

**VERMONT AGENCY OF TRANSPORTATION**  
**Consultant Financial Background Questionnaire (aka Form AF38 revised July2023)**

**- For A/E Firms and similar Professional Service Contractors -**

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FIRM NAME \_\_\_\_\_ Federal Identification Number \_\_\_\_\_

BUSINESS ADDRESS \_\_\_\_\_

PHONE # \_\_\_\_\_

CONTACT PERSON \_\_\_\_\_ EMAIL: \_\_\_\_\_

**PURPOSE**

The Policy of the Vermont Agency of Transportation in the solicitation of professional services is to require the submission of certain levels of consultant and subconsultant financial background information based on the estimated total of the proposed contract. To become eligible for contract or award selection, a consulting firm must provide the requirements of this form at the time of Proposal submittal. Please answer all questions. For those questions that are not applicable (N/A) please provide a written explanation for the N/A response.

**AUDIT PROCEDURE**

Federal Regulations and Agency Policy require that a pre-award evaluation of all potential consultants be conducted. The objective of the pre-award evaluation will be to assess the acceptability of the consultant's:

1. Proposed Cost and Quantities
2. Accounting System
3. Financial Stability

**INSTRUCTIONS FOR FILING**

Consultant signature & notarization of this form is required. This form or an AASHTO ICQ form should accompany annual financial submissions to VTrans. It is the consultant's responsibility to submit updated financial reports to VTrans Audit Section annually. This form is not to be submitted on consultant letterhead and shall not be altered.

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**SECTION ONE – OVERVIEW of ACCOUNTING SYSTEM**

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**To be completed by ALL FIRMS.**

1. Are time sheets maintained for all employees separating direct and indirect hours? Yes \_\_\_ No \_\_\_ . Certified by management? Yes \_\_\_ No \_\_\_
2. Accounting records maintained to support financial transactions? Automated or Manual? (Indicate "A", "M". Not maintained "N")
  - a) General Ledger \_\_\_\_\_
  - b) Cash Disbursement Journal \_\_\_\_\_
  - c) Cash Receipts Journal \_\_\_\_\_
  - d) Payroll \_\_\_\_\_
  - e) Project Cost Register \_\_\_\_\_
  - f) Employee Time Card or Time Sheet \_\_\_\_\_
3. a) Describe the accounting for direct expenses that are reimbursed and the correlation to the indirect cost rate calculation (you may address the accounting entries in skeleton-form).  
b) If your indirect cost rate been examined by a Regulatory Agency or an independent CPA in each of the last three (3) years, please submit copies of the audit or examination report for the years under exam.
4. Explain the flow of items from source documents (time sheets, invoices) to the general ledger. (Attach Flow Chart if available)
5. Does the firm have policy and procedure manuals for:
  - a) Accounting: Yes \_\_\_\_\_ No \_\_\_\_\_
  - b) Billing: Yes \_\_\_\_\_ No \_\_\_\_\_
  - c) Direct and Indirect Costs: Yes \_\_\_\_\_ No \_\_\_\_\_
  - d) Time Keeping: Yes \_\_\_\_\_ No \_\_\_\_\_
  - e) Leave: Yes \_\_\_\_\_ No \_\_\_\_\_
  - f) Fringe Benefits: Yes \_\_\_\_\_ No \_\_\_\_\_
  - g) Overtime: Yes \_\_\_\_\_ No \_\_\_\_\_
  - h) Travel/Meals: Yes \_\_\_\_\_ No \_\_\_\_\_
  - i) Conduct and Ethics: Yes \_\_\_\_\_ No \_\_\_\_\_
6. Describe how the cost system accumulates and summarizes project costs. (Attached flow chart of process is preferred)
7. Does the cost system labor summary reconcile with the payroll register and the general ledger? Yes \_\_\_ No \_\_\_  
Describe reconciliation process which assures accuracy of labor rates billed. (may attach).

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**SECTION TWO – CERTIFICATION**

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**To be completed by ALL FIRMS.**

**I hereby certify that the foregoing information and all attachments to this form are statements of facts:**

Signature \_\_\_\_\_ Date \_\_\_\_\_

Title (Principal only) \_\_\_\_\_

STATE OF \_\_\_\_\_

COUNTY, SS. \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

\_\_\_\_\_  
**NOTARY PUBLIC SIGNATURE / CREDENTIAL NUMBER**

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**SECTION THREE – FINANCIAL STATEMENTS**

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**This form or an AASHTO ICQ form is to be completed by all firms seeking contract(s) with estimated values \$250,000 and above.**

Attach most recent financial statements: Balance Sheet and Statement of Revenues and Expenditures (at minimum). All schedules and statements must cover a period ending no more than eighteen months prior to the proposal due date and correspond with the firm's fiscal year. They may be prepared by the submitting consultant, but preparation/review by an independent public accounting firm is preferred. If the above documents are current and on file with the Agency, a letter indicating the documents are on file with the Agency will be sufficient.

Firms seeking estimated contract(s) valued at greater than \$750,000 should submit an AASHTO ICQ form in lieu of this form, accompanied by either audited financial statements OR financial statements reflecting review by an independent public accounting firm in accordance with Generally Accepted Accounting Principles, unless waived in writing by VTrans Audit Chief.

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**SECTION FOUR – INDIRECT COST RECOVERY RATE**

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**To be completed by all firms whose billing to VTrans will include overhead charges or an indirect cost rate.**

All firms using an indirect cost rate should provide financial statements as per Section Three, regardless of estimated contract size. Sole proprietors and others who cannot comply with this section should contact Contract Administration and the Audit Chief. Attach a current indirect cost schedule prepared in accordance with Title 48 of the Code of Federal Regulations, Chapter 1, Part 31. In accordance with Part 31.203, indirect costs should pertain to and provide benefit to performance of contracts with the Vermont Agency of Transportation. Therefore, a field indirect cost rate, offsite indirect cost rate or otherwise adjusted indirect cost rate is required where applicable. **Submission of an audited rate is preferable to an unaudited submission;** the audited indirect cost rate must be performed by an independent accounting firm or governmental body in accordance with generally accepted government auditing standards and practices. All indirect cost rate proposals must include backup documentation to support the rate proposed. Note: An audited indirect cost rate schedule does not guarantee acceptance by VTrans and is subject to review by VTrans and /or its representatives. Unaudited indirect rate proposals and backup documentation, prepared in accordance with applicable regulations, shall be submitted to the Audit section for approval.

Firms seeking estimated contract(s) valued at greater than \$750,000 and using indirect costs as a basis for burdening labor rates or as a billable item, must submit audited indirect cost rates prepared by an independent public accounting firm in accordance with Generally Accepted Accounting Principles and 48 CFR Part 31, unless waived in writing by VTrans Audit Chief.

**Certification to be submitted with indirect cost schedule, regardless of whether or not it is audited:**

The Federal Highway Administration (FHWA), of the U.S. Department of Transportation, issued FHWA Order 4470.1A; with an effective date of January 1, 2011. This Order establishes the FHWA's Policy for contractor certification of the costs used to establish indirect cost rates in accordance with the applicable cost principles contained in the Federal Acquisition Regulations (FAR) for engineering and design-related service contracts funded with Federal-aid highway program (FAHP) funding and administered by State Departments of Transportation, local public agencies, and other grantees and sub-grantees of FAHP funding (as specified under Section 112(b)(2) of title 23 of the United States Code (U.S.C.) (23 USC 112(b)(2) and defined in Section 172.3 of title 23 of the Code of Federal Regulations (CFR) (23 CFR 172.)). Please refer to the FAR and FHWA Order 4470.1A for further information.

The Order requires indirect costs certification, via completion and attestation by appropriate, authorized signature, for all consulting and design contracts, regardless of funds source. Please complete the certification form as provided below.

**To be completed by all firms submitting an INDIRECT COST RATE schedule to VTrans.**

Firm, Individual or Organization Name: \_\_\_\_\_

Indirect Cost Rate(s): \_\_\_\_\_ Date of Indirect Cost Rate (s) Preparation (mm/dd/yy): \_\_\_\_\_

Calculated based upon Fiscal Year ending (mm/dd/yyyy): \_\_\_\_\_

*I, the undersigned, certify that I have reviewed the final indirect cost rate(s), for the fiscal period as specified above, and to the best of my knowledge and belief: 1.) All costs included in the indirect cost rates are allowable in accordance with the cost principles of the Federal Acquisition Regulations (FAR) of title 48, Code of Federal Regulations (CFR), part 31. 2.) This indirect cost rate does not include any costs which are expressly unallowable under the cost principles of the FAR of 48 CFR 31. All known material transactions or events that have occurred affecting the firm's ownership, organization and indirect cost rates have been disclosed.*

Signature: \_\_\_\_\_ Date of Certification (mm/dd/yyyy): \_\_\_\_\_

Name of Certifying Official (print): \_\_\_\_\_ Title (print): \_\_\_\_\_

**Official (of the contractor).** An individual executive or financial officer of the contractor's organization at a level no lower than a Vice President or Chief Financial Officer, or equivalent, who has the authority to represent the financial information utilized to establish the indirect cost rate proposal in conjunction with the contract.