



MnDOT Indirect Cost Rate Questionnaire

Please identify the Entity’s primary contact for accounting questions:

Name: _____

Title: _____

Phone Number: _____

e-mail address: _____

Mailing address: _____

Services Provided

What types of services does the Entity provide?

a. _____

b. _____

c. _____

d. _____

Number of Employees

How many employees (including managers and principals) does the Entity currently employ?

Full time: _____ Part time: _____

Has this number changed in the past one-year period?

No Yes If “yes”, please explain:

Accounting: General Background

Fiscal Period

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

Yes No

Accounting Method/Basis

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

Cash Accrual Hybrid Please explain “Hybrid” _____

- Was the same basis of accounting also used to prepare the entity’s indirect cost rate schedule?

Yes No Please explain “No” _____

Accounting Policies

Does the Entity have written accounting policies that address the following topics? (If “yes”, please provide a copy.)

Yes	No	
<input type="checkbox"/>	<input type="checkbox"/>	Accounting System
<input type="checkbox"/>	<input type="checkbox"/>	Recording time worked/timesheet preparation
<input type="checkbox"/>	<input type="checkbox"/>	Fringe benefits/leave time

- | | | |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Compliance with FAR, Part 31 ¹ , 2 CFR Part 200 ² , and applicable CAS |
| <input type="checkbox"/> | <input type="checkbox"/> | Recording direct and indirect costs |
| <input type="checkbox"/> | <input type="checkbox"/> | Recording Allowable/unallowable costs |
| <input type="checkbox"/> | <input type="checkbox"/> | Indirect cost rate development |

Preparing the Indirect Cost Rate Schedule

How frequently does the Entity prepare an indirect cost rate schedule to determine costs eligible for reimbursement per 2 CFR Part 200 and FAR, Part 31?

- Annually Other (please specify): _____

Was the most recent schedule prepared by the Entity or by another entity (e.g., CPA firm)?

Prepared by: Internal staff External party (specify): _____

Period covered by most recent indirect cost schedule:

- One-year period ended December 31, 20____
- Other (please specify): _____

Fraud, Abuse and Contract Violations

Is the Entity's management aware of any material instances of fraud, illegal acts, abuse, or violations of contracts provisions or grant agreements?

- No Yes **If "yes", please explain:** _____

Knowledge of 2 CFR Part 200 and FAR, Part 31

Are appropriate personnel within the Entity familiar with 2 CFR Part 200 and FAR, Part 31?

- Yes No **If "no", please explain:** _____

Audits/Examinations

Within the past three years, has a CPA or governmental agency performed an independent audit, review, attestation, or compilation of the Entity's financial data or any phase of the Entity's operations?

- No Yes **If "yes", please complete the following (if applicable):**

Financial Statements: Audit Review Compilation Other (please specify): _____

Name of CPA or Agency: _____

Contact: _____

Period Covered: _____

Indirect Rate: Audit Review Compilation Other (please specify): _____

Was the indirect rate calculated in accordance with FAR, Part 31 and 2 CFR Part 200? Yes No

Name of CPA or Agency: _____

Contact: _____

Period Covered: _____

Project Audits: Audit Review Compilation Other (please specify): _____

Name of CPA or Agency: _____

Contact: _____

Period Covered: _____

¹ FAR, Part 31 is codified at 48 CFR, Part 31, which is available at: <https://www.acquisition.gov/far/part-31>

² 2 CFR Part 200 can be found at: <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200>

Accounting System(s)

Accounting Software

What type of accounting software does the Entity 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:

Job Costing

Does the Entity have a job-cost accounting system? Yes No

If "no", please explain what type of system is used to determine project costs: _____

Integration

Does the accounting general ledger interface with the job-cost ledger?

- Yes No N/A (no job-cost ledger used)

Are billings prepared from, or reconciled to, reports generated from the Entity's job-cost system?

- Yes No, please explain: _____

Describe any manual procedures that occur outside of the automated accounting system to prepare billing packages.

Accounting Records

Which of the following types of records does the Entity maintain to support financial transactions?

- | <u>Yes</u> | <u>No</u> |
|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> General ledger |
| <input type="checkbox"/> | <input type="checkbox"/> Cash disbursements journal |
| <input type="checkbox"/> | <input type="checkbox"/> Cash receipts journal |
| <input type="checkbox"/> | <input type="checkbox"/> Job/Project-cost ledger |
| <input type="checkbox"/> | <input type="checkbox"/> Labor distribution reports |
| <input type="checkbox"/> | <input type="checkbox"/> Employee expense reports |
| <input type="checkbox"/> | <input type="checkbox"/> Payroll registers |

Direct and Indirect Expenses

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: _____

Exclusion of Unallowable Costs

Does the Entity have a system in place to identify and remove from the indirect cost pools all unallowable costs, in accordance with per 2 CFR Part 200 and FAR, Part 31 and applicable Cost Accounting Standards?

- No. Please explain: _____
 Yes. If "yes", please answer a through c, below.

Please provide details about the system. _____

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

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

Budgeting

Does the Entity use a budgeting system to track grant award costs?

Yes No

Comment: _____

If “yes”, does the Entity prepare variance reports to compare budgeted amounts to actual amounts on projects, and are the reports distributed to appropriate management personnel?

Yes No **If “no”**, please explain: _____

Cost Allocation

Does the Entity use cost allocation methods consistently for all contracts, including commercial contracts as well as for State and Federal government contracts?

Yes No. **If “no”**, please explain: _____

Allocation Base(s)

When computing indirect cost rates, the Entity uses —

a single base for cost allocation. Description of base: _____

multiple bases for cost allocation. Description of bases: _____

Project-Specific Indirect Cost Rate(s)

Does the Entity have any special, project-specific indirect cost rates negotiated with a State DOT?

No Yes. **If “yes”**, please explain, and list the States that use these rates:

Accounting – Payroll and Timekeeping

Timekeeping System

Does the Entity use an electronic timekeeping system?

Yes No

If “yes”, please 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?

Labor Cost Accumulation

Direct & Indirect Labor

Do the Entity’s timesheets include reporting codes for grant related hours versus non-grant related hours?

Yes No

If “yes”, do all employees, including managers and principals, record grant and non-grant hours on their timesheets?

If “no”, then please explain the method used to segregate grant and non-grant labor hours.

Expense Accumulation and Billing

Credits Associated with Direct Costs

Is the indirect cost pool relieved/reduced for credits/reimbursements received for direct costs?

Yes No. If “no”, please explain: _____

Authorizations

How does the Entity ensure that costs are not billed to Government projects prior to proper authorization?

Activities Ineligible for Cost Reimbursement

Did any of the Entity’s employees engage in activities for lobbying, advertising, public relations, charity, and/or entertainment? Yes No

If “yes”, please list the employees who engaged in these activities and describe how the associated costs were tracked and accounted for in relation to the submitted indirect cost rate.

Table 2: Unallowable Activities

Table with 3 columns: Employee Name or ID & Title/Classification, Activities, Accounting Treatment. The table contains 12 empty rows for data entry.

Updates for Changes to 2 CFR Part 200 and FAR, Part 31

Does the Entity have an existing process designed to provide timely updates to entity policies and procedures to accommodate changes in 2 CFR Part 200 and FAR, Subpart 31.6 cost principles?

Yes No

If “yes”, please describe the process: _____

I certify that to the best of my knowledge and belief this Questionnaire is a complete and accurate representation of the above-named Entity'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 Entity'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 entity and am duly authorized to sign this representation and certification on behalf of the aforementioned entity, and that through my signature the entity 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 entity's cost accounting and billing practices.
3. I certify that I have reviewed this proposal to establish final indirect cost allocation 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 CFR Part 200; 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 and 2 CFR Part 200.
4. All known material transactions or events that have occurred affecting the entity's ownership, organization and indirect cost allocation rates have been disclosed.

Electronic Signature

Title

Date Completed

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

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.