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Department of Transportation

PROJECT COST REPORTING

AUTHORITY:

Sections 20.23(3)(a) and 334.048(3), Florida Statutes (F.S.)

REFERENCES:

- Section 339.135, F.S.
- Routine Maintenance Cost Collection, Procedure No. 350-020- 002 (and accompanying Handbook)
- Maintenance Management System, Procedure No. 325-010-001
- Work Program Development and Adoption, Procedure No. 360-020-001, Ch. 16
- Contract Funds Management Funds Approval, Procedure No. 350-020-200 (and accompanying Handbook). See Office of Comptroller (OOC) Intranet site

PURPOSE:

Project Cost Reporting is used to show the actual financial activity on a project as it compares to the estimated amount. It is used to show the use of budget and funds in the Work Program Administration Subsystem ("WPA") so that the Department of Transportation (Department) knows the financial status of its projects at any point in time. It is also used to develop rate reimbursement costs for future allocations such as Indirect Cost Rates.

SCOPE:

This procedure applies to all offices and employees responsible for reporting financial activities on a project.

DEFINITIONS

Authorized: Approval by the Legislature and Secretary as documented in the Adopted Work Program.

Direct Project: Separate and quantifiable units of work that directly contribute to the accomplishment of a specific product or program authorized by the Legislature. Examples include preparation of design plans, construction, routine maintenance, Metropolitan Planning Organization (MPO) Coordination, etc.

FLAIR: Florida Accounting Information Resource System

Function: Referred to as Work Activity and describes the type of work performed on a Project. In FLAIR, this is identified as an External Object Code or EOB.

Indirect Project: Units of work which contribute to and support Direct Projects. The expenditures collected into Indirect Projects are generally distributed to Direct Projects through approved methodology. General administrative expenditures, such as personnel management, purchasing, and accounting services, are accumulated under Indirect Projects.

PCM: The Project Cost Management Subsystem. The mainframe-computer resident system of project cost accounting data. This also includes available on-line inquiry screens displaying various types and levels of project related accounting and management information.

PCR: Project Cost Redistribution. The process of re-distributing expenditures from a districtwide/general consultant project number to a Direct Project number.

Program: Groupings of activities and functions required by public law to achieve a goal or maintain a process.

Project: Collection of identifiable units of work to accomplish an authorized product, service, or program of the Department. Projects may be either directly or indirectly related to the accomplishment of an authorized product, service, or program.

Project I.D.: The edit and information feature of FLAIR that allows the Department to establish valid projects and pre-edit account codes in FLAIR before the entries update PCM.

Project Manager: The person identified in WPA as having production responsibility for a given Project.

Work Activity: Identification code used to record the type of work performed on a financial project. The work activity is also known as Function Code or External Object Code.

WPA: The Department's Work Program Administration Subsystem. The mainframe computer resident system for planning, budgeting, authorizing, and tracking management and financial data related to Projects. This includes the on-line inquiry screens used to access this information.

GENERAL INFORMATION

This procedure requires proper charging to the Department's PCM Subsystem and applies to all employees. Much of the information necessary for proper project costing is included in this procedure, but is not intended to be used as complete instructions for utilizing the PCM Subsystem.

The Department uses the PCM Subsystem and the Project I.D. features of FLAIR to provide project cost information and to perform system edits. The financial data that resides in PCM is also used to show the financial progress of Projects in WPA. Each Project in the first year of the Adopted Work Program is assigned budget and funds which reflect the estimated cost of the Project. The subsequent four years of the Adopted Work Program also have assigned funds which reflect the estimated cost of the Project however the budget is not assigned for these four years.

1. PRINCIPLES AND GUIDELINES FOR PROPER PROJECT COST REPORTING

- 1.1** Each employee must have the capability to charge costs to individual Projects;
- 1.2** Reports must be generated, available, and used by project managers to manage costs;
- 1.3** Project managers shall be held accountable for all project costs;
- 1.4** Each employee shall be held accountable for his or her charges;
- 1.5** Project costing standards and performance must be consistent throughout all department units;
- 1.6** The Department must have a system of defining Projects that are authorized by the Department for accepting charges;
- 1.7** The system of defining Projects must provide a mechanism for the employee to:
 - (A) be responsive for update to function restrictions; and

- (B) determine the status of Projects.

NOTE: Contact your District Work Program Office or Central Office Work Program Representative if you encounter an invalid Project or a Project that has not been authorized.

- 1.8** Use of District wide Direct Projects, rather than site-specific Projects, are allowed within guidelines included in ***Work Program Instructions, Part IV - Chapter 25: Project Costing***.
- 1.9** A system for activating additional Indirect Projects is in place. Projects with Phases A1 and A2 are considered indirect. Programming allowances can be found in the ***Work Program Instructions, Part IV - Chapter 25: Project Costing***. The Department has established a primary indirect (also known as overhead) cost Project for each District and Central Office. These primary indirect cost Projects record any costs not directly related to any other direct or indirect specific Project. The primary indirect cost Projects are listed in the ***Work Program Instructions, Part IV - Chapter 25: Project Costing***.
- 1.10** When consultants are employed to act in a support role, invoiced costs shall be charged to Direct or Indirect Projects, depending on the work performed.
- 1.11** The following are conditions for charging payroll charges to a Direct Project:
- (A) Work is directly performed by any employee on a Direct Project for a minimum of 15 minutes of effort per day;
 - (B) Work can be specifically identified with a Project and directly benefits the product or program; and
 - (C) Time is reported during the payroll period when work occurs. If the financial project was previously closed and new work is required, it should be reopened, limited to provisions of ***Section 1.17*** and federal funding/project requirements.
- Allow sufficient time to create and authorize a Direct Project if it is not in the Adopted Work Program. Establishment of federal projects is addressed within the ***Work Program Instructions, Part IV - Chapter 6: Authorizing Federal Projects with FHWA***.
- 1.12** To charge non-payroll costs to a Direct Project, these costs must be specifically identified with a Project and directly benefit the product or program.

- 1.13** The source of funding for a project does not dictate how to charge to the Project or to assign project costs. Projects funded with state, federal, or other funds are to be treated alike. The premise is to account for the total effort and cost for each Project without reference to external reimbursement limitations.
- 1.14** Quality Assessment Reviews based on a statistical sampling of Projects, rather than all Projects, are to be charged to an Indirect Project.
- 1.15** Proper project costing information must be identified on each consultant invoice. The contract manager must verify appropriateness and accuracy of project cost information.
- 1.16** Projects should be opened in advance of work being performed. In the event that a Project has not been authorized or opened, contact your Work Program Office or Central Office Work Program Representative for assistance.
- 1.17** Charging to specific phases of a Project is determined by where in the process work is occurring.
- If the Department is in the planning stage, charges are made to phase 11.
 - If needed, the Project then goes to PD&E, the phase 21 is opened for charges and the phase 11 is closed.
 - Once the planning or PD&E (if needed) phase is complete, the preliminary engineering phase, 31, is opened and the phase(s) 11 and 21 are closed. Any planning or PD&E work performed subsequent to the phase(s) being closed, shall be charged to phase 31. This includes construction plans review and value engineering during the preliminary engineering phase.
 - Once the preliminary engineering phase is completed and the project status is 026 or greater, the Construction Support phase, 61, is opened. Any additional preliminary engineering work performed shall be charged to phase 61. In addition, quality assurance reviews/inspections shall be charged to phase 61, using the appropriate work activity.
 - Right of Way support, phase 41, will be opened and/or closed as needed and does not fall under this specific criteria.

2. RESPONSIBILITIES

2.1 EMPLOYEES

All employees are responsible for reporting time, equipment, and material charges uniformly and accurately to the project cost subsystem.

2.2 TIMESHEETS

All timesheets input directly into People First, or time recorded via the Maintenance Management System, must include a financial project and work activity. In People

First, the financial project is identified as a charge object and the work activity as an activity.

2.3 PAYMENTS

All payment transactions must include a financial project and work activity. The Project and work activity chosen must be appropriate for the financial project and type of work performed. The importance of recording the correct financial project and work activity is elevated if related to a Project reimbursable by the Federal Highway Administration or other reimbursing entity, or for a declared Natural Disaster. The use of these numbers is critical to maximize eligible reimbursement.

2.4 NATURAL DISASTERS

Contact your District Work Program office or Central Office Work Program representative for a list of financial projects related to a particular natural disaster. Please see **Section 3.2** of this procedure to obtain instructions on verifying valid work activities to financial projects.

2.5 CORRECTIONS

The correction of Project errors resulting from invalid timesheet or FLAIR transactions shall be corrected in the following manner:

- (A) **Timesheet Corrections:** All timesheet corrections must be done through People First. If there is anything in People First that prohibits the correction, notify the Project Cost Management Section within the OOC.
- (B) **FLAIR Entry Corrections:** If the FLAIR transaction was done in the District, the District Financial Services Section will coordinate the correction. If the FLAIR transaction was done in the Central Office and the error creates a Project Cost Error Correction record, the Project Cost and Federal Projects Administration Section will coordinate the correction with the appropriate office.

A list of employees with on-line update authority (PC34 screen) to make Project Cost Error Corrections can be found on the OOC SharePoint site under General Accounting Office, Project Cost Management, and Project Cost Error Correctors.

Project Cost Error Corrections, with the exception of timesheet corrections, can be made either with a correcting FLAIR transaction, or on-line within the PCM Subsystem (PC34 screen).

2.6 UNITS

All units shall charge to specific Direct Projects within project costing guidelines. The following guidelines apply to specific units or activities:

2.6.1 Professional Services

Charge to specific projects, within project costing guidelines, for the financial project in the functional area using the services.

2.6.2 Preliminary Engineering

Establish preliminary engineering phase physical limits consistent with construction phase limits. Use of district-wide or corridor limits should be determined on the basis of materiality to accurate project costing.

2.6.3 Construction Support

Construction Support is also referred to as Construction Engineering Inspection. See ***Work Program Instructions, Part III - Chapter 6: Construction Engineering and Inspection*** for guidance on these projects.

Charge to design or maintenance projects, consistent with job project costing guidelines.

2.6.4 Right-of-Way

Establish Direct Projects for charging work to programs required by the Department that are additional responsibilities other than those required to support Right-of-Way acquisition activities, such as:

- (A) Outdoor Advertising
- (B) Property Management
- (C) Logo Sign Program

2.6.5 Planning

Identify Direct Projects for major work function responsibilities within the planning program. Examples include Traffic Counts, MPO Support, and Access Management. Indirect Projects shall be identified for all costs not associated with one of the major work functions identified for Direct Projects.

2.6.6 Traffic Operations

Establish Direct Projects for work not related to support of traffic operations projects, such as statewide development of communications systems, inspection of microwave towers. Charge to design, maintenance, and construction supervision project established for specific Projects.

2.6.7 Central Office Production Units

- (A) All units shall charge to specific Direct Projects within project costing guidelines.
- (B) Consultants providing review and/or support for other Direct Projects shall be programmed as a Direct Project, and they shall be required to identify the specific Direct or Indirect Project they are supporting on each invoice.
- (C) The Structures Research Center shall charge to specific maintenance bridge inspection project numbers and specific research Projects.
- (D) Specifications, Estimates, and Environmental Management offices shall charge to Direct Projects consistent with the guidelines.
- (E) The Surveying and Mapping Office shall continue to charge Indirect Projects consistent with the existing rate reimbursement plan for that office.

2.6.8 Routine Maintenance

Identify Direct Projects for major functional responsibilities, subdivided by system as provided in existing instructions for the Maintenance Management System

2.6.9 Gainesville Testing

All charges associated with lab testing shall be charged to the appropriate Direct Project. Field investigations and tests shall be charged to the specific project being supported when feasible. Direct Projects shall be established for major Department programs such as Pavement Condition Survey, and the various research projects.

Professional certification for non-Department personnel shall be charged to a Direct Project to establish a base for billing.

2.6.10 Freight & Rail

Where the Freight & Rail (F&RO) does not have executory responsibilities, Direct Projects shall be established for major program areas. These include Grants

Management, Planning, Safety, and Technical Support. Administrative costs should be charged to an Indirect Project.

Where F&RO is responsible for execution of a Project, Direct Projects shall be established for individual Projects.

F&RO management shall establish programming guidelines for consistent application of these guidelines throughout the state.

2.6.11 Office of General Counsel

Charge to specific Direct Projects within the project costing guidelines.

Establish Direct Projects for the major Department programs such as Outdoor Advertising and Truck Weight Enforcement, including review of regulatory codes relative to these programs.

Remainder of costs including wrongful death, property damage, and personal injury shall be charged to Indirect Projects.

2.6.12 Office of Inspector General

Charges to established Work Program Projects when appropriate within the project costing guidelines when performing audits for pre-award, contract, post-award, compliance, investigations, claims, or other Direct Project related activities. Otherwise, charge to Indirect Projects.

2.6.13 Tolls

Direct Projects shall be established to record costs for each toll facility.

2.6.14 Program Development

Program development activities and costs shall be charged to Direct or Indirect Projects pursuant to federal appropriation guidelines. See the ***Work Program Instructions Part IV, Federal Aid Programs Administered by Federal Highway Administration (FHWA)*** for additional information.

2.3.15 Computer Services

A system of charging all computer services directly to Projects shall be developed and implemented.

2.3.16 Other Administrative Functions

Administrative functions are generally organizational in nature and cannot be attributed specifically to a single Project. To address the inclusion of these costs on Direct Projects, Administrative In-house (Phase A1) charges are subsequently allocated to Direct Projects using the Department's Indirect Cost Allocation Plan based on benefitting cost objective principles. The results of the indirect cost allocation are accumulated on each Financial Project using the x9 phase (e.g. 49 for Right-of-Way, 59 for Construction). However, administrative functions may be charged to a Direct Project when appropriate. Individuals whose functions generally are administrative in nature (Personnel, Financial Services, Purchasing) and are spending one or more hours on the Direct Project should charge to that specific Direct Project.

3. PROJECT COST REDISTRIBUTION

The Project Cost Redistribution (PCR) process was established for the purpose of identifying and recording costs associated with district-wide and general consultant contracts. The Cost Redistribution application allows contract funds to initially be committed to a general financial project number, and reallocated after services have been performed to the specific projects where the expenditures actually were incurred.

3.1 Responsibilities of Consultant

Once a contract or supplemental agreement has been executed with a provision requiring use of the Cost Redistribution application, the consultant is responsible for submitting the PCR file, pursuant to the Method of Compensation in the executed agreement. The consultant is also responsible for addressing any error messages occurring from the process. Failure to timely submit a PCR file or corrected PCR file may constitute grounds for rejection of invoices, pursuant to the contract Method of Compensation.

3.2 Responsibilities of the Project Manager

The Department's project manager is responsible for providing valid "from" and "to" projects to the consultant to be input on the PCR files. The project manager must ensure the PCR file is timely submitted (normally within 24 hours of receipt of invoice). If PCR files are not timely submitted, the invoice must be rejected for non- submittal of required PCR File. Invoices with charges against only project specific numbers are exempted from the requirement for submittal of a PCR file.

3.3 Responsibilities of the Project Cost Redistribution Coordinator

The PCR Coordinator must ensure all error messages received by the consultant are addressed. The PCR Coordinator will receive errors messages via e-mail as they occur. A frequently asked question document is available on the Project Cost Redistribution

page in the Comptroller's section at FDOT.Gov to assist the consultants in correcting the PCR file error messages.

3.4 Missing file/file failure report

A PCR Missing or Failed report is available on the Project Cost Redistribution (PCR) page in the Comptroller's section at FDOT.Gov. This report lists all files that have not been received from the consultant (missing), or files received that were unsuccessfully submitted (failed).

4. REPORTING TOOLS

4.1 Financial Projects Reports

There are several report options to assist in tracking the usage or costs of a particular financial project. These report options can be found on the OOC SharePoint site within the "OOO Financial Reporting System (CAP)."

The "**Financial Project/Charge Object Lookup**" report can confirm that the entered financial project number is valid for timesheet charges.

The second Monday following the end of a pay-period, a Direct Indirect Report by cost center of hours and percent of hours charged to direct, indirect, and leave hours will be available in the Project Cost Management (PCM) section on the "OOO Financial Reporting System (CAP)." To get to the CAP, use the Reference Materials menu item on left side of the Office of Comptroller SharePoint site.

4.2 Work Activity Reports

There are several report options available to assist in determining if a particular work activity is valid for a Project, if an activity is valid for a natural disaster Project, or to get a list of all valid work activities. These reports are listed in the Codes section of the "OOO Financial Reporting System (CAP)." To get to the CAP, use the Reference Materials menu item on left side of the Office of Comptroller SharePoint site.

Direct any requests for changes to existing work activities or requests for new work activities to the Project Cost Management Section within the General Accounting Office.

5. TRAINING

The training for Project Costing is provided within the affected areas of the Department, e.g., Right-of-Way, PE Trainees, Payroll.

6. FORMS

None required.