

## **FDOT offers free Job Cost Accounting System Review for:**

- 1) Consultants in business for less than one year;**
- 2) Consultants who have reorganized to the extent that their most recent audit is no longer valid;**
- 3) Consultants who have established & operated a job cost accounting system for a period of less than one year**

Consultant firms requesting qualification at a major project level (greater than \$250,000) **that meet one of the criteria noted above and do not have a CPA issued audit to submit** may request a Job Cost Accounting System Review, to be conducted by the FDOT Office of Inspector General. In order to qualify for the accounting system review, you must provide certification of the establishment of an accounting system that separates and accumulates direct and indirect costs, and identifies and records labor charges and expenditures for specific projects or jobs. Certification of job cost accounting system is included in the attached Accounting System Requirements Checklist. To request a Job Cost Accounting System Review in lieu of submitting a CPA issued audit, you must: 1) Have established an adequate job cost accounting system; 2) Read and certify the Accounting Systems Requirements Checklist; and 3) Forward the Checklist, along with a projected overhead, direct expense, and FCCM rate, to: Lorraine Odom, FDOT Procurement Office, MS 20, 605 Suwannee Street, Tallahassee, FL, 32399.

The projected overhead, direct expense, and FCCM rates must be supported by an estimate of direct labor, fringe benefits, general overhead, and direct expense costs for the first, upcoming fiscal year of operation. The Department's Procurement Office will forward the request to the Office of Inspector General (OIG) to initiate the Job Cost Accounting System Review. The OIG will assess the capability of the consultant's accounting system to meet the Department's audit requirements and to support potential billings made to the Department and other clients. Due to workload constraints, consultants are limited to submitting a request for Job Cost Accounting System Review to once every six months (bear in mind that a Job Cost Accounting System Review by the OIG is only good for the first year of business operation). Based on a determination of accounting system adequacy, the Office of Inspector General will review the cost estimates, make appropriate disallowances if necessary, and establish interim reimbursement rates for use during the consultant's first year of operation. After completion of the first fiscal year of operation, the consultant is required to submit a Reimbursement Rate Audit Report prepared by an independent Certified Public Accountant as part of the annual renewal Request for Qualification package.

Consultants requesting qualification for minor projects only, subconsultants with contract fees under \$250,000, or consultants qualifying solely to perform appraisal services or to prepare or review business damage estimates under Work Groups 20 or 22, are not required to submit an audit report or to request an accounting system review.

**ACCOUNTING SYSTEM REQUIREMENTS - CHECKLIST**

Consultants Name: \_\_\_\_\_ Federal ID Number: \_\_\_\_\_  
 Contact Person: \_\_\_\_\_ Phone Number: \_\_\_\_\_  
 E-Mail: \_\_\_\_\_

Accounting System Questionnaire

General:

Fiscal Year End used by firm? \_\_\_\_\_

Statements on cash or accrual basis? \_\_\_\_\_

Yes or No  
Response

reference: [http://www.dot.state.fl.us/inspectorgeneral/ASR/Accounting\\_System\\_Info.htm](http://www.dot.state.fl.us/inspectorgeneral/ASR/Accounting_System_Info.htm)

1. Primer (the Primer is the first step to understanding job cost accounting)  
 Have you reviewed and do you understand the Primer? \_\_\_\_\_

2. Labor Costs (Time Sheets)  
 Do all employees keep accurate time sheets? \_\_\_\_\_  
 Do time sheets show time spent on specific projects and indirect functions? \_\_\_\_\_  
 Do employees sign time sheets? \_\_\_\_\_  
 Are time sheets reviewed and signed by supervisors? \_\_\_\_\_  
 Are payroll expenditures distributed to appropriate accounts based on time sheets? \_\_\_\_\_  
 Is a payroll register prepared for every pay period? \_\_\_\_\_

3. Expenditures  
 Are all expenditures identified and recorded in the General Ledger as indirect or direct costs? \_\_\_\_\_  
 Are all direct costs recorded as direct charges in project records regardless of eligibility for reimbursement? \_\_\_\_\_

4. Accounting for Costs and Expenses  
 Does the General Ledger separate direct cost from indirect (overhead)? \_\_\_\_\_  
 Are job cost records maintained for every project? \_\_\_\_\_  
 Can your System generate Job Cost Reports showing Current and Project-to-Date totals for hours and dollars? \_\_\_\_\_  
 Does your Chart of Accounts differentiate direct and indirect costs? \_\_\_\_\_

5. Reconciliations  
 Do the Job Cost Records and Labor Distribution Records reconcile to the General Ledger ? (see the Flowchart in the Primer) \_\_\_\_\_

6. Allowability of Costs

Are direct and indirect expenses, such as travel, mileage, interest, certain advertising costs, etc. limited or excluded in reports in accordance with Florida Statute 112.061 and Federal Acquisition Regulations, sub Part 31.2? \_\_\_\_\_  
(www.arnet.gov/far/)

**CERTIFICATION**

It is hereby certified that the accounting system for this firm separates direct and indirect costs, charges direct costs to specific projects, and meets all other minimum requirements set forth in Department Guidelines and that all information contained hereon, is true and correct. This firm hereby requests a review of the established accounting system.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Name and Title)

\_\_\_\_\_  
(Company Name)