

Supplement 1

ODOT Railroad Audit Circular Attachment 1-1: Sample Overhead Schedule

**Sample Railroad Company, Inc.
Statement of Labor, Fringe Benefits, and Liability Insurance: Maintenance of Way
For the Year Ended December 31, 2008**

Account No.	Account Description	Total Costs Per General Ledger/Income Statement	Unallowable Costs	Note(s)	Allowable Costs	Percentage of Direct Labor
1000	Total Labor: Maintenance of Way	5,300,000	-		5,300,000	100.00%
Allocable Fringe Benefits and Other Allowable Overhead: Maintenance of Way						
2001	Vacation and Other Paid Leave	237,500	-		237,500	4.48%
2002	Holiday Pay	165,300	-		165,300	3.12%
2003	Supplemental Sickness	47,000	-		47,000	0.89%
3001	FICA	397,500	-		397,500	7.50%
3002	Workers' Compensation	565,000	-		565,000	10.66%
3003	FUTA	51,000	-		51,000	0.96%
3004	SUTA	371,000	-		371,000	7.00%
4001	Health and Welfare Insurance	1,015,000	-		1,015,000	19.15%
4002	Railroad Retirement and Unemployment Insurance	1,130,000	(200,000)	1	930,000	17.55%
5001	Small Tools	61,150	(1,350)	2	59,800	1.13%
5002	Training and Safety	72,350	-		72,350	1.37%
	Total Fringe Benefits	4,112,800	(201,350)		3,911,450	73.80%
Allocable Liability Insurance: Maintenance of Way						
5001	Liability Insurance Expense	848,000	-		848,000	16.00%

Overhead Rates (as a percentage of total labor cost)

Fringe Benefits

73.80%

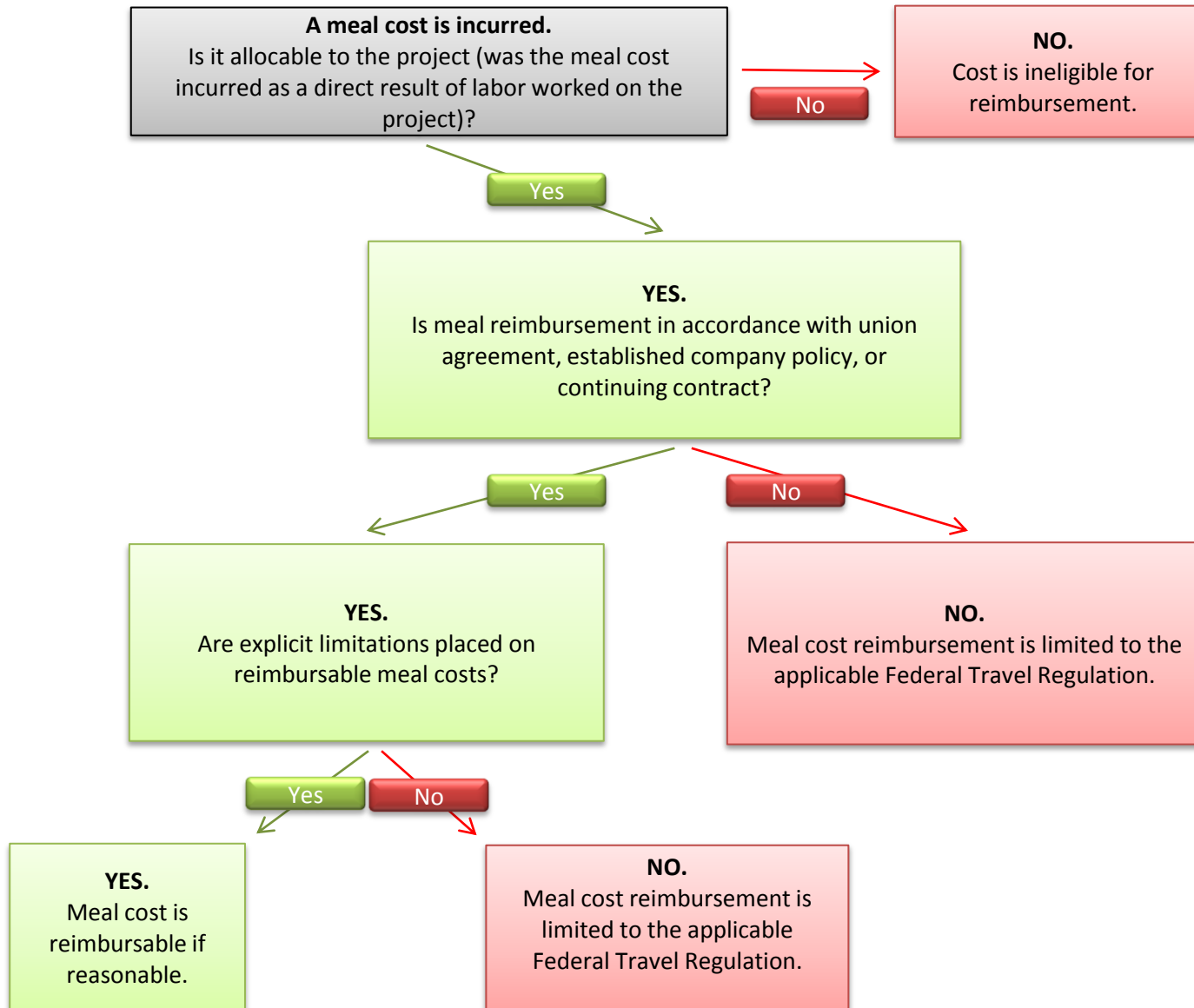
Liability Insurance

16.00%

Notes:

(1) Pension costs assigned to the accounting period but not funded during the same accounting period are disallowed per FAR 31.205-6(J)(2)(i).

(2) Small tools charged directly to projects are disallowed per FAR 31.202.



Sample ABC Railroad Expense Report

Employee Name: Bob Sackamano

Date	Location/Purpose	Type	Merchant	Qty.	Rate	Amount	Project
3/1/10	Move personal vehicle from Columbus (#12345) to Cincinnati (#56789)	Mileage		100	\$ 0.50	\$ 50.00	56789
3/4/10	Manager's Cut-In Dinner	Meals	Big Boy			\$ 15.00	
3/1/10	Lodging on Project 56789, Cincinnati	Lodging	Red Roof			\$ 75.00	56789
3/2/10	Lodging on Project 56789, Cincinnati	Lodging	Red Roof			\$ 75.00	56789
3/3/10	Lodging on Project 56789, Cincinnati	Lodging	Red Roof			\$ 75.00	56789
3/4/10	Move personal vehicle from Cincinnati (#56789) to Columbus (#12345)	Mileage		100	\$ 0.50	\$ 50.00	12345
3/5/10	Flight to Atlanta for corporate meeting	Airfare	Southwest			\$ 250.00	
Subtotal Reimbursable to Employee						\$ 590.00	

Employee Name (Print) Bob Sackamano Supervisor Name (Print) Ed V. HALEN
 Employee Signature Bob Sackamano Supervisor Approval Ed V. HALEN
 Date 3/8/10 Date 3/8/10

Form RR-1

Supplement 3

ABC Railroad

Bi-Monthly Timesheet

Employee ID#: 307295

Employee Name: Tom Smith

Pay Period Ending: 3/12/2010

Project #	Project Description	Work Code	Wed 4/1/09	Thu 4/2/09	Fri 4/3/09	Sat 4/4/09	Sun 4/5/09	Mon 4/6/09	Tue 4/7/09	Wed 4/8/09	Thu 4/9/09	Fri 4/10/09	Sat 4/11/09	Sun 4/12/09	Mon 4/13/09	Tue 4/14/09	Wed 4/15/09	Project Subtotal
1234-56	FRA-270	3000	1.5	3.25	1.75				6.25	8.5		11			4.5	1	6	43.75
2345-67	GRE-675	3000				0.5	1.25				1.75				1.5	1	3.5	9.5
4987-52	CUY-71	3000		0.25	6						4.5				1.25			12
ADMIN	Meeting	1001	4								0.5							4.5
2245-78	MOT-Main	3000		5											0.75			5.75
ADMIN	Other	1002	0.5													2		2.5
LEAVE	Sick	1101						8										8
2258-41	AUG-SR 10	3000	3		0.25				1.5		1.25					4	0.5	10.5
Daily Subtotal			9	8.5	8	0.5	1.25	8	7.75	8.5	8	11	0	0	8	8	10	96.5

Timesheet Signed By: Tom Smith
 Timesheet Approved By: Brooke Hill
 Timesheet Processed By: Adam Johnson

Date: 4/16/09
 Date: 4/17/09
 Date: 4/19/09

Supplement 4

Sample Approved Estimate

Cassidy Railroad of Ohio
 1980 West Broad Street
 Columbus, Ohio 43223

AAR No.: 123 456 A
 County: Franklin
 Route: I-270

Project No.: 987XYZ
 Estimate: Original
 Date: 1/1/2009

Type	Rate	Amount Charged
Construction Labor		40,000.00
Engineering Labor		11,000.00
Administrative Labor		150.00
Purchased Materials		75,000.00
Stock Materials		17,000.00
Company-Owned Equipment		500.00
Equipment Rentals		4,000.00
Travel/Per Diem		850.00
Subcontracted Costs		17,200.00
Freight		1,500.00
Material Handling Fee	5%	850.00
General and Administrative Overhead	70%	35,805.00
Fringe Benefits	45%	23,017.50
Liability Insurance	21%	10,741.50
Total Project Costs		237,614.00
Fixed Fee	10%	12,071.40
Total Due		\$ 249,685.40

Total Direct Labor Cost:
\$51,150

Standard 5% material handling fee applied to stock materials only.

Application of G&A Overhead, Fringe benefits, and Liability Insurance to direct labor cost: \$69,564.

Fixed fee applied to direct labor cost and overhead: $10\% \times \$120,714$. This fixed amount recoverable by contractor.

Sample Subcontractor Invoice

Sample Final Invoice

Cassidy Railroad of Ohio
1980 West Broad Street
Columbus, Ohio 43223

AAR No.: 123 456 A
County: Franklin
Route: I-270

Project No.: 987XYZ
Invoice No.: 100001
Invoice Date: 6/1/2009

Type	Rate	Amount Charged
Construction Labor		35,497.65
Engineering Labor		8,192.38
Administrative Labor		127.50
Purchased Materials		65,150.00
Stock Materials		18,195.00
Company-Owned Equipment		250.00
Equipment Rentals		3,165.78
Travel/Per Diem		1,250.00
Subcontracted Costs		22,500.00
Freight		3,127.45
Material Handling Fee	5%	909.75
General and Administrative Overhead	70%	30,672.27
Fringe Benefits	45%	19,717.89
Liability Insurance	21%	9,201.68
Total Project Costs		217,957.35
Fixed Fee		12,071.40
Total Due		\$ 230,028.75

Total Direct Labor Cost:
\$43,817.53

Standard 5% material handling
fee applied to stock materials
only.

Application of G&A
Overhead, Fringe benefits,
and Liability Insurance to
direct labor: \$59,591.84.

Fixed fee approved by
ODOT/ORDC on estimate.

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ODOT Railroad Audit Circular Attachment 4-8: Sample Overhead Schedule

Sample Subcontractor/Subconsultant Company, Inc. Statement of Direct Labor, Fringe Benefits, Liability Insurance, and General and Administrative Overhead For the Year Ended December 31, 2008

Account No.	Account Description	Total Costs Per General Ledger/Income Statement	Unallowable Costs	Note(s)	Allowable Costs	Percentage of Direct Labor
1000	Direct Labor	7,150,000	-		7,150,000	100.00%
Fringe Benefits and Other Allowable Overhead						
2001	Vacation and Other Paid Leave	235,000	-		235,000	3.29%
2002	Holiday Pay	146,000	-		146,000	2.04%
2003	Supplemental Sickness	43,000	-		43,000	0.60%
3001	Health and Welfare Insurance	685,000	-		685,000	9.58%
3002	Retirement and Unemployment Insurance	525,000	-		525,000	7.34%
3500	FICA	397,500	-		397,500	5.56%
3600	Workers' Compensation	565,000	-		565,000	7.90%
3700	FUTA	51,000	-		51,000	0.71%
3800	SUTA	371,000	-		371,000	5.19%
4001	Small Tools	511,150	-		511,150	7.15%
4002	Training and Safety	62,350	-		62,350	0.87%
	Total Fringe Benefits	3,592,000	-		3,592,000	50.24%
Liability Insurance						
5001	Liability Insurance Expense	875,750	-		875,750	12.25%
General and Administrative Overhead (Note: Only subcontractors are eligible for reimbursement)						
6001	Indirect Labor Expense	2,365,000	(118,000)	1	2,247,000	31.43%
6002	Rent Expense	412,590	-		412,590	5.77%
6003	Maintenance and Repairs Expense	108,400	-		108,400	1.52%
6004	Travel Expense	97,465	-		97,465	1.36%
6005	Telephone Expense	119,785	(3,000)	2	116,785	1.63%
6006	Other Utility Expense	178,000	-		178,000	2.49%
6007	Printing Expense	165,000	-		165,000	2.31%
6008	Tax Expense	179,645	(150,000)	3	29,645	0.41%
6009	Depreciation and Amortization Expense	216,000	(15,000)	4	201,000	2.81%
6010	Advertising Expense	88,650	(67,500)	5	21,150	0.30%
7001	Employee Training and Recruiting	117,500	-		117,500	1.64%
7002	Professional Development Expense	38,900	-		38,900	0.54%
7003	Interest Expense	900,000	(900,000)	6	-	0.00%
7004	Bad Debt Expense	47,500	(47,500)	7	-	0.00%
7005	Legal Fees	112,300	(78,000)	8	34,300	0.48%
7006	CADD Expense	675,250	(50,000)	9	625,250	8.74%
7007	Automobile Expense	170,600	(11,850)	4	158,750	2.22%
7008	Fuel Expense	89,250	(6,200)	4	83,050	1.16%
7009	Office Supplies Expense	600,000	(18,000)	10	582,000	8.14%
7010	Miscellaneous Expense	375,450	(75,000)	11	300,450	4.20%
	Total General and Administrative Overhead	7,057,285	(1,540,050)	12	5,517,235	77.16%

Overhead Rates (as a percentage of direct labor cost)

Fringe Benefits	50.24%
Liability Insurance	12.25%
General and Administrative Overhead (Railroad Ineligible)	77.16%

Notes:

- (1) Executive salaries in excess of the \$612,196 benchmark compensation amount are disallowed per FAR 31.205-6(p).
- (2) Direct telephone expenses are disallowed from the indirect cost pool per FAR 31.202.
- (3) Federal income tax expense is disallowed per FAR 31.205-41(b)(1).
- (4) Costs associated with personal use of vehicles is disallowed per FAR 31.205-6(m)(2).
- (5) Advertising costs associated with the image enhancement of the corporation is disallowed per FAR 31.205-1(f).
- (6) Interest costs are disallowed per FAR 31.205-20.
- (7) All costs associated with bad debt expense are disallowed per FAR 31.205-3.
- (8) Costs associated with settlements are disallowed per FAR 31.205-47.
- (9) Direct CADD expenses are disallowed per FAR 31.202.
- (10) Direct office supplies expenses are disallowed per FAR 31.202.
- (11) Miscellaneous expenses associated with employee entertainment are disallowed per FAR 31.205-14.
- (12) Per 23 CFR 140.907(a), ODOT has elected not to reimburse the railroad for G&A overhead. However, if the railroad contracts with a subcontractor to perform necessary railroad work, subcontractor G&A overhead is permitted if included in the provisions of the railroad-subcontractor agreement. All applicable regulations still apply.

Sample Application of C&MS 109.05(C)(2)

Example 1: Using Actual FICA, Workers' Compensation, FUTA, and SUTA

Name	Hours	Rate	Amount	Note
John Smith	40	25.50	1,020.00	A
April Flowers	35	27.00	945.00	B
Tom Johnson	30	23.40	702.00	C
Jessica Anderson	40	18.25	730.00	D
Total Direct Labor Cost			3,397.00	E = A + B + C + D
Fringes*		30%	1,019.10	F = 30% x E
Subtotal: Labor and Fringes			4,416.10	G = E + F
FICA		7.65%	337.83	H = 7.65% x G
Workers' Compensation		10%	441.61	I = 10% x G
FUTA		0.80%	35.33	J = 0.80% x G
SUTA		9%	397.45	K = 9% x G
Subtotal: Payroll Taxes			1,212.22	L = H + I + J + K
Overhead (Railroad Ineligible)		38%	1,678.12	M = 38% x G
Total Labor and Overhead			7,306.44	N = G + L + M

Example 2: Using 22% for FICA, Workers' Compensation, FUTA, and SUTA

Name	Hours	Rate	Amount	Note
John Smith	40	25.50	1,020.00	P
April Flowers	35	27.00	945.00	Q
Tom Johnson	30	23.40	702.00	R
Jessica Anderson	40	18.25	730.00	S
Total Direct Labor Cost			3,397.00	T = P + Q + R + S
Fringes*		30%	1,019.10	U = 30% x T
Subtotal: Labor and Fringes			4,416.10	V = T + U
FICA		22.00%	971.54	W = 22% x V
Workers' Compensation		22.00%	971.54	W = 22% x V
FUTA		22.00%	971.54	W = 22% x V
SUTA		22.00%	971.54	W = 22% x V
Overhead (Railroad Ineligible)		38%	1,678.12	X = 38% x V
Total Labor and Overhead			7,065.76	Y = V + W + X

*Note: Actual incurred Fringe Benefits costs including union mandated benefits such as leave pay, health and welfare, and retirement.

Railroad Decision Chart - Force Account or Subcontracted

Who is performing the Work?

	Railroad	Subcontractor	
Method Under Which Work is Performed	Force Account	Continuing Contract	Low Bid
Primary Regulations	23 CFR 140 23 CFR 646 48 CFR 31 (FAR Part 31)	48 CFR 31 (FAR Part 31) 23 CFR 646.216(b) (Engineering) 23 CFR 646.216(f) (Construction)	48 CFR 31 (FAR Part 31) 23 CFR 646.216(f)
Contract Type	Actual Cost	Actual Cost + Net Fee Unit Rate	Lump Sum
Subcontractor Selection Criteria	N/A	None*	Lowest Bidder
<i>Cost Driver</i> for Overhead	Total Labor Cost	Direct Labor Cost	N/A
Eligible for G&A Overhead?	No	Yes	N/A
Fee (Profit)	None	Limited to 10% of direct labor and overhead (fixed)	Embedded in bid amount

*Because there is no Federal requirement that the Railroad select the least costly bidder, 23 CFR 140 requires that costs claimed under continuing contracts be reasonable.

Supplement 9