

Dear Recipient:

In order for the MnDOT Office of Audit to perform a Pre-Award, we need the following items:

1. Pre-Award Questionnaire – A brief set of questions regarding the most current company information.
2. The most recent financial statements
3. Sample of an Employee Timesheet
4. Sample of an Employee Expense Report
5. Fee Schedule and/or a Billing Rate Schedule, if applicable.
6. Most recent Fiscal Years Overhead Rate Development workpapers. We have created a list of Common unallowable costs for your reference.
7. Certification of Final Indirect Cost (Overhead) Rate
8. If applicable, Cognizant and/or Acceptance letters from other State DOT's regarding the most current fiscal years overhead rate.

If this Pre-Award is in response to an RFP, the following information will need to be submitted:

1. A Cost Proposal. Please submit this in the Microsoft Excel format.

A Pre-Award is required for all sub-consultants listed in your cost proposal, if their costs are \$10,000.00 or more; it is the Prime Consultant's responsibility to coordinate their submittals.

The Pre-Award cannot be completed without all the information listed above. Missing information can delay the Pre-Award process therefore, it is important to provide all information for the Pre-Award at the time of submittal, including the sub-consultants information, if applicable.

If you have any questions regarding the Pre-Awards, please call:

Greg Hlivka

Office of Audit

651-366-4142

greg.hlivka@state.mn.us

Pre-Award Questionnaire

Contact Information

1. Name of Firm:

2. Company's Primary Contact for Accounting Information:

Name:

Title:

Phone Number:

Email Address:

Mailing Address:

Accounting Information:

3. What is the Company's Fiscal Year End?

Accounting System(s)

4. What type of accounting software does the Company use?
 - A. Commercial System
 - a. Name of Vendor:
 - B. Internally-developed System
 - a. If internally developed, please explain:

5. What basis of accounting does the Company use to prepare the general purpose financial statements?
 Cash Accrual Hybrid. *Please explain 'Hybrid'*

6. 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:

7. Does the general ledger contain separate direct and indirect accounts for the following:
Labor Costs Yes No
Non-labor Expenses Yes No
If 'no', please explain:

Direct Expenses

8. Are direct expenses identifiable to a specific project? Yes No
 Are they included in the overhead rate? Yes No
 Segregated into direct expense accounts and not included in the overhead rate? Yes No

Ownership

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

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

Contracts

10. Please provide MnDOT with a Fee Schedule and/or a Billing Rate Schedule for reimbursable expenses and/or labor.

Overhead Rate

11. Provide MnDOT with the most recent fiscal year Overhead Rate Development workpapers. Accounts and amounts listed for the development of the overhead rate should conform to the general ledger accounts and tie into the financial statements.

12. Who prepared the Overhead Rate?

- CPA Firm
- In-House

13. Has another State DOT issued a cognizant letter or acceptance letter regarding this overhead rate?

- Yes
- No

If 'Yes', please attach a copy of the Cognizant letter and/or acceptance letter that was provided by another State DOT.

Raw Labor Rates:

14. List the current actual hourly rate for all employees by classification that will be working on this contract. Raw Labor Rates do not include overhead or profit.

If you have any questions regarding this questionnaire or any pre-awards in general, please call Greg Hlivka at 651-366-4142 or by email at Greg.hlivka@state.mn.us.

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

Type Printed Name: _____

Signature: _____

Title: _____

Date Completed: _____

Common Unallowable Costs

The table below lists expenses that generally are ineligible for cost reimbursement on Government contracts (either direct or indirect costs). This list is not exhaustive, but it identifies many types of costs commonly incurred.

<u>Far Reference</u>	<u>Unallowable Costs</u>
31.205-1 & 31.205-38(b)(1)	Advertising
31.205-1(f)(2)	Trade Show Expenses
31.205-1(f)(2)	Trade Show Labor
31.205-1(f)(5)	Brochures and Other Promotional Material
31.205-1(d)(2)	Souvenirs/Imprinted Clothing Provided to Public
31.205-1(f)(7)	Membership in Civic and Community Organizations
31.205-3	Bad Debts
31.205-3	Collection Costs
31.205-6(m)(2)	Personal Use of Company Vehicles
31.205-8 & 31.205-1(e)(3)	Contributions or Donations
31.205-13(b)	Employee Gifts and Recreation
31.205-14	Membership in Social, Dining and Country Clubs
31.205-14	Social Activities
31.205-15(a)	Fines, Penalties, and Mischarging Costs Related to Violation of Laws
31.205-16	Gains and Losses
31.205-19(e)(2)(v)	Life Insurance on Key Employees
31.205-19	Costs to Correct Defects in Materials and Workmanship
31.205-20	Interest Expense
31.205-22	Lobbying and Political Activity Costs
31.205-27	Organization/Reorganization Legal Fees
31.205-27	Organization/Reorganization Accounting Fees
31.205-27	Organization/Reorganization Incorporation Fees
31.205-27	Organization/Reorganization Labor
31.205-27	Capital Raising (Equity or Long-Term Debt) Legal Fees
31.205-27	Capital Raising (Equity or Long-Term Debt) Accounting Fees
31.205-27	Capital Raising (Equity or Long-Term Debt) Lender Fees
31.205-30(c)	Patent Costs
31.205-33(e)	Retainer Agreements (unless properly supported)
31.205-35	Relocation Costs (In certain circumstances)
31.205-46	Travel Costs in Excess of FTR Rates
31.205-49	Goodwill
31.205-51	Alcoholic Beverages

Resources for Creating an Overhead Rate:

- Federal Acquisition Regulation
- American Association of State Highway and Transportation Officials (AASHTO) Uniform Audit and Accounting Guide

If additional information is needed, MnDOT has a policy regarding 'Audit Oversight of Consultant Contract Indirect Cost Rates' which is available upon request.

Certification of Final Indirect Cost (Overhead) Rate

Firm Name: _____

Indirect Cost Rate (Overhead) Proposed: _____

Fiscal Period Covered by the Indirect Cost Rate (Overhead): _____

I, the undersigned, certify that I have reviewed the proposal to establish the final indirect cost (overhead) 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 the final indirect cost (overhead) rates are allowable in accordance with the cost principals 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 principals of the FAR 48 CFR 31.

All known material transactions or events that have occurred since the last Certification of Final Costs that affect the firm's ownership, organization or indirect cost (overhead) rates have been disclosed.

Signature: _____

Name of Certifying Official (Print): _____

Title: _____

Date of Certification (mm/dd/yyyy): _____