

PRE-AUDIT STATEMENT

(Confidential when completed)

Submit this form, completed and with required attachments, **only** if specifically requested, and **only** to the following address: DOT&PF, Attn: Office of Internal Review, 2301 Peger Road, Fairbanks, AK 99709-5316 OR to fax number: (907) 451-5145 (secure fax). Confidentiality may not be ensured if delivered otherwise.

Evaluation of this statement may preclude the necessity for a comprehensive on-site audit of Contractor's records. Entries may be handwritten, if legible.

1. Identify your financial year including beginning and ending dates
2. List your actual costs, by the following categories, for your most recently ended fiscal year. Cost Terminology is defined on the reverse.
 - 2a. Direct Labor \$
 - 2b. Attach a Trial Balance with grouping of accounts used to arrive at the following Indirect Cost amounts:

Fringe Benefits	\$
General & Administrative Expenses	\$
Sum	\$
 - 2c. Indirect Cost Rate (Sum of 2b / 2a)Percent (%):
3. If your records have been audited within the last two years by a government agency, attach a copy of the Audit Report.
4. Attach copies of your most recent Internal and Audited (if performed by other than the Contracting Agency) Financial Statements.
5. Are your accounting methods for recording contract costs based on a job or project identified cost system?
[] Yes [] No If your response is "No", attach an explanation of your project cost accounting system.
6. If you charge projects based on unit rates (e.g.: for computer time, laboratory tests, copies or equipment use, etc.) attach a list of such items and unit rates.
7. Do you offset revenue received from unit rate payments against the applicable Indirect Cost Accounts?
[] Yes [] No

If you have questions concerning this document, please telephone our Auditors at (907) 451-5317.

CERTIFICATION

I certify that I am a duly authorized representative of the Contractor and that information and materials enclosed within this statement accurately represent financial records of the office listed below.

Signature: _____
 Name: _____
 Title: _____
 Contractor: _____

Date: _____
 Telephone: _____
 Fax: _____

Office Address for which this Submittal is made:

Address where Accounting Records are maintained,
if not at Office Address:

Street: _____
 P.O. Box: _____
 City, State, Zip: _____

: _____
 : _____
 : _____

COST TERMINOLOGY

DIRECT LABOR - Base salary or wages paid to employees charged directly to contracts or projects.

OTHER DIRECT COSTS - Actual costs of other than Direct Labor. Some examples of Other Direct Costs are subcontracts, equipment (company owned or rented), unit rate items and reimbursable expenses (travel, computer charges, reproduction, etc.).

INDIRECT COST RATE – A computed rate developed by adding all of a firm's general and administrative costs, and all other indirect costs, then dividing by a base value, usually direct labor dollars to get a percentage. This rate is normally compiled based on the consultant's applicable fiscal year.

INDIRECT COSTS - Indirect costs consist of allowable expenses which, because of their incurrence for common or joint cost objectives, must be prorated (allocated) to jobs or contracts using a specified Indirect Cost Rate. A cost objective is a function, organizational subdivision, contract, project or work unit for which cost data is accumulated under the Contractor's accounting system. Generally, Indirect Costs are segregated into the following categories: Fringe Benefits and General & Administrative Expenses .

Fringe Benefits - Costs for items such as:

Workers' Compensation Insurance
Deferred Compensation/Retirement Plans

Vacation Time and Authorized Leave
Social Security and Unemployment Taxes
Group Medical Plan and Life Insurance Premiums

Overhead costs for items such as the following, if they are not included in Direct Costs:

Indirect Labor (Supervisory, Administrative, etc.)
Travel, Food and Lodging
Maintenance and Depreciation of Equipment/Computers
Business Insurance Premiums Not Billed to Clients
Rent, Heat, Power, Light and Janitorial Services

Office Supplies
Communications
Reproduction Costs
Recruiting Expense
Rentals of Equipment/Computers

UN-ALLOWABLE COSTS - Costs for the following items and certain other costs defined in 48 CFR Part 31 and related regulations are not allowable. Such costs shall not be included as Indirect Costs or in the calculation of the Indirect Cost Rate.

Alcoholic Beverages
Advertising
Interest and Other Financial Costs
Contributions and Donations
Federal Income Taxes
Goodwill

Organization Costs
Lobbying Costs
Bad Debts
Fines and Penalties
Entertainment
Keyman Insurance

NOTE: IF YOUR ACCOUNTING SYSTEM WHOLLY OR PARTIALLY ALLOCATES INDIRECT COSTS ON OTHER THAN A DIRECT LABOR BASIS, ATTACH A DESCRIPTION OF THE COST POOLS OR SERVICE CENTERS YOU USE AND IDENTIFY THE INDIRECT COSTS RATE(S) AND BASE(S).