

MnDOT Safe Harbor Program Questionnaire

MnDOT Office of Audit needs the following information to consider a request for enrollment in the Safe Harbor Program. Email these items to ProfessionalTechnicalAudits.dot@state.mn.us.

Checklist

- Financial statements for the most recent financial year:
 - Balance Sheet
 - Income Statement
 - Profit & Loss Statement
 - Compiled Financial Statements (if applicable)
- Safe Harbor Consultant Certification form
- Chart of Accounts
- Timesheets from the most recent completed month
- Payroll register and proof of payments from the most recent completed month
- A list of all contracts (prime or sub), including dollar values, you currently have with MnDOT

Accounting Contact: _____

Title: _____

Phone Number: _____

Email: _____

Mailing address: _____

Background Information

When was the company formed? _____

Business Form

Sole Proprietorship Partnership C Corporation S Corporation Other: _____

Services Provided

What types of services does the company provide? (*e.g., consultant–Architectural and Engineering Design*)

a. _____

b. _____

c. _____

d. _____

Revenue Sources

For the most recent fiscal year, what percentage of the company's revenue was generated from each of the following?

____% State government ____% Local government ____% Federal government ____% Commercial/private

Fiscal Period

What is the company's fiscal reporting period? Start Date _____ End Date _____

Has the company used the same fiscal reporting period for the past two years?

Yes No

Accounting Software

What type of accounting software does the company use?

Internally developed system Commercial system. Name of vendor: _____

Hybrid system – please explain: _____

Please describe any significant manual procedures used outside of the automated accounting system to record transactions:

Accounting Method/Basis

What basis of accounting does the company use to prepare general purpose financial statements?

Cash Accrual Hybrid - *please explain "Hybrid":* _____

If response above is not "accrual," are year-end accrual adjustments made for compliance with generally accepted accounting principles? Yes No

If "Yes," please provide a listing of the accrual adjustments made.

Accounting Policies

Does the general ledger contain separate direct and indirect accounts for the following?

Yes **No**

- Accounts for billable direct labor costs
- Accounts for non-billable direct labor costs
- Accounts for billable other direct costs
- Accounts for non-billable other direct costs
- Accounts for allowable indirect costs
- Accounts for unallowable costs per 48 CFR Part 31^(†)

^(†) FAR, Part 31 is codified at 48 CFR, Part 31, which is available at: <https://www.acquisition.gov/content/part-31-contract-costs-principles-and-procedures>

Provide a copy of the company's chart of accounts and identify account names and numbers for the cost items listed below, if you responded "yes" to the accounting policies.

Accounts for billable direct labor costs _____

Accounts for non-billable direct labor costs _____

Accounts for billable other direct costs _____

Accounts for non-billable other direct costs _____

Accounts for allowable indirect costs _____

Accounts for unallowable costs per 48 CFR Part 31^(†) _____

Where and how are direct costs billable to clients recorded?

Do you have written policies on the following cost categories?

Yes **No**

- Accounts for billable direct labor costs
- Accounts for non-billable direct labor costs
- Accounts for billable other direct costs
- Accounts for non-billable other direct costs
- Accounts for allowable indirect costs
- Accounts for unallowable costs per 48 CFR Part 31^(†)

If "No," please explain: _____

Knowledge of FAR, Part 31

Are appropriate personnel within the company familiar with FAR, Part 31?

Yes No – If “No,” please explain: _____

Direct and Indirect Expenses

Does the general ledger contain separate direct and indirect accounts for the following?

Yes No

 Labor costs

 Non-labor expenses

If “No,” please explain: _____

Exclusion of Unallowable Costs

Does the company have a system in place to identify and remove from the indirect cost pools all unallowable costs, in accordance with per FAR, Part 31 and applicable Cost Accounting Standards? (See AASHTO Guide, Sections 2.2, 4.4, 5.2, 5.5, and 6.3.)

No, please explain: _____

Yes. If “yes,” answer A through C, below.

A. Please provide details about the system.

B. How are appropriate personnel trained to distinguish between allowable and unallowable costs?

C. When does the primary review for allowability occur—at time the transaction is recorded, or later?

Labor Cost Accumulation

Direct & Indirect Labor

Do the company’s timesheets include reporting codes for both direct and indirect hours? (See AASHTO Guide, Chapter 6.)

Yes – If “Yes,” do all employees, including managers and principals, record direct and indirect time on their timesheets? _____

No – If “No,” explain the method used to segregate direct and indirect labor hours.

Timekeeping System

Does the company use an electronic timekeeping system? Yes No

If “yes,” provide an explanation of its operation, or provide system documentation:

Are all employees, including managers and owners/principals, responsible for signing their own timesheets?

Yes No – If “No,” please explain: _____

Are all employee timesheets approved by supervisors? Yes No – If “No,” please explain:

Is there a certification and approval process required for all time worked by owners and principals?

Yes No – If “No,” then how is time accounted for and billed to projects? _____

How are timesheet coding errors detected and corrected?

How do timesheets identify work performed outside an agreement’s original scope of services?

Uncompensated Overtime (see AASHTO Guide, Section 5.4)

Does the company record all hours worked by all employees, including managers and principals, regardless of whether the employees are exempt from overtime pay or whether all direct labor hours are billed to specific contracts?

No, please explain: _____

Yes, which of the following methods does the company use to account for uncompensated overtime—the hours worked without additional compensation in excess of an average of 40 hours per week by direct-charge employees who are exempt from the Fair Labor Standards Act?

Effective Rate Method, please explain: _____

Salary Variance Method, please explain: _____

(E.g., What was the total dollar amount of the salary/payroll variance for the year?): \$ _____

Other. Please explain: _____

Contract Modifications/Time Tracking

How does the company segregate work performed under a basic agreement/contract from work performed for contract changes/modifications? _____

Non-Salary Direct Costs (Other Direct Costs)

Besides labor, what type of costs does the company normally bill/invoice as direct expenses?

Based on your answers above, is your financial management system capable of accumulating, allocating, and summarizing costs including direct and indirect (including labor), unallowable, and by contract/project in accordance with federal cost principles?

Yes No

If yes, provide a sample report from a currently active contract/project showing the accumulation, allocation and summarization of direct labor. (If applicable.)

Reconciliations

Does the company reconcile the financial accounting system to the job-cost system?

N/A (no job-cost ledger used).

No. Please explain: _____

Check here if systems are integrated:

Yes – *how often?* (Check all that apply.)

Monthly Quarterly Semi-annually Annually

Comment: _____

How frequently are bank statements reconciled? Who performs this process? _____

As an attachment (narrative or flow chart), describe your process for approving, recording, and invoicing contract costs to ensure compliance with applicable federal and state laws and regulations.

Paycheck Protection Program

Did the company receive a Paycheck Protection Program (PPP) loan through the Federal Coronavirus Aid, Relief, and Economic Security Act? Yes No

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

Signature

Title

Date Completed

Note: The representations on this Questionnaire were made by, and are the responsibility of, the company’s management.

Management Certification of Data

I, the undersigned, hereby certify that the following is true and accurate:

1. I am an owner and/or officer of this company and am duly authorized to sign this representation and certification on behalf of the aforementioned company, and that through my signature the company is responsible for this Management Certification of Data.
2. I certify that to the best of my knowledge and belief this questionnaire and attachments are a complete and accurate representation of the aforementioned company's cost accounting and billing practices.
3. I certify that I have reviewed this proposal to establish final overhead rate(s) and to the best of my knowledge and belief: (1) All costs included in this proposal are allowable in accordance with cost principles of the Federal Acquisition Regulation (FAR) of title 48, Code of Federal Regulations (CFR), part 31; and (2) This proposal does not include any costs which are expressly unallowable under applicable cost principles of the FAR of 48 CFR, part 31.
4. All known material transactions or events that have occurred affecting the company's ownership, organization and overhead rates have been disclosed.
5. I acknowledge that the information in this questionnaire and attachments are being submitted for the express purpose of seeking and being eligible to be awarded contracts with the Minnesota Department of Transportation, and that these contracts may include federal funding.

Electronic Signature	Date	Title
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Note: The representations on this Questionnaire were made by, and are the responsibility of, the company's management.



Office of Chief Counsel
395 John Ireland Blvd.
St. Paul, MN 55155

To whom it may concern,

As part of MnDOT’s auditing process, you may be asked to provide data that are reasonably understood to be classified as nonpublic or protected nonpublic under the Minnesota Government Data Practices Act (“MGDPA”) or other state or federal data privacy laws.

The MnDOT Office of Audit makes every effort to safeguard the security of the data collected. All data submitted as part of our audits are maintained in a secure and restricted location for the duration of the audit process. Data submitted as part of this process are only accessible to MnDOT employees whose work assignments require access. Any data determined to be classified as nonpublic or protected nonpublic will not be disclosed to any third party absent a lawful requirement of a court or governmental agency. Data that are no longer needed for an audit are either maintained in a secure repository pursuant to MnDOT’s records retention schedule or securely destroyed.

On rare occasions, MnDOT may receive a request for third party data pursuant to the MGDPA or other government transparency laws. Every data request received by MnDOT is routed to the Office of Chief Counsel for processing, where all requested data are reviewed by a licensed attorney and withheld as required by law. When these requests involve data collected as part of an audit, MnDOT protects from unlawful disclosure all data reasonably understood to be classified as nonpublic and protected nonpublic. Examples of nonpublic or protected nonpublic data that are withheld from unlawful disclosure include but are not limited to:

- Internal auditing data under [Minn. Stat. §13.392](#)
- Trade secret information under [Minn. Stat. §13.37 subd. 1\(b\)](#)
- Transportation data under [Minn. Stat. §13.72](#)
- Business data under [Minn. Stat. §13.591](#)

If you believe any data you are asked to provide should be classified as not public under these statutes or any other applicable laws, you are welcome—but are not obligated—to communicate that to the MnDOT Office of Audit. Please contact the Office of Chief Counsel for other questions related to the privacy or security of your data.

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