



Utility Agreements Audit Process



HELP

#EndTheStreakTX

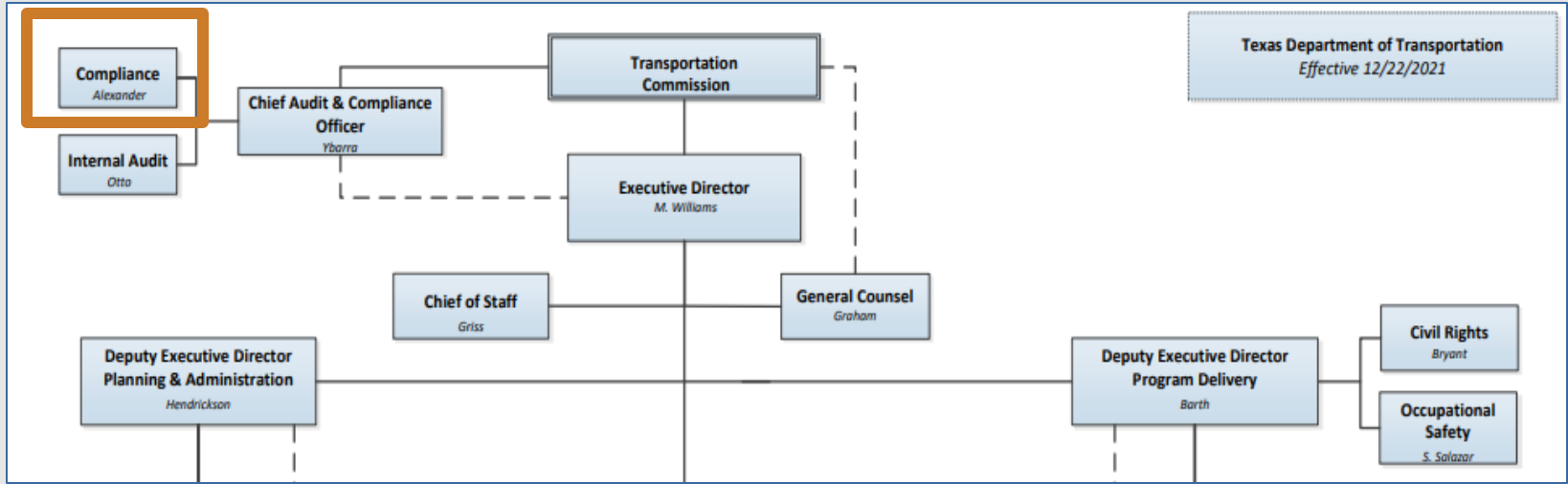
End the streak of daily deaths on Texas roadways.

[TxDOT.gov](https://www.txdot.gov) (Keyword: #EndTheStreakTX)



#EndTheStreakTX Toolkit





Compliance Division consists of three sections:

- **External Audit and Advisory Services** – Audit entities that do business with TxDOT and perform advisory services for TxDOT’s senior management.
- **Investigations** – Perform investigations of potential fraud, waste, abuse, and violations of Department policies.
- **Compliance Section** – Promote a commitment to compliance with applicable laws and regulations by raising awareness of risks and policies and processes to reduce those risks.



- To provide an overview of the importance of adequate documentation for the expenditure of federal funds.
- To conduct a walk through of the documentation requirements in 23 Code of Federal Regulations (CFR) 645 and provide specific examples of adequate documentation for adjustment and relocation of utility facilities on Federal-aid and direct Federal projects.



- Why is adequate & accurate documentation important?
 - It is the foundation used to support accounting and cost records.
 - It is central to making sure funds are obligated and spent as they were intended by the Federal award.
 - Failure to adequately maintain supporting documentation for expenditure of federal funds can result in forfeiture of those funds.

- Generally adequate source documentation includes the following elements:
 - 1) Who spent the funds and who authorized the spending?
 - 2) What were the funds spent on?
 - 3) Where, that is, what award should be charged for the spending?
 - 4) When the spending was authorized and when was it spent?



23 CFR 645.101 prescribes the policies, procedures, and reimbursement provisions for the adjustment and relocation of utility facilities on Federal-aid and direct Federal projects.

23 CFR 645.117 cost categories include:

- Direct Labor
- Labor Surcharges
- Overhead and Indirect Construction Costs
- Material and Supply Costs
- Equipment Costs
- Transportation Costs
- Credits
- Billings



23 CFR 645.117 (b) Actual or average rates paid by the utility to individuals for time worked directly on projects are reimbursable when supported by adequate records.

- Adequate records:
 - Agreed upon rate documentation.
 - Legible certified timesheets showing hours charged directly to the project and within project period.
 - Paystubs showing amounts paid to employees.

Reimbursements - Direct Labor - Example



Timesheet:

- Pay period and hours included for each project.
- Certified.

EMPLOYEE NAME: [REDACTED]

L.D. NUMBER: [REDACTED]

PAY PERIOD: 9/19/2020 to 9/30/2020

| Activity | Prog Elem Code | Pay Code | Total Hours | 9/19 | 9/20 | 9/21 | 9/22 | 9/23 | 9/24 | 9/25 | 9/26 | 9/27 | 9/28 | 9/29 | 9/30 |
|----------------------|----------------|----------|--------------|------|------|------|------|------|------|------|------|------|------|------|------|
| Administration | 820020 | RT | 21.00 | | | 3.00 | 2.00 | 4.00 | 3.00 | | | | 2.00 | 3.00 | 4.00 |
| Plazaring Assistance | 821020 | RT | 35.00 | | | 5.00 | 6.00 | 4.00 | 5.00 | | | | 6.00 | 5.00 | 4.00 |
| Annual Leave | 995100 | AL | 8.00 | | | | | | | 8.00 | | | | | |
| | 820020 | | 64.00 | | | | | | | | | | | | |

PAY CODES: RT REGULAR TIME
CE COMPENSATORY TIME

LEAVE TAKEN CODES:
995100 AL ANNUAL LEAVE
995200 SL SICK LEAVE
995300 HL HOLIDAY
995400 CU COMP USED
995500 AD ADMINISTRATIVE LEAVE
995600 FM FAMILY MEDICAL LEAVE
995700 LWP LEAVE WITHOUT PAY

RECORD 1/2 HOURS AS .5; RECORD 1/4 HOUR AS .25

I HEREBY AFFIRM THAT THIS RECORD IS A TRUE AND COMPLETE STATEMENT OF MY HOURS AND WORK ACTIVITIES.

EMPLOYEE: [REDACTED]
DATE: [REDACTED]

I HEREBY CERTIFY THAT THE ENTRIES ON THIS RECORD REPRESENT AN ACCURATE STATEMENT OF TIME AND ACTIVITY AND AUTHORIZE THE HOURS REPORTED TO BE PROCESSED FOR PAYMENT AND THE ABOVE ACTIVITIES TO BE CHARGED.

IMMEDIATE SUPERVISOR: [REDACTED]
DATE: [REDACTED]

REV 1-01-2007

Reimbursements - Direct Labor - Example



Paystub:

- Salary and pay period.
- Fringe benefits covered by employee vs employer.

| | | |
|--------------------------------------|---|-------------------------------|
| | Pay Group: SAL-Salaried Monthly employees | Business Unit: TXDOT |
| | Pay Begin Date: 08/01/2019 | |
| | Pay End Date: 08/31/2019 | |
| Location: MAIN OFFICE-GREER BUILDING | | TAX DATA: |
| Job Title: Auditor VI | | Federal: Single TX State: N/A |
| Pay Rate: \$7,000.83 Monthly | | Allowances: 0 TX State: 0 |
| | | Percent: |
| | | Add. Amount: |

| HOURS AND EARNINGS | | | | | | TAXES | | |
|---------------------------|-----------|---------------|-----------------|-----------------|------------------|-----------------|-----------------|------------------|
| Description | Rate | Current Hours | Earnings | Hours | YTD Earnings | Description | Current | YTD |
| Longevity Pay | | | 40.00 | | 360.00 | Fed Withholding | 965.04 | 8,150.02 |
| Base Salary Pay | 39,777386 | 88.00 | 3,500.41 | 1,560.00 | 60,270.81 | Fed MED/EE | 101.57 | 874.69 |
| Base Salary Pay | 39,778182 | 5.50 | 218.78 | | 0.00 | Fed OASDI/EE | 434.28 | 3,740.04 |
| Base Salary Pay | 39,776000 | 2.50 | 99.44 | | 0.00 | | | |
| Base Salary Pay | 39,777500 | 80.00 | 3,182.20 | | 0.00 | | | |
| Non-Overnight Travel-Meal | | | 0.00 | | 18.57 | | | |
| TOTAL: | | 176.00 | 7,040.83 | 1,560.00 | 60,630.81 | | 1,500.89 | 12,764.75 |

| BEFORE-TAX DEDUCTIONS | | | | AFTER-TAX DEDUCTIONS | | | | EMPLOYER PAID BENEFITS | | | |
|-----------------------|---------------|-----------------|--|----------------------|--------------|---------------|--|------------------------|---------|----------|--|
| Description | Current | YTD | | Description | Current | YTD | | Description | Current | YTD | |
| Dental Insurance | 28.64 | 257.76 | | Short Term Disab | 15.95 | 143.55 | | Medical Insurance | 622.60 | 5,603.40 | |
| Vision Insurance | 6.02 | 54.18 | | Long Term Disab | 38.65 | 347.85 | | Basic Life Insurance | 2.22 | 19.98 | |
| Optional Life Ins | 3.70 | 33.30 | | | | | | Optional Life Ins* | 2.32 | 20.88 | |
| Accid Death/Disbrmnt | 0.20 | 1.80 | | | | | | ERS Retirement | 668.88 | 5,759.91 | |
| Texasaver 401(k) | 63.74 | 548.90 | | | | | | Pay Ret Contrib - ERS | 35.00 | 301.35 | |
| ERS Retirement | 668.88 | 5,759.91 | | | | | | | | | |
| | 771.18 | 6,655.85 | | | 54.60 | 491.40 | | | | | |

| | TOTAL GROSS | FED TAXABLE GROSS | TOTAL TAXES | TOTAL DEDUCTIONS | NET PAY |
|---------|-------------|-------------------|-------------|------------------|-----------|
| Current | 7,040.83 | 6,271.97 | 1,500.89 | 825.78 | 4,714.16 |
| YTD | 60,630.81 | 54,014.41 | 12,764.75 | 7,147.25 | 40,718.81 |

| YEAR-TO-DATE | PAID TIME OFF | SICK LEAVE |
|--------------------|---------------|------------|
| Start Balance | 0.0 | 0.0 |
| + Earned | 0.0 | 0.0 |
| + Bought | 0.0 | 0.0 |
| - Taken | 0.0 | 0.0 |
| - Sold | 0.0 | 0.0 |
| + Adjustments | 0.0 | 0.0 |
| End Balance | 0.0 | 0.0 |

| NET PAY DISTRIBUTION | | |
|----------------------|----------------|----------------|
| Account Type | Account Number | Deposit Amount |
| | | |
| TOTAL: | | |

Reimbursements - Direct Labor - Example



- Illegible document.

| Date | Description | Location | City | Employee Name | Employee ID | Job Code | Rate | Hours | Amount | Project | Report | |
|-----------|--|------------|-----------------|---------------|-------------|----------|------|-------|--------|---------|---------|--|
| 3/10/2017 | Kardemir OMI Replacement | Dallas | Chad Little | 080.55568 | CAPITAL | 4607 | --- | 1 | \$100 | 98 | \$20.93 | Environmental Review Site Visit and Environmental Report |
| | YWHW EMO OMI Replacement | Dallas | Chad Little | 080.55568 | CAPITAL | 4607 | --- | 3 | \$100 | 31 | \$18.59 | Environmental Review Site Visit and Environmental Report |
| | DALISP 124 Phase 2 Replacement | Dallas | Chad Little | 080.55780 | CAPITAL | 4607 | --- | 3 | \$100 | 34 | \$18.19 | Environmental Review Site Visit and Environmental Report |
| 3/12/2017 | Carroll Avenue Replacement | Fort Worth | William Day | 080.55710 | CAPITAL | --- | --- | 1 | \$100 | | | Desktop Work: Environmental Report |
| | Carroll Avenue Replacement | Fort Worth | William Day | 080.54728 | CAPITAL | 4598 | --- | 1 | \$100 | | | Desktop Work: Environmental Report |
| | DALISP 115 Phase 3 Replacement | Dallas | TJ Harner | 080.55188 | CAPITAL | 4607 | --- | 3 | \$100 | 48 | \$25.68 | Environmental Review Site Visit and Environmental Report |
| | T-801 L635 Sound Walls Relocation | Dallas | George Malendez | 080.21203 | 210500322 | 4532 | --- | 3 | \$100 | 61 | \$12.64 | Environmental Review Site Visit and Environmental Report |
| 3/12/2017 | Chubb Hill Rd Lbr DT1 & DT2 Relocation | Dallas | Saul Bulcamer | 080.47461 | CAPITAL | --- | --- | 4 | \$100 | 47 | \$22.47 | SWPPP Inspection - 67th Inspection and Report |
| | Chubb Hill Rd South of 670 Relocation | Dallas | TJ Harner | 080.55108 | CAPITAL | 4578 | --- | 4 | \$100 | 38 | \$20.31 | SWPPP Inspection - 6th Inspection and Report |
| 3/12/2017 | Leitch Segment 4 Relocation | Grapevine | John Crane | 080.51978 | 01118 | 4598 | --- | 4 | \$100 | 39 | \$20.87 | SWPPP Inspection - 8th Inspection and Report |
| | Aliso C Phase 2 Relocation | Hurst | Edmond Adams | 080.53532 | CAPITAL | 4598 | --- | 4 | \$100 | 42 | \$22.47 | SWPPP Inspection - 24th Inspection and Report |
| 3/14/2017 | Lockwood Smith Relocation | Fort Worth | John Crane | 080.47409 | CAPITAL | --- | --- | 2.5 | \$100 | 56 | \$19.96 | SWPPP Inspection - 2nd Inspection and Report |
| | Montgomery Street Relocation | Fort Worth | John Crane | 080.47063 | CAPITAL | --- | --- | 2.5 | \$100 | 58 | \$16.75 | SWPPP Inspection - 15th Inspection and Report |
| | Line D11-4 Loop Installation | Plano | Emily Heflich | 080.41696 | CAPITAL | --- | --- | 3 | \$100 | 49 | \$20.22 | SWPPP Inspection - 31st Inspection and Report |

Reimbursements - Direct Labor - Example



- Document is too high-level.

| Labor | | Estimate | | | Actual | | |
|--------------------------------|--------------------------------|----------------------------------|-----------|-------------|--------|-------------|----------|
| Company Labor | | | | | | | |
| Qty | Hours | Description | Rate | Total | Hours | Rate | Total |
| | | Construction Apprentice | 18.46 | \$ - | | | 0.00 |
| | | Fabrication | 21.94 | \$ - | | | 0.00 |
| | | Mainline/Tapping Technician | 38.85 | \$ - | | | 0.00 |
| | | Mainline/Tapping Technician - OT | 58.28 | \$ - | | | 0.00 |
| | | Operations Technician | 52.31 | \$ - | | | 0.00 |
| | | Total | | \$ - | | \$ - | |
| Contract Labor | | | | | | | |
| Qty | Hours | Description | Rate | Total | | | |
| 1 | 20 | Foreman | 43.50 | \$ 870.00 | | | 0.00 |
| | | Foreman - OT | 65.25 | \$ - | | | 0.00 |
| 1 | 20 | Lead Laborer | 23.50 | \$ 470.00 | | | 0.00 |
| | | Lead Laborer - OT | 35.25 | \$ - | | | 0.00 |
| 2 | 20 | Laborer | 21.00 | \$ 840.00 | | | 0.00 |
| | | Laborer - OT | 31.50 | \$ - | | | 0.00 |
| | | Operator | 33.00 | \$ - | | | 0.00 |
| | | Operator - OT | 49.50 | \$ - | | | 0.00 |
| | | Truck Driver | 31.77 | \$ - | | | 0.00 |
| | | Truck Driver - OT | 47.66 | \$ - | | | 0.00 |
| 1 | 10 | Welder | 35.45 | \$ 354.50 | 16 | 36.34 | 581.41 |
| | | Welder | 35.45 | \$ - | | | 0.00 |
| | | Welder - OT | 53.18 | \$ - | | | 0.00 |
| Additional Contractor Services | | | | | | | |
| Unit | | | | | | | |
| EA | Wireline | 20,000.00 | \$ - | | | | 0.00 |
| EA | Nitrogen Testing | 5,000.00 | \$ - | | | | 0.00 |
| 1 | EA Environmental Review | 500.00 | \$ 500.00 | | 1 | 457.00 | 457.00 |
| 12 | FT Saw Cut Pavement | 3.10 | \$ 37.20 | | | | 0.00 |
| 9 | SF Pavement Repair | 25.00 | \$ 225.00 | | | | 0.00 |
| | SF Sidewalk or Driveway Repair | 16.50 | \$ - | | | | 0.00 |
| HR | 4 Person Svr Crew & Equipment | | | | 30 | 189.77 | 5,693.19 |
| | | Total | | \$ 3,296.70 | | \$ 6,731.60 | |



23 CFR 645.117 (c)

- Fringe benefits utility established for the benefit of its employees.
- Cost of labor surcharges is reimbursed at actual cost or average rates which are representative of actual costs if approved by TxDOT and FHWA.



- Adequate support:
 - Actual Cost:
 - Insurance documents as applicable.
 - Certified timesheets showing hours charged directly to the project.
 - Paystubs showing amounts allocated to employee vs employer.
 - TxDOT only reimburses amount paid by employer.
 - Average Rate:
 - Agreed upon rate documentation.
 - Approval of TxDOT and FHWA.



23 CFR 645.117 (d)

- Costs not charged directly may be allocated provided allocation is made on an equitable basis, is reasonable, and cost was actually incurred.
- Records supporting costs should show total amount, rate, and allocation basis for each additive.
- Costs not eligible include advertising, sales promotion, interest on borrowings, issuance of stock, bad debts, uncollectible accounts receivable, contributions, donations, entertainment, fines, penalties, lobbying, and research programs.



- Adequate support:
 - Agreed upon rate documentation.
 - Invoices as applicable showing total amount was incurred, cost description is sufficient to ensure cost is eligible, and cost was incurred within project period.
 - Calculation documentation showing allocation basis for each additive is equitable and reasonable for the project.



23 CFR 645.117 (e)

- Furnished from company stock.
- Purchased under competitive bids or existing continuing contracts under lowest available prices.
- Utility is not required to change its existing standards for materials used in permanent changes to its facilities.



- Per FHWA guidance, Buy America requirement takes precedence over:
 - Company stock materials.
 - Utility existing standards for materials.

Source: [Buy America Issues to Consider for Utility Work on Projects](#)



- Adequate support:
 - Existing standards for material and supply costs.
 - Procurement documentation if competitive bidding was used.
 - Existing continuing contract.
 - Documentation showing Buy America requirement was met.
 - Invoices as applicable.
 - Proof of payment that cost was paid prior to reimbursement request.

Reimbursements - Material and Supply Costs - Example



- Invoice shows project, rates, and total amount.

| INVOICE | |
|---------------|----------------|
| Date | Invoice Number |
| 02/08/18 | U503473 |
| Project Name: | |
| Project #: | |
| Job Site: | |
| Customer PO# | |

| Description | Cost |
|--|----------|
| 01/18/18 | |
| CCTV 788.30' OF 6" - 12" SEWER @ \$1.45 PER FT | 1,143.04 |
| LATERAL 14 INSPECTION @ \$205.00 EA | 2,670.00 |
| 01/19/18 | |
| CCTV 315.90' OF 6" - 12" SEWER @ \$1.45 PER FT | 458.06 |
| LATERAL 2 INSPECTION @ \$205.00 EA | 410.00 |
| PUSH CAMERA INSPECTION LATERAL 6 @ \$225.00 EA | 1,350.00 |
| 01/22/18 | |
| PUSH CAMERA INSPECTION LATERAL 5 @ \$225.00 EA | 1,125.00 |
| INSPECTION 0.25 HOUR @ \$220.00 PER HR | 55.00 |
| 01/29/18 | |
| PUSH CAMERA INSPECTION LATERAL 4 @ \$225.00 EA | 900.00 |
| Total | 8,311.10 |
| Received | 0.00 |
| Balance Due | 8,311.10 |

Reimbursements - Material and Supply Costs - Example



- Document isn't legible.

01 12 18

06 30 07 30 10 30 11 00 15 50 16 45

123-2007

DESCRIPTION OF WORK PERFORMED:

14LLA 1LLC
PIN = 7833

CCTV 7883 145 143 04
4L 14 206 2870 00

4012 04

Reimbursements - Material and Supply Costs - Example



- Document is too high-level.

ORACLE

Favorites Main Menu > Accounts Payable > Vouchers > Add/Update > Regular Entry

Summary Related Documents Invoice Information Payments Voucher Additional

Business Unit: [Redacted] Invoice No: [Redacted]
Voucher ID: [Redacted] Invoice Date: [Redacted]
Voucher Style: [Redacted] Accounting Date: [Redacted]
Voucher Type: [Redacted]
Approver: [Redacted] Entered By: MAXIMOWEB

Vendor ID: [Redacted] Buy From: [Redacted] Session Defaults
ShortName: [Redacted] Remit To: [Comments\(0\)](#)
Location: [Redacted] [ECM Attachments \(0\)](#)
Address: [Redacted] TACOMA, WA 98421-2939 Total Due 2 day - Invoice Date
Pay Terms: 2
Basis Date Type: Inv Date

Invoice Lines: 39991.61
Currency: USD

Sales Tax: [Redacted]

Tax Accrued: 3299.11

Total: 39,991.61

Difference: 0.00

Sales/Use Tax Summary

[Voucher Preview](#)

Copy From Source Document

Copy From: None Go

Buy America - Certification - Example



- Prior certification from subcontractor.

Buy American Product Certificate of Compliance

Date: August 28, 2017

To: Whom it May Concern:

Re: Buy America / Buy American Certification
Made in the U. S. A. Products [Redacted]

We appreciate the opportunity to supply our products for your projects requiring to some extent or full extent products that are substantially or wholly made in the United States. [Redacted] Ductile Iron Pipe and [Redacted] certifies that its domestic manufactured materials are wholly manufactured in the United States.

After a thorough review of "Buy America / Buy American" [Redacted] certifies that our domestic ANSI/AWWA materials meet all applicable requirements and provisions as provided for by the U. S. Department of Transportation and the Federal standards noted for domestic iron and steel construction materials provided by us for your project. These standards, laws, and acts date from 1933 through the current date.

Buy American:

- American Recovery and Reinvestment Act of 2009 (ARRA), Section 1605
- Federal Aviation Administration [FAA], 49 U.S.C.*50101

Buy America:

- Federal Highway Administration [FHWA], 23 U.S.C.*50101*313 – Buy America; 23 C.F.R. *635.410
- Federal Railroad Administration [FRA], 49 U.S.C. Chapters 244, 246: *24405 – Buy America
- National Railroad Passenger Corporation [AMTRAK], 49 U.S.C. *24305
- Federal Transit Administration [FTA], 49 U.S.C. *5323(j); 49 C.F.R. Part 681 (Buy America Requirements)

If your domestic project material requires additional certifications, you must add [Redacted] to order placement.

[Redacted] domestic materials are compliant with applicable sections of ASTM A536 and with applicable sections of ANSI/AWWA C150, C151, C153, C110, C104, C105, C111, C115, and others.

[Redacted]

Project Location: [Redacted]
Project Material: [Redacted]
Location of Mfg.: [Redacted]
Contractor: [Redacted]
Distributor: [Redacted]
Project Number: [Redacted]

Subscribed and sworn before me this 28 day of August, 2017

Buy America – Foreign Country - Example



- Material testing for Buy America was done in India.

Near Hapur Road Flyover, Malivara Ghaziabad - 201001, Uttar Pradesh, India
 Phone: +91 120 4388000, Fax: +91 120 4376970 - 71

Achheja, P.O. Dalgans, G.T. Road Greater Noida (Phase II) - 203207, Uttar Pradesh, India
 Phone: +91 120 4186600, Fax: +91 120 4186641

EN 10204 2004 3.1/DIN 50049-3.1

Certificate No. and Date :
 Customer Name :
 Customer P.O. No. and Date :
 Order Acceptance No. and Date :
 Invoice No. and Date :

| Group No. | PO Item No. | Description | Qty | Dimension Std./Drg.No./Size |
|-----------|-------------|---------------------------------|-----|-----------------------------|
| G163J | 3) | DISC : 105 OD X 79 MM THK, NACE | 2 | AS PER SIZE |
| G172D | 10) | DISC : 392 OD X 79 MM THK, NACE | 15 | AS PER SIZE |

Heat Analysis (Weight%)

| Group No. | Steel Maker Melt/Heat No. | C | Mn | Si | P | S | Cr | Ni | Mo | Ti | As | V | Nb | Al | Cu | Sn | Pb | N | Sb | .CE |
|-----------|---------------------------|-------|-------|-------|-------|-------|-------|-------|-------|----|----|-------|-------|-------|-------|----|----|---|----|-------|
| G163J | 430943 | 0.200 | 1.250 | 0.240 | 0.014 | 0.005 | 0.012 | 0.008 | 0.001 | - | - | 0.002 | 0.001 | 0.001 | 0.005 | - | - | - | - | 0.412 |
| G172D | 4309433 | 0.210 | 1.280 | 0.200 | 0.017 | 0.003 | 0.007 | 0.009 | 0.001 | - | - | 0.001 | 0.00 | 0.028 | 0.007 | - | - | - | - | 0.428 |

Mechanical Properties

| Group No. | Direction | Tensile Strength MPa | Yield Strength MPa 0.2% Offset method | Elongation in % age L = 4D | Reduction Area %age | Impact Test Charpy (10x10x55 mm) 2 mm V Notch at minus 50°C | Bend Test | Hardness BHN | Micro Test |
|-----------|------------|----------------------|--|----------------------------|---------------------|--|-----------|--------------|------------|
| | | | | | | | | | |
| G163J | Tangential | 498 | 310 | 23.4 | 58.60 | 60,58,54 AVG= 60 Joule | NA | 148, 152 | NA |
| G172D | Tangential | 493 | 316 | 33.6 | 72.57 | 66,60,54 AVG= 66.67 Joule | NA | 146, 149 | NA |

Heat Treatment

| Group No. | Material Specification | Supply Conditions |
|-----------|------------------------------|--|
| G163J | ASTM A350 Gr. LF2 CL.1, 2013 | Normalised AT 920°C Soaking Time 3.00 Hrs. |
| G172D | ASTM A350 Gr. LF2 CL.1, 2013 | Normalised AT 920°C Soaking Time 4.00 Hrs. |

Product Marking/Identification Marks

| Group No. | PO Item No. | Identification Marks |
|-----------|-------------|--|
| G163J | 3) | A-192-3 105 OD X 79 MM THK A350 GR LF2 CL.1 N. G.No. G163J H.NO. 430943 NACE |
| G172D | 10) | A-192-10 392 OD X 79 MM THK A350 GR LF2 CL.1 N. G.No. G172D H.NO. 4309433 NACE |

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CCRN: 16.018

Format No: CACQ/F/16 Rev. E1



23 CFR 645.117 (f)

- Average or actual costs of operation, minor maintenance, and depreciation of utility-owned equipment may be reimbursed.
- When utility-owned equipment is not available, reimbursement will be limited to the amount of rent cost paid to the lowest qualified bidder or under existing continuing contracts at reasonable costs.



- Adequate support:
 - Utility-owned equipment:
 - Agreed upon rate documentation.
 - Documentation showing costs are directly attributable to the project.
 - Utility-owned equipment is unavailable:
 - Bids received and lowest selected or existing contract.
 - Invoices as applicable.
 - Proof of payment.



23 CFR 645.117 (g)

- Cost consistent with overall policy, of necessary employee transportation, and directly attributable to the project is reimbursable.
- Reasonable cost for movement of materials, supplies, and equipment to the project and necessary return to storage including the associated cost of loading and unloading equipment is reimbursable.



Adequate support:

- Agreed upon rate documentation such as mileage rates.
- Invoices as applicable.
- Documentation showing cost is directly attributable to the project.
- Proof of payment.

Reimbursements - Transportation Costs



- Shipping Method.
- Freight is charged as a flat fee.

INVOICE

Invoice Number: 22274
 Invoice Date: Jul 24, 2017
 Page: 1
Duplicate

Bill To:

Ship to:

| Customer ID | Customer PO | Payment Terms | |
|--------------|-----------------|---------------|----------|
| S021 | 4500181317 | Net 30 Days | |
| Sales Rep ID | Shipping Method | Ship Date | Due Date |
| | OUR TRUCK | 7/24/17 | 8/23/17 |

| Quantity | Description | Unit Price | Amount |
|----------|--|------------|------------|
| 2,715.72 | 24" O.D. .500 WALL, API-5L, X-65, ERW, 16-18 MILS FBE COATED | 107.00 | 290,582.04 |
| • 6.00 | 24" .500 WALL, 3R 45, Y-65 SEGMENTABLE | 3,819.59 | 22,917.54 |
| 8.00 | SPC 2888 FBE PKGS. (1 CASE = 10 LITERS) | 277.70 | 2,221.60 |
| 4.00 | SPC 2888 REPAIR KITS (50 - 50ML PER CASE) | 672.50 | 2,690.00 |
| 1.00 | FREIGHT | 5,000.00 | 5,000.00 |

85



23 CFR 645.117 (h)

- Credit is required for cost of any betterments to the facility being replaced or adjusted, and for the salvage value of the materials removed.
- Credit is required for accrued depreciation of a utility facility being replaced, such as a building, pumping station, filtration plant, power plant, substation, or any other similar operational unit. Accrued depreciation is amount based on the ratio between the period of actual length of service and total life expectancy applied to the original cost.



Assessed when assets such as materials or buildings are bought to replace old ones.

- Entities are required to keep records of Original Costs and Depreciation.
- Ensure to follow the same process for federal awards as established process.

Formulas:

- $\text{Salvage Value} = \text{Original Cost} - (\text{Depreciation} \times \text{Total Life Expectancy})$
- $\text{Accrued Depreciation} = \frac{(\text{Original Cost} - \text{Salvage Value})}{\text{Total Life Expectancy}} \times \text{Years Passed}$

Adequate support:

- Original Cost based on Invoice.
- Depreciation and Total Life Expectancy based on entity established process and accounting documents.
- Years passed is time between original purchase date and sale date.



23 CFR 645.117 (i)

- Utility provides one final and complete billing of all costs incurred within one year following completion of the utility relocation work.
- All cost records and accounts relating to the project are subject to audit by representatives of the State and Federal Government for a period of 3 years from date of final payment to utility.



- Follow same process for federal awards as established process.
- Cost documentation should be legible, show amount incurred, provide cost description sufficient to ensure cost is eligible for project, and cost was incurred within project period.
- Proof of payment to ensure cost was paid prior to reimbursement request.
- Rate based costs should be supported by agreed upon rates.
- Special care to ensure Buy America requirements are met.
- Appropriate approvals are obtained prior to installation.
- All records are subject to audit by TxDOT and Federal Government for a period of 3 years from date of final payment to utility.



2 CFR 200.339 Remedies for noncompliance

- Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity.
- Disallow (that is, deny use of funds) all or part of the cost of the activity or action not in compliance.
- Wholly or partly suspend or terminate the Federal award.
- Initiate suspension or debarment proceedings.
- Withhold further Federal awards for the project or program.
- Take other remedies that may be legally available.
 - Request audit of entity.
 - Change advance payment to reimbursement basis.



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