate employee time charges? (It is recognized that, for a very small company, this type of segregation may not be possible, whereas for a larger company, this type of segregation would be required in order to have good internal controls over labor costs.)	☐	☐	☐	
• Are individual employees routinely made aware of controls that act as effective deterrent against violations? Many businesses accomplish this by emphasizing the importance of timecard preparation in staff meetings, employee orientation, and through posting of signs throughout the workplace that reminds employees of the importance of accurate and current timecards.	☐	☐	☐	
• Were detailed instructions for timecard preparation established through a timekeeping pamphlet and/or company procedure?	☐	☐	☐	
• If a manual system is in place, were instructions published to inform employees that they are personally responsible for the following?				
(1) Recording his/her time on a daily basis.	☐	☐	☐	
(2) Recording time on the timecard in ink.	☐	☐	☐	
(3) The correct distribution of time by project numbers, contract number or name, or other identifiers for a particular assignment. To ensure accuracy, a listing of project numbers and their descriptions should be provided in writing to the employee.	☐	☐	☐	
(4) Changes to the timecard. All changes should be lined through, with the employee's initials beside the change indicating the employee personally made the change and that the change is correct.	☐	☐	☐	
(5) Recording all hours worked whether they are paid or not. This is necessary because labor costs and associated overheads are affected by total hours worked, not just paid hours worked. Therefore, labor rate computations and labor overhead costs should reflect all hours worked. Unpaid hours worked are termed "uncompensated overtime."	☐	☐	☐	
(6) Signing the timecard at the end of each work period.	☐	☐	☐	
• Do supervisors approve and cosign all timecards?	☐	☐	☐	
• Are supervisors prohibited from completing an employee's timecard unless the employee is absent for a prolonged period of time on some form of authorized leave?	☐	☐	☐	
• If the employee is on travel status, the supervisor for the employee may prepare a timesheet. Upon the employee's return, does the employee turn in his/her time sheet and attach it to the one prepared by the supervisor, or does the firm in some other way document the reason why the employee did not prepare and sign the original timesheet?	☐	☐	☐	
• Does the consultant's published guidance/policy state that the nature of the work determines the proper distribution of time, not availability of funding, type of contract, or other factors? (Does the consultant emphasize that the proper characterization/categorization of labor hours is not dependent upon whether such labor hours are billable to a client?)	☐	☐	☐	
• Does the consultant's policy state that the accurate and complete preparation of timecards is a part of each employee's job?	☐	☐	☐	
• Does the consultant's policy state that careless or improper preparation of timecards may lead to disciplinary actions under company policies as well as applicable Federal statutes?	☐	☐	☐	
Evaluation of Accounting System - Critical Elements:				
• Does the consultant's accounting system provide for proper segregation of direct and indirect costs?	☐	☐	☐	
• Does the accounting system provide for identification and accumulation of direct costs by cost object (contract)?	☐	☐	☐	
• Does the accounting system provide for a logical and consistent method for the allocation of indirect costs to intermediate and final cost objectives? (A contract is a final cost objective).	☐	☐	☐	
• Does the accounting system articulate with a timekeeping system that identifies employees' labor by intermediate or final cost objectives?	☐	☐	☐	
• Does the accounting system include interim (at least monthly) determination of costs charged to contracts through routine posting of books of account (i.e., project data is transferred from the labor distribution system to the cost accounting system)?	☐	☐	☐	
• Does the accounting system include controls to exclude from costs charged to government contracts amounts that are unallowable, per the Cost Principles of FAR Part 31 and/or other applicable laws or regulations, including state audit guidance?	☐	☐	☐	
• Is the accounting system currently in full operation? If not describe which portions of the system are:	☐	☐	☐	
(1) operational;	☐	☐	☐	
(2) set up, but not yet operational;	☐	☐	☐	
(3) anticipate to be placed into operation; or	☐	☐	☐	
(4) nonexistent.	☐	☐	☐	
• **Final Assessment of Consultant's Accounting System:**				
☐ Fully Acceptable.				
☐ Provisionally Acceptable - Describe requirements for status to be changed to Fully Acceptable.				
☐ Unacceptable.				

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FAR Compliant. Inc.

STANDARD RATES SCHEDULE **EFFECTIVE JANUARY 2017**

INDIVIDUAL RATES

Senior Project Manager ..... $125.00 per hour
Project Managers / Associate Engineers ..... $100.00 per hour
Engineering and Field Technicians ..... $50.00 per hour
Administrative Assistants ..... $45.00 per hour

TYPICAL SURVEY RATES

Intersection Turning Movement Counts

- Single 2-hour count ..... $220.00 per intersection
- 2-hour AM and 2-hour PM count ..... $400.00 per intersection
- 2-hour AM, 2-hour MD and 2-hour PM count ..... $600.00 per intersection
- 3-hour AM and 3-hour PM count ..... $600.00 per intersection
- Each additional hour of survey at same location ..... $100.00 per hour

(minimum $220.00 per intersection per order)

Standard 24-hour ADT machine counts
First day of survey ..... $150.00 per location
Each additional consecutive day of survey at same location ..... $100.00 per location
(minimum $240.00 per order)

Speed or Axle Classification machine counts ..... $150.00 per machine per day

Radar Speed Surveys ..... $150.00 per survey hour
(minimum $240.00 per order)

Floating car surveys ..... $150.00 per survey hour (vehicle costs included)
(minimum $400.00 per order)

Parking Surveys ..... $50.000 per hour per technician
plus appropriate supervisor fees
(minimum $240.00 per order)

- ***For surveys outside of the Greater San Francisco or Los Angeles areas, please call for quotes.***
- ***Rates will be increased by 25% for all manual field surveys conducted between the hours of 9 PM and 5 AM, each additional hour past the first 8 hours of a continuous survey, and on all holidays.***

Safe Harbor Rate
Questionnaire for Evaluating Consultant's Financial Management System

Consultant Name: _____
Headquarter Address: _____
Location of Accounting Records: _____
Company Contact for Accounting System Questions:
- **Name:** _____
- **Title:** _____
- **Phone Number:** _____
- **Email Address:** _____
- **Mailing Address:** _____

To be eligible for a Safe Harbor Rate the Consultant's financial management system must be adequate to accumulate and track direct labor and other direct costs by contract, segregate indirect costs, and remove unallowable costs in accordance with 48 CFR Part 31.

Instructions:
1. This questionnaire should be completed by personnel (e.g. accounting staff) with working knowledge of the Consultant (Company)'s financial management system.
2. Answer all questions and provide an explanation and additional supporting documentation where requested.
3. If additional space is required, please attach a separate sheet and refer to items being answered by number.

References:

Title 48 Code of Federal Regulations (CFR) Part 31 -Federal cost principles (48 CFR Part 31)
Title 48 CFR Chapter 99, Subchapter B - Procurement Practices and Cost Accounting Standards
Title 23 United States Code (U.S.C.), Chapter 1, Section 112 - Letting of Contracts
Title 23 CFR, Chapter 1, Part 172 - Procurement, Management, and Administration of Engineering and Design Related Services
American Association of State Highway and Transportation Officials (AASHTO) Uniform Audit & Accounting Guide (2016 Edition)

Definition of Terms:

Direct cost *is any cost that is identified specifically with a particular cost objective. Direct costs are not limited to items that are incorporated in the end products as material or labor. Costs identified specifically with a contract are direct costs of that contract. All costs identified with other final cost objectives of the contractor are direct costs of those objectives. (48 CFR Part 31.202)*

Indirect or overhead cost *is any cost that is not directly identified with a single final cost objective, but is identified with two or more final cost objectives or with at least one intermediate cost objective. (48 CFR Part 31.203)*

Has the Company developed an indirect cost rate in the past? **Yes** ☐ **No** ☐
If "Yes," you are not eligible to use the Safe Harbor Rate. Do not continue with this Questionnaire and please complete the AASHTO Appendix-B ICQ and provide an ICR Schedule.

Is the Company a Prime Consultant on a Caltrans' contract ≥ $3.5M OR Local Government contract ≥ $1M, regardless of the participation amount? **Yes** ☐ **No** ☐
If "Yes," you are not eligible to use the Safe Harbor Rate. Do not continue with this Questionnaire and please complete the AASHTO Appendix-B ICQ and provide an **Audited** ICR Report.

1. What form of business entity is the Company?

   Sole Proprietorship ☐ Partnership ☐ C Corporation ☐ S Corporation ☐
   Other _____

2. What types of services will the Company provide for this contract? (Select all that apply.)

   Architectural and Engineering services ☐
   Preliminary Engineering ☐
   Surveying ☐
   Mapping or Architectural related services ☐
   Program Management ☐
   Design Engineering ☐
   Feasibility Studies ☐
   Other _____ ☐

3. Does the Company have prior government contracting experience? **Yes** ☐ **No** ☐

4. Does the general ledger contain separate direct and indirect accounts for the following?
   a. Labor **Yes** ☐ **No** ☐
   b. Non-labor **Yes** ☐ **No** ☐

   Note: This will support that all direct costs are accounted for and traceable from the job cost ledger to the general ledger.

5. Do you have written policies on the following cost categories?
   a. Accounting **Yes** ☐ **No** ☐
   b. Billing **Yes** ☐ **No** ☐
   c. Timesheet Preparation **Yes** ☐ **No** ☐
   d. Overtime **Yes** ☐ **No** ☐
   e. Direct/Indirect Expenses **Yes** ☐ **No** ☐
   f. Prevailing Wage **Yes** ☐ **No** ☐

6. What types of employee status will the Company provide for this contract?
   Non-exempt ☐ Exempt-salaried ☐ Exempt-hourly ☐ Contract employees ☐
   Other _____

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

   -If Yes,

   a. What premium rate is paid for Non-Exempt employees:
      Time-and-a-half and double-time. ☐
      Straight rate. ☐
      Other. Please explain: _____

   b. What premium rate is paid for Exempt-Hourly employees:
      Time-and-a-half and double-time. ☐
      Straight rate. ☐
      Other. Please explain: _____

   c. How is premium overtime accounted for and billed?
      As part of Direct Labor (overhead is applied) ☐
      As an Other Direct Cost (no overhead applied) ☐
      As an indirect labor cost (included in the indirect cost rate and not directly billed) ☐
      Other. Please explain: _____

8. Is indirect and direct labor separated by contract/project/cost objectives on employee timesheets with reporting codes?
   Yes ☐ **No** ☐

9. Are contracts/projects assigned a unique identification/project number in your accounting system?
   Yes ☐ **No** ☐

10. Besides labor, does the Company normally bill/invoice the following as direct contract/project costs? (Select all that apply.)

Vehicle ☐ **Shipping** ☐
Computer/CADD ☐ **Lab** ☐
Printing ☐ **Travel** ☐
Specialty Equipment (List Below) ☐ **Other (List Below)** ☐

_____ _____

10a. Is Vehicle normally billed/invoiced as a direct contract/project costs? **Yes** ☐ **No** ☐

i. Are mileage logs maintained for all vehicles? If "No," please explain below.
Explanation: _____

ii. What is the recovery/billing rate used for Company or personal vehicle mileage reimbursement?
$_____ per mile

I certify that to the best of my knowledge and belief the responses to this questionnaire are accurate.

Print Name

_____

Signature

_____ _____ _____
Title Date Completed

SAFE HARBOR RATE
CONSULTANT CERTIFICATION OF ELIGIBILITY; AND CONTRACT COSTS AND FINANCIAL MANAGEMENT SYSTEM

Consultant Firm Name: _____

Local Agency (if applicable): _____

Contract # (if applicable): _____

Federal Project #: _____

Contract Total: $_____

For Subconsultants - estimated % of work to be performed: _____ %

Safe Harbor Rate (Indirect Cost Rate): **110%**

Certification of Eligibility:

I, the undersigned, certify that I am eligible to use the safe harbor indirect cost rate as I:

1. Do not have relevant contract cost history to use as a base for developing a Federal Acquisition Regulations (FAR) of Title 48, Code of Federal Regulations (CFR), Part 31 compliant indirect cost rate (ICR).

OR

2. Do not have a previously accepted ICR by a cognizant agency, or with an audited/accepted actual ICR, and do not have an existing contract with a provisional rate.
3. Am not a Prime Consultant on a Caltrans' contract ≥ $3.5M OR Local Government contract ≥ $1M, regardless of the participation amount.

Certification of Contract Costs:

I, the undersigned, certify that I have reviewed the proposal for the above contract and to the best of my knowledge and belief:

1. All costs included in this proposal are allowable in accordance with the Safe Harbor Rate requirements and cost principles of the FAR of 48 CFR Part 31.
2. This proposal does not include any costs which are expressly unallowable with the Safe Harbor Rate requirements and cost principles of the FAR of 48 CFR Part 31.
3. All direct costs (direct labor/billing rates and other direct costs) included in this proposal are reasonable, allowable, and allocable to the contract in accordance with the Safe Harbor Rate requirements and cost principles of the FAR of 48 CFR Part 31.

All costs must be applied consistently and fairly to all contracts. All documentation of compliance must be retained in the project files for 3 years after final voucher of federal reimbursement.

Certification of Financial Management System:

I, the undersigned, certify that our financial management system in place for this contract and moving forward meets the standards for the Safe Harbor Rate requirements and financial reporting, accounting records, internal and budget control as set forth in the FAR of Title 49, CFR, Part 18.20. These standards require consulting firms have an accounting system adequate to accumulate, and track allowable, allocable, and reasonable direct labor and other direct costs by contract; segregate indirect costs, and remove unallowable costs.

* Consultant Certification Signature: _____

Consultant Certifying (Print): _____

Name: _____ Title: _____

Consultant Contact Information:

Email: _____ Phone: _____

Business Mailing Address: _____

Date of Certification: _____

*An executive or financial officer of the contractor's organization who has authority to represent the financial information utilized to establish the proposal submitted in conjunction with the contract.

ALSO REQUIRED IF PARTICIPATING ON A CALTRANS' CONTRACT

Attach a copy of your completed:

Safe Harbor Rate Questionnaire for Evaluating Consultant's Financial Management System