

CALTRANS A&I FINANCIAL DOCUMENT REVIEW REQUIREMENTS FOR ARCHITECTURAL AND ENGINEERING (A&E) CONSULTANTS ON LOCAL GOVERNMENT AGENCY CONTRACTS

All Prime & Sub-consultants must submit the following minimum requirements for contracts ≥ \$150,000:

- 1) A&E Consultant Financial Document Review Request Letter (Exhibit 10-A) - Completed by Local Agency for each contract (1)
- 2) Cost Proposals (*Examples at Exhibit 10-H1 through 10-H4*) - Completed by Consultants
- 3) Consultant Annual Certification of Indirect Costs and Financial Management System (Exhibit 10-K) - Completed by each Consultant (*except for firms requesting Safe Harbor Rate*)
- 4) Local Agency and Prime Consultant's Points of Contact

| Type of Financial Documents and Information for ICR FYE proposed * | CATEGORY 1: | CATEGORY 2: | CATEGORY 3: | If not Categories 1-3 | |
|--|---|--|---|---|--|
| | Firms with Cognizant Approval Letter for ICR FYE proposed | Firms with Caltrans Acceptance ID Number for ICR FYE proposed ** | Firms Requesting Safe Harbor Rate (SHR) | CATEGORY 4: Contracts ≥ \$150K to < \$1M and participating amounts ≥ to \$150K | CATEGORY 5: Contracts ≥ \$1M and participating amounts ≥ \$150K |
| For all Prime and Sub-consultants | | | | | |
| Cognizant Approval Letter for the FYE proposed (<i>issued by cognizant state, which is based on Location of Accounting Records as stated in AASHTO ICQ</i>) | ✓ | | | | |
| Caltrans' ICR Acceptance ID #s for ICR FYE proposed ** | | ✓ | | | |
| FAR Compliant Indirect Cost Rate (ICR) Schedule including FAR References and Disclosure Notes (2) ★ <i>Prime Consultant must have a CPA Audited ICR Report if contract is ≥ \$1M, regardless of Prime Consultant's participation amount.(2)</i> | | | | ✓ | ★ |
| Prior Year ICR Schedule | | | | | ✓ |
| AASHTO Internal Control Questionnaire (ICQ) Appendix B (3) | | | | ✓ | ✓ |
| Post Closing Trial Balance (4) | | | | | ✓ |
| Vacation/Sick Policy | | | | | ✓ |
| Bonus Policy | | | | | ✓ |
| Executive Compensation Analysis (ECA) (4) | | | | | ✓ |
| Prevailing Wage (PW) Policy for PW contracts (5) | ✓ | ✓ | ✓ *** | ✓ | ✓ |
| When applicable, additional documents may be requested: | | | | | |
| Supplemental reconciliation schedule (to tie the proposed ICR Schedule to Trial Balance) (4) | | | | | |
| Chart of Accounts | | | | | |
| Income Statement (4) | | | | | |
| Labor Summary Report (6) | | | | | |
| Related Party Rent Analysis (4) | | | | | |
| Vehicle, Equipment, and Other Direct Costs Schedules (4) | | | | | |
| Safe Harbor Rate Documents: | | | | | |
| Consultant Certification of Eligibility of Contract Costs and Financial Management System (Attachment 1R) | | | ✓ | | |
| Additional Documents Required | 2 | 2 | 2 | 3 | 8 |

* *ICR FYE = Indirect Cost Rate Fiscal Year End. All items on this checklist may not be all inclusive. A&I reserves the right to request additional documentats as deemed necessary.*

** *Caltrans ICR Acceptance ID # is an identification number issued by Caltrans upon review and acceptance of consultant's indirect cost rate(s) schedule for a specific fiscal year. This ID # can be referenced for use on future contracts using the same FYE ICR.*

*** *Firms using SHR can be reimbursed for the prevailing wage deltas either as an Other Direct Cost or as an Overhead/Indirect Cost - refer to A&I's PW Interpretive Guidance on www.dot.ca.gov/audits.*

- (1) *Local Agencies are required to complete Exhibit 10-A and include all applicable required documents upon submission.*
- (2) *FAR Compliant ICR schedule includes FAR References, and Disclosure Notes. If the Disclosure Notes are not provided, A&I will provide a first year waiver of this requirement; however, the notes will be required on future fiscal year ICR schedules. See AASHTO Guide Chapter 5, 8, and 11 for references. The fiscal year-end indirect cost rate (ICR) to be applied to the Agreement is based on the submission package received by A&I. For financial document packages received from January 1, 2018 to June 30, 2018, the 2016 FYE ICR must be submitted or the FYE 2017 ICR if available. For financial document packages received from July 1, 2018 to December 31, 2018, the 2017 ICR must be submitted.*
- (3) *Go to AASHTO website @ audit.transportation.org, for Appendix B-Internal Control Questionnaire*
- (4) *Accounts and balances must match costs proposed on the FAR Compliant ICR schedule, as per 48 CFR Part 31.*
- (5) *Prevailing Wage (PW) contract requires written PW Policy. It must be on the company's letterhead, signed, and dated by company's official to show accounting methods used on delta base and delta fringe - refer to A&I's PW Interpretive Guidance on www.dot.ca.gov/audits.*
- (6) *Document/Report must summarize total labor costs that agree to total direct labor and total indirect labor amounts included in the fiscal year 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. Refer to Uncompensated Overtime Interpretive Guidance on www.dot.ca.gov/audits.*