

**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 Program Management
Preliminary Engineering Design Engineering
Surveying Feasibility Studies
Mapping or Architectural related services 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