



Please answer each question fully to the best of your ability. Incomplete forms will be returned to you for additional information.
For any questions please contact the Internal Audit Office, 360-705-7003.

Company Information	
Firm Name	
What form of Business entity is your firm?	
When is your firm's fiscal year end? (mm/dd/yyyy)	
Are your books closed for the year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Have all adjusting entries been completed?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Who compiled your overhead for the year being submitted to our office for review?	

Has your firm's financial statement and/or overhead been audited or reviewed by a CPA Firm for the year being submitted to our office for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Do you have an accepted overhead rate letter from another State DOT?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If so, who performed the audit/review and please forward us a copy of the report and letter.	

Is Washington State DOT your cognizant agency? (i.e., Are your company's financial records housed in an office in Washington State, if so WSDOT is your cognizant agency.)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Has another State DOT provided your firm with a cognizant letter? _____	
If so, please provide a copy of the letter & the complete audit report.	
Who are the Stockholders of your Firm? Please List.	

Does your accounting system contain separate accounts or sub-accounts for unallowable costs in accordance with FAR and direct costs that are allocable directly to projects?	
<input type="checkbox"/> Yes <input type="checkbox"/> No	
If Yes, explain:	

Does your firm have branch offices? Please list all locations and number of employees for each office.	

Has your firm taken part in any business combinations such as a merger or acquisition for the overhead year being submitted?	
<input type="checkbox"/> Yes <input type="checkbox"/> No	
Please provide details:	

Overhead Based on Actual Dollars

Please provide a copy of your W3, and the reconciliation to the overhead, Income Statement, etc.

Is the overhead schedule based on actual dollars, not provisional or estimated dollars? Yes No

Does your firm have temporary or part time employees? Yes No

Please provide a list of names & positions (attach separate sheet if more space is needed)

Name of Employee	Position

Do temporary or part time employees receive fringe benefits? Yes No

If yes, please indicate which fringe benefits are paid to temporary employees, and which fringe benefits are paid to part time employees.

Are there related parties at your firm? Yes No

If so, please complete and attach the Related Parties Analysis shown in the 2010 AASHTO Audit Guide Chapter 7.10.

Uncompensated Overtime

Please provide a copy of your Labor Distribution Report/Staff Utilization Report (or equivalent report). This report shows all hours worked for the year, and the dollar value of those hours. The report is usually broken out by individual employee – and shows yearly totals for direct hours/dollars, indirect hours/dollars, annual leave, sick leave, holiday, etc.

Your Labor Distribution Report (or equivalent report) must tie to your year end payroll register, overhead schedule, and Income Statement. Please provide your reconciliation worksheet.

Uncompensated overtime can be described as hours worked without additional compensation in excess of an average of 40 hours per week by employees who are exempt from the Fair Labor Standard Act.

Are timesheets prepared by ALL company personnel, and reviewed & signed by a supervisor? Yes No

Are all hours over 40 per week for exempt employees and principals recorded on their timesheets? Yes No

Are any portion of these excess hours worked by exempt employees paid, or is the exempt employee given comp time? Yes No

If so, please provide details and the number of hours and correlating dollar amounts. _____

How does your payroll system account for uncompensated overtime for exempt employees?

How does your accounting system account for uncompensated overtime for exempt employees?

How do you determine rates for invoicing labor for salaried employees? (example – is it based on 2080 total hours, or other method?) _____

Does your firm use Quick Books? Yes No

If so, please provide a copy of the “Set up Files” information which shows how your firm accounts for labor.

Billable and Non-Billable Labor Hours

- Does the direct labor base include all (billable and non-billable) project hours? Yes No
 This could be hours that were over budget, or hours that could not be billed to the project.
- Does your time tracking system have the ability to track and segregate project hours by individual project numbers? Yes No
- Does your accounting system have the ability to track and segregate project hours by individual project numbers? Yes No
- Does the system do this regardless if the hours are billable or not? Yes No
- How are actual Labor hours related to lump sum agreements recorded in the company's books?

Bid Proposal

Please provide copies of six timesheets which show labor for B&P, promotional marketing and how your firm accounts for each of those.

- Please provide the dollar amount for Bid and Proposal labor in your overhead. _____
- How does your firm track B&P? _____
- Please provide the dollar amount for Bid and Proposal expenses included in your overhead. _____

Promotional Marketing

- Please provide the dollar amount for promotional and marketing labor and materials and all associated costs for the year being submitted to our office for review. _____
- How many employees are dedicated solely to promotional marketing? _____
- Does your overhead contain any promotional materials, such as brochures, advertising, videos, etc? Yes No
- Does your firm have costs for souvenirs, buttons or mementos that are given to customers or the public? Yes No
- Are there any advertising costs or related labor in the overhead schedule? Yes No
- Please provide a copy of the general ledger detail for your marketing account.
- Also, any labor and labor associated costs (fringe benefits) that are occurred in relation to these types of costs are unallowable. Please provide the associated labor cost amount.
- Promotional Marketing is unallowable per 48 CFR 31.205-1 (f). Please see our Interpretive Guidance for Marketing on our Audit website. <http://www.wsdot.wa.gov/Audit/guides.htm>
- Advertising unallowable per 48 CFR 31.205-1.

Severance Pay

Please provide us with a copy of your firm's severance policy.

- Was severance pay included in your overhead schedule of costs? Yes No
- If so, how much of it was the result of involuntary termination? _____
- Please provide us with a list showing the amount (per individual) and the account in which the costs are recorded.

Name	Severance Amount	OH Account	Voluntary / Involuntary
			<input type="checkbox"/> Voluntary <input type="checkbox"/> Involuntary
			<input type="checkbox"/> Voluntary <input type="checkbox"/> Involuntary
			<input type="checkbox"/> Voluntary <input type="checkbox"/> Involuntary
			<input type="checkbox"/> Voluntary <input type="checkbox"/> Involuntary
			<input type="checkbox"/> Voluntary <input type="checkbox"/> Involuntary
			<input type="checkbox"/> Voluntary <input type="checkbox"/> Involuntary

Auto Expense

- In the auto expense account, are there any company owned or leased vehicles? Yes No
- Are all company owned/leased vehicles parked at the office overnight? Yes No
- Does your firm have a written policy related to personal use of company vehicles? Yes No

Please provide a list of the owned/leased autos indicating the year, make, & model of the vehicle. Indicate owned or leased

Year	Make	Model	Owned/Leased
			<input type="checkbox"/> Owned <input type="checkbox"/> Leased
			<input type="checkbox"/> Owned <input type="checkbox"/> Leased
			<input type="checkbox"/> Owned <input type="checkbox"/> Leased
			<input type="checkbox"/> Owned <input type="checkbox"/> Leased
			<input type="checkbox"/> Owned <input type="checkbox"/> Leased
			<input type="checkbox"/> Owned <input type="checkbox"/> Leased

Provide a copy of your auto usage policy.

- For all mileage paid to employees – is this payment for use of
 personal vehicle for company work. company vehicle. combination of the two.
- If there are company vehicles (owned or leased), is there any personal use of those vehicles? Yes No
- Does the mileage amount reflected on the overhead schedule match the actual cost reimbursed to employees? Yes No
- Are mileage logs kept for each company vehicle, for all vehicle usage? Yes No
- If so, please provide an example of a completed mileage log.
- Does your firm pay an auto allowance to any of your employees? Yes No

If so, please provide a list of the amounts paid to each employee, and that employee's position.

Amount Paid to Each Employee	Employee Position

- Is the auto allowance for personal vehicle company car
- What is included in this payment? _____
- For instance, does auto allowance include insurance? Yes No
- Is parking provided at your firm? Yes No
- For Staff Principals Visitors Combination
- Please provide detail. _____

Personal use including personal commute in company vehicles (includes owned or leased) is unallowable per 48 CFR 31.205-6 (m) (2) and 31.205-46 (d).

Dues & Subscriptions - Lobbying

- Some dues and membership fees include a portion for lobbying. This can usually be found in very small letters in a notation on your invoices. ACEC is one example of dues that includes lobbying.
- Has the lobbying portion been removed from your overhead? Yes No
- Any political activity costs? Yes No
- Lobbying is unallowable per 48 CFR 31.205-22.

Key Person Life Insurance

- Is there any key person life insurance (for officers/principals)? Yes No
- Amount: _____ Key person life insurance is unallowable per 48 CFR 31.205-19 (e) (2) (v).

Common Control

Is there a common control¹ issue with rent?

Yes No

Or computers, vehicles, or other equipment?

Yes No

Complete the common control worksheet and provide a copy of the applicable tax return for support.

Common Control worksheet can be found on the Audit Office FAQ at <http://www.wsdot.wa.gov/Audit/FAQs.htm>

Common control adjustments – see 48 CFR 31.205-36 (b) (3).

(Worksheet included for Common Control & Cost of Money – link below All forms can be found on our online FAQ.)

Please provide us with a copy of the calculation and supporting documentation for the cost of money. Worksheet and interest rates are on the Audit Office FAQ. See our Website at: <http://www.wsdot.wa.gov/Audit/FAQs.htm>

Please see 48 CFR 31.205-10 (a) and 15.404-4 (c) (3).

¹Definition - Common control in related party transactions exists when business transactions are conducted at less than arm's length between businesses and/or persons that have a family or business relationship. Examples are transactions between family members, transactions between subsidiaries of the same parent company, or transactions between companies owned in whole or in part by the same person or persons.

Travel/Per Diem

Do all Travel/Meals/Lodging/Per Diem costs comply with the federal travel regulations as noted in 48 CFR 31.205-46?

Yes No

Are the travel costs within the federal travel reimbursement rates?

Yes No

If the costs exceed the travel rates, are the excess costs recorded in a separate account and removed from the overhead?

Yes No

Local Meals

Are your local meals paid in compliance with 48 CFR 31.205-43 (c)?

Yes No

Miscellaneous Accounts

In the Miscellaneous account, what types of costs are included?

Amortization

What is being amortized?

Bonus

Please provide us with a copy of your firm's bonus policy.

If bonus was paid, please include a list of how much was paid to each employee with that employee's position/classification. Details should include what type of bonus each was – spot bonus, performance bonus, signing bonus, referral bonus, Holiday bonus, etc. Provide the formula used to compute the bonus, if applicable.

Please provide your proof of payment for the bonus from your payroll system.

Executive Compensation

Please provide the total compensation for the top five paid employees, and a copy of the W2 to support payment. The total compensation should also include a breakout of the costs showing salary, bonus, deferred compensation, 401K, Auto allowance, Clothing allowance, etc.

48 CFR 31.205-6 (p) limits total executive compensation for 2010 to \$693,951.

Employee	Position	Salary	Bonus	Deferred Comp.	401 K	Auto Allowance	Other

Legal Fees

Are any of the legal fee costs associated with bad debt collection, litigation, mergers, acquisitions, reorganization, or settlements? Yes No
Do your legal fees include monthly retainers to attorneys? Yes No
If so, do you have detailed invoices related to the services that they performed? Yes No
Legal expenses referenced in 48 CFR 31.205-3, 31.205-47, and 31.205-27

Other Direct Costs

Have all direct expenses been removed from your overhead – including project travel, vendor printing, project mileage, rented vehicles & equipment, cost of subcontractors, etc.? Yes No
Does your accounting system have the ability to track & segregate project expenses by individual project number? Yes No
If yes, does the firm track and segregate project expenses by individual project number? Yes No
If not, please provide further detail:

Depreciation

Depreciation may not exceed amount used for financial accounting (book value). Section 179 is not allowable (or any other accelerated depreciation). Is the depreciation amount reported the book value? Yes No
If not, please provide further details:

Income Tax Preparation Fees

For S Corporations (as well as partners & owners who are responsible for paying income tax on your personal return), which overhead account includes your income tax preparation fees?

Indicate the amount. _____

The 2010 edition of the AASHTO Audit Guide shows examples of commonly unallowable costs and the associated citations. See Chapter 8, page 83, and Appendix C.

http://audit.transportation.org/Documents/2010_Uniform_Audit_and_Accounting_Guide.pdf

Please review the lists in AASHTO. If the overhead schedule includes these costs please make the appropriate adjustments to your overhead schedule.

Certification

I certify that the information in this Cost Disclosure Questionnaire and in the attached materials is complete and accurate to the best of my knowledge.

Completed by (First and Last Name)		Job Title	Date Completed
Phone	Fax	E-Mail	