

A-87 Implementation Manual

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Department of Transportation and Public Facilities





A-87

Implementation Manual

Division of Administrative Services

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General Principles

The Alaska Department of Transportation and Public Facilities assesses an overhead rate (officially called the Indirect Cost Allocation Plan, ICAP) on all capital projects. The revenue generated is appropriated to DOT&PF and is a critical revenue source to the Department. The rules covering the rate calculation are defined in OMB Circular A-87.

Applicable Projects

The directions in this manual apply to all federally funded capital projects. Expenses that are prohibited under A-87 can be charged to non federal funding sources. Although the edit tables in the accounting system are designed to improve the probability that only appropriate charges are coded to projects, the project engineer assigned to the project is ultimately responsible for ensuring that the costs charged to federal projects are appropriate and allowed.

The Federal granting agency has the ability to authorize any expense to their project, basically overriding A-87 limits. If a specific training or project expense should be charged to the project, request the appropriate federal authority to grant that permission in writing (emails are acceptable). Using the written documentation as back up, the Fiscal office will provide a one time override on the program/account code edits. See the Customization and Override Section for more information.

Consistency

“Any direct cost of a minor amount may be treated as an indirect cost for reasons of practicality” (OMB Circular A-87 Attachment A.C.1.f.)

All decisions on what expenses are consumables versus what costs are charged to overhead need to be consistent on a department wide basis. Northern Region construction can not have a different policy than the Alaska Marine Highway Construction group. For example, if Northern Region does not want to maintain telephone logs to expense toll charges to CIP projects then AMHS cannot direct charge telephone toll charges to projects because telephone toll charges would not be consistently applied. (Note: The Department decided to treat all telephone toll charges as an overhead charge because of the administrative hassle of keeping logs. Toll charges in the field offices are charged to the project).

If you are split coding an invoice between two CIP projects or between CIP and overhead, the coding is probably incorrect. No method of allocating funding between sources has been approved. Therefore, *most invoice payments are either 100% coded to one project or coded to overhead.*

Edit Tables

The accounting for capital projects is often complex. To reduce the number of errors and time consuming coding corrections, the program/account code tables have been standardized.

General Principles

The program codes used in the FHWA program are the same as used for FAA except for legal expenses. A list of approved program codes along with the accounts codes that can be used with those program codes is part of this coding manual. The list of acceptable account codes is significantly shorter as many commodity charges are no longer permitted as direct expenses to federal projects.

Questions?

Despite our best efforts to make this manual complete, specific coding questions will come up that you do not think are answered in this book. Please direct questions to your Fiscal Office Supervisor or your local Project Control Office.

Account Codes

Personal Services - 71000

Salaries of employees of the Alaska Department of Transportation and Public Facilities are considered either indirect or direct. An employee budgeted as indirect does not charge any time to capital projects. An employee who has **any percentage of time** budgeted to a capital project is categorized as a direct employee and must account for his time on an hourly basis with a Time and Equipment (T&E) timesheet. (Some managers require T&E timesheets for indirect employees to account for their time on specific operating budget tasks, this management activity is not included in the scope of this manual.)

Except for some very limited field positions, no direct salary employee can charge 100% of his time to capital projects. With implementation of A-87 *personal service time spent on non-project specific work items, often called administrative tasks, will now be coded as an overhead expense.* Examples of such tasks are:

- Preparation for Monthly Design or Construction Status Meetings
- Attendance of Monthly Design or Construction Status Meetings
- Staff meetings
- Meeting with local officials about the general program, not a specific project
- Training and Conferences
- Personnel issues such as preparation of evaluations, recruitment and hiring

As a general rule, meetings involving two or more projects are indirect if the person cannot identify the time by project.

Travel - 72000

The coding of travel is *governed by the purpose of the travel.* Any travel (except moving, training or conferences which can not be direct charged to federal projects) can either be an overhead charge or coded to a project. **The cost of travel should be the same coding as the personal service chargeable time of the person traveling.** The only exception to this policy is travel to projects of people who charge 100% of their time to overhead, which is discussed below.

Direct Employees (CIP)

For example, if a Right of Way agent is working on the Homer Third Avenue project, the cost of the travel would be charged to the Homer Third Avenue project.

If a Right of Way agent takes a two day trip, the morning he works on the Homer Third Avenue project, the afternoon on the Homer airport expansion and the next day working on the Kodiak Island Harbor Rehabilitation, the costs of the travel is split 25%, 25%, 50% between projects. The entire cost of the trip follows the coding on the timesheet. This is true even if

Account Codes

the one project incurred unique expenses. For example, if the agent rented a car in Kodiak and did not rent a car in Homer, the cost of the rental car would still be split 25%, 25% 50% between projects. The reasoning is consistent allocation of expenses is the prime concern. Although in the Kodiak situation, the cost of the rental car could be specifically identified to a particular project, in other rental car situations the cost split is not so easy to separate. For example, if the same agent flew to Fairbanks and rented a car to drive to work on projects in Tok and Fairbanks the cost split would not be so straightforward (time, miles, only Tok?). In order to insure consistency, the total costs of the trips are allocated based on how the travelers coded their timesheets. Travel costs can be split to more than one project based on the same codes as the personal service chargeable time of the person traveling.

While in travel status, employees may incur other expenses such as internet charges or telephone charges. These charges are allowed expenses to the project and should be coded to account code 72116 Other Travel Costs. If the employee incurs an expense for an item that will exceed the life of the trip, such as a battery for a camera, that expense must be coded to overhead. If the battery is going to be used on a monitoring device and left at the project site that expense can be charged to the project.

Indirect Employees (Overhead)

The exception to coding travel based on timesheet allocation is those employees who are paid 100% out of overhead. FHWA has allowed us to charge travel to projects if “an indirect charging employee is traveling specifically for the benefit of one or two projects, the associated travel costs may be charged to that or those projects. If two projects benefit, then the travel costs should be equitably split between the two projects”. Travel costs between two projects must be split 50%/50%. Percentage allocations based on costs of the projects are not allowed.

For example, if the Commissioner travels to a site for a dedication, the travel could be charged 100% to the project. A group chief who travels to a location and reviews four ongoing projects would have the travel coded 100% to overhead, not the projects because the time exceeded the two projects rule. **The two-project rule only applies to employees who charge 100% of their time to overhead.** See Appendix A for the authorizing letter from FHWA.

All moving and training travel costs shall be coded to overhead or coded to non-participating.

Contractual - 73000

Most contractual items are acquired for a project and thus direct coded to a project, i.e., equipment rental, lab testing, professional services, advertising and photo reproduction.

Utility costs – These costs are considered indirect and should be coded to overhead. The exceptions to this rule include data line for equipment monitoring devices, utilities for field

Account Codes

offices, and the costs to maintain an acquired ROW property.

Contracted Repair – The repair and maintenance of office equipment, data processing equipment and computers shall be considered to be indirect and coded to overhead funds. The only exception is repair of equipment used solely in field offices.

Legal Services – Legal services specific to a project can be direct coded to a FHWA project. FAA projects require specific FAA written permission. Legal services encompassing a wide range of issues are coded to overhead.

Copy Charges – The cost of copying documents shall also need to be considered individually. The copying of documents “in-house” by previously known Copying Cost Centers (i.e. Graphics Section) shall now be deemed to be indirect charges and provided free to users.

Copying of documents by an outside vendor are determined based on the use and nature of the documents.

- A.** Documents being reproduced for the specific use of a project, (plans, specifications, as-builds, etc.) are coded directly to the project.
- B.** Documents being reproduced for management and/or administrative use, (status reports, manuals, etc.) are coded to overhead funds.

Commodities - 74000

Due to the difficulty of adequately documenting small dollar charges to capital projects, most commodities charges are no longer permitted to be direct charged to projects. In unique situations, project managers may request an account override for large dollar, single time expenses to a specific project. Justification for such an override must include how the items will be totally consumed on the project and how the costs will be accounted for separately from other similar costs within the department. Requests for account override should be made to the Fiscal Accounts Payable Supervisor or the Capital Improvement Accountant.

Items that had been direct charged to projects which are no longer allowable include survey books, tape, film, paper, batteries, cleaning solvent, spray paint, sample bags, paper products, toner and survey stakes. Office supplies for field offices in the construction phase are still allowable.

Non-consumable items are never charged directly to projects since they will likely serve multiple projects over their expected life spans. Examples would include calculators, cameras, hand tools, measuring tapes, traffic cones and signs (not permanently installed on a project), furniture, manuals and reference books, safety equipment, office equipment, computers and software, telephones, laboratory equipment, and the repair and maintenance of these non-consumable items. The exception to this rule is that non-consumables installed

Account Codes

permanently into a capital project are direct chargeable to that project. Examples of this include permanent signs that are installed along a road project, a computer that is essential to control a traffic signal system, and, of course, all the materials associated with constructing a project (gravel, concrete, asphalt, steel, etc.)

Capital Outlay - 75000

Costs coded to capital outlay accounts are considered direct expense and must exceed the dollar threshold of \$5,000. Items that cost less than \$5,000 should be coded to either contractual or commodities depending on the nature of the item. The exception to the dollar limit is the cost of acquiring land and right of way which has no dollar limit.

Furniture and equipment cannot be directly charged to capital federal projects except with specific federal permission. See Special Considerations and Appendix B for more information.

Special Considerations

Out-of-State and Non-Employee Travel

The account codes for out-of-state travel have not been added to the generic edit tables. Although there is nothing in A-87 that differentiates instate versus out-of-state travel, most of out of state travel that would be charged to specific projects would require special documentation. If a project will require extensive out of state travel, such as a AMHS overhaul project located at an out of state shipyard, the account codes 72411, 72412, 72413, 72414 and 72416 should be requested to be added to the edit tables through your project control office.

Out-of-state travel, with written FHWA or FAA approval can be charged to projects by an account code override directly by the Fiscal Accounts Payable supervisor.

In unique situations, the Fiscal Accounts Payable supervisor may allow out-of-state travel without FHWA or FAA approval if the purpose of the trip is clearly project related. For examples, a project engineer needs to travel to Seattle for a trial in a legal dispute or to inspect equipment fabrication.

Non employee travel can also be direct coded to a capital project with specific justification. Most non employee travel should be charged as part of a contractual agreement and posted to a contractual account code.

Training, tuition and conference registrations

Training, tuition, conference registrations and their associated costs (i.e. personal service time, travel, and per diem) are overhead expenses. Training does not benefit a single project. If an employee receives written permission from their federal sponsor to charge a conference or training to a federal project that written permission must accompany all expenses submitted to the Fiscal office for payment.

The cost of National Highway Institute (NHI) sponsored courses is paid directly by the NHI. However, salaries, travel and any other incidental expense for attending the course cannot be charged to a specific federal project. When charging time for attending the course, the program code 57290, 57390, 57490 or 57890 are used on an employee's T&E for designating these expenses. Those employees who do not fill out a T&E timesheet will not use a program code.

Equipment

Equipment cannot be bought with Federal Aid funds, except in very unusual situations with prior written approval from FHWA or FAA. See Appendix B.

The AK DOT&PF has several methods for buying equipment. 1) The first place to look for available funds is the operating budget. Budgets have been increased with ICAP revenue and even if the equipment is not specifically budgeted, funding may be available from other line items to cover the purchase. 2) Testing equipment and small cap rental equipment

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should be purchased out of the equipment replacement reserves set up for these purposes. 3) State Equipment Fleet (SEF) credits can be used for all types of equipment. 4) Existing non-participating funds on capital projects can be used for equipment purchases. 5) The DOT&PF has a specific capital allocation of ICAP authorization that can be used for equipment. Use of these funds is requested from the Director of Administrative Services.

Any equipment bought from ICAP funds must be put into service in such a way that its replacement cost is recovered via rates charged to projects. Either a small cap plan or SEF meet this requirement.

Software/Data Collection Projects

Some projects approved by FWHA do not fit neatly into traditional design or construction phases. If FHWA has agreed to participate in a software development project or data network project, it is assumed that unique direct expenses are permitted. When setting up a software project, project control should request that account codes under 73150 Information Technology and 75830 Information Technology equipment purchases be added to the edit tables.

Field Offices

All Phase 4 construction administration involves activities outside of an office. These activities can be as limited as one final project inspection trip or as consuming as daily site monitoring in a remote location. The allowable direct project expenses depend on the extent of activities and the complexities of the funding issues. As a Department of Transportation and Public Facility policy, field office costs should be charged directly to a project whenever possible.

Under all circumstances, personal services are allowable direct charges through the Time and Equipment (T&E) method of allocating employee time.

Note: The use of the term “project” in the following discussion refers to the overall scope of the work, not the individual funding sources. For example, the Ketchikan runway expansion is one project even though it is set up in the accounting system with 5 separate PDA project numbers due to its multiple funding sources. The term “authorization” refers to the initial project funding. Subsequent change orders do not change the ratio when calculating percentages to charge field office costs between projects.

Extent of Activities

Costs associated with site monitoring a project from satellite offices (for example Ketchikan or Nome) are not an allowable direct charge. The office costs associated with satellite offices are indirect due to the number of projects being monitored and the semi permanent nature of the office and staff assigned to the office. An exception to the indirect charge rule is if the main project has 80% or more of the total funding authorizations, then the use of the office

Special Considerations

by the other projects is considered immaterial and the costs of the field office should be a direct charge to the main project.

Remote locations that do not justify a separate office – There are times when a project can be administered out of the Project Engineer’s hotel room. Contractual expenses such as a telephone line for a fax machine or rental of equipment are a direct project expense. Such a project would be set up with the TPB “Construction” edit table project with limited account code customization.

Funding Issues

The simplest field office situation is one where the field office supports one project. The office space, the utilities and telecommunications are all directly chargeable.

In situations where the field office supports multiple projects with a single funding source, (most commonly several FHWA projects) the field office can still be charged to one project as long as the main project has 80% or more of the total authorization for all the shared projects combined. If the smaller projects have more than 20% of the total authorizations, the field office cost should be allocated based on project authorizations.

Local government, utility companies, private companies, and the state government often want additional work done during a federally funded project. If the initial proportion of the “other” funding source is negligible (20% or less) the field office cost can still be charged to the main federal project. When the planned additional work exceeds 20%, the project is considered to have multiple funding sources and the field office expenses are no longer direct expenses to the main project but should be allocated based on the percentage of each projects authorized funding compared to the total funding for all projects sharing the office.

Allocation Methods

Once the decision has been made to allocate the cost of a field office, the percent of allocation is determined by the initial project funding, subsequent change orders do not change the determination. See sample methodology in Appendix D.

Any field office that supports both a FHWA and a FAA project should be allocated between the projects in the ratio (percentage) of the project funding authorizations at the time the projects begin operating out of the shared field office.

Using State Owned Equipment and Supplies – Transporting supplies and equipment to support an office are allowable direct expenses as long as the office itself is an allowable expense. For example, transporting a trailer to a location that is monitoring both a FAA and a FHWA project would be considered a cost that would be allocated between the projects. Shipping a satellite dish for telecommunication support to a rural community only supporting

Special Considerations

a FAA project would be an allowable direct project charge. (Buying a satellite dish for communication purposes is not an allowable expense.) Transporting equipment to a satellite office that will support a number of projects is not, and should be charged to indirect cost.

Commodities - Due to the problem of tracking the use of supplies and the potential misuse of the account codes in the commodities account code series to buy equipment, commodities are not an allowable charge to a federal project. Commodities for field offices can either be charged to overhead or non par funding for the project. Utility costs are still allowable as a direct charge.

Customization and Overrides

Some federally funded projects will need account codes not included the standard program/ account code tables. Project managers have two options for using non standard account codes: project customization and project overrides.

The approved list of program codes was reviewed extensively by both project control and the finance. New program codes will only be added by approval of the Finance Officer.

Customization

Project should be customized for account codes if the use will be ongoing. For example, projects that will use traffic counters may need to pay monthly electric bills. The account code for electricity, 73526, would be added to the allowable project list. The Alaska Marine Highway System often does projects at out of state shipyards. The account codes for out of state travel, 72411, 72412, 72413, 72414, and 72416 would be added to the project.

Requests for project customization should be sent to the Capital Finance office in Juneau through either the regional project control staff or the fiscal staff. Requests need to include the project number, the program code that needs to be changed, account codes to be added and written documentation for the change. Examples of acceptable written documentation include a project description which has been approved by FHWA and emails from FAA on participation in legal costs.

Overrides

Program/account code combinations can be overridden by the Fiscal Office Supervisors and the Capital Finance Accountant. Only account codes will be overridden by the staff. The project must use a program code from the approved list of A-87 program codes. If the project is not pointing to the correct program list, the program manager needs to contact the Regional Project Control staff to get the project moved to the correct list.

The most common reason for an account code override is out of state travel. Documentation for the out of state trip needs to be attached to each transaction for the trip. Documentation can include the project description outlining the trip or an email from either FHWA or FAA. Fiscal supervisors may approve charges for an out of state trip that is clearly project specific without formal documentation. See Out-of -State Travel under Special Considerations for more information.

Program/Account Code Combinations

Design

Phase 2 Program Codes

1	2			57201	Pre-Env DOC Ad&Eng	
1	2			57202	Pre-Envir DOC Survey	
1	2			57204	Pre-Env DOC Traffic	
1	2			57205	Pre-Envir DOC Bridge	
1	2			57207	Pre-Environ DOC Envir	
1	2			57208	Pre-Environ D STWD Mat	
1	2			57220	Pre-Environ DOC Reg Mat	
1	2			57226	Pre-Environ DOC ROW	
	3	4	F	57225	Design Value Engineer	
	3	4	F	57210	Post ED Admin/Eng	
	3	4	F	57214	Post ED Surveys	
	3	4	F	57227	Post Environ DOC ROW	
	3	4	F	57230	Post ED Traffic	
	3	4	F	57239	Post ED STWD Material	
	3	4	F	57240	Post ED Bridge	
	3	4	F	57245	Foundation/GEO Engr	
	3	4	F	57250	Post ED Environmental	
	3	4	F	57260	Post ED Reg Material	
	3	4	F	57275	Post ED Contracts	
	3	4	F	57294	Const Support During Design	
	3	4	F	57296	PH2 MBE Compliance Review	
		4	F	57279	Advertise and Award	
1	2	3	4	57291	Legal	
1	2	3	4	F	57281	CA Util ST Forces PE
1	2	3	4	F	57282	CA Util N-State Force PE
1	2	3	4	F	57211	Drafting
1	2	3	4	F	57213	Design Consultants
1	2	3	4	F	57233	PE by Local Forces
1	2	3	4	F	57236	Design Consultant Administration
1	2	3	4	F	57900	Cost Allocation Plan

- 1 PE Reconnaissance
- 2 PE Evnda- Environ DOC APP
- 3 PE FDPSE Final PS&E
- 4 PE AD&AW - Advertise and Award
- F FAA

Program/Account Code Combinations

Standard account codes list for use with all Design program codes.

Account Code	Description
70821	RG-REGULAR TIME
70831	OT-OVERTIME TIME&1/2
70832	DT-DOUBLE TIME
70833	ST-STRAIGHT TIME OT
70851	BN-BENEFITS
70852	LV-LEAVE
70854	IN-INSURANCE
70865	VR-VARIANCE
71970	PERSONAL SVCE TRANS
72111	AIRFARE - Employee Instate
72112	SURFACE TRANSPORT - Employee Instate
72113	LODGING - Employee Instate
72114	MEALS & INCIDENTALS - Employee Instate
72116	OTHER TRAVEL COSTS - Employee instate
70931	EQ - EQUIPMENT - FUR
73064	SUBRECPNT AGRMT TXBL - Pass through
73065	SUBRECPNT AGRMT N/T - Pass through
73169	FED INDIRECT (A-87 ICAP)
73226	FREIGHT
73227	COURIER
73451	ADVERTISING

Account Code	Description
73651	ARCHITECT/ENGINEER
73652	SURVEYS/APPRAISALS
73653	INSPECTIONS/TESTING
73668	ROOM RENTAL
73691	OTH EQUIP/MACHINERY - Lease or Rent
73751	CONSERVATION/ENVIRN - Outside Vendor
73752	ECONOMIC DEVELOPMENT
73756	PRINT/COPY/GRAPHICS
73803	CONSERVATION/ENVIRON - State agency
73812	LEGAL - State agency
73819	COMMISSION SALES - US Travel Fees
73822	CONSTRUCTION TESTING - State agency
73827	SAFETY - State agency
73979	MANAGEMENT CONSULTING - State agency
75535	ARCHITECT/ENGINEER
75565	LABORATORY/TESTING
75600	CONSTRUCTION/Contractor payments
Only Post Environmental	
75150	EASEMENTS
75151	ACQUISTION COSTS

Program Code 57201

Pre-Environmental Document -Administration & Engineering

Description: General administration and engineering of project prior to environmental document approval, including supervision of work, conferences, travel, preparation of applications to Federal, State and other agencies, and development and updating of project scope, schedule and budget. Used by Design Section. Standard Account Code List.

Program Code 57202

Pre-Environmental Document - Survey

Description: Field and office survey work performed prior to the environmental document approval. Used by Design Section. Standard Account Code List.

Program Code 57204

Pre-Environmental Document - Traffic

Description: All traffic engineering performed prior to the environmental document approval. Used by Traffic Section. Standard Account Code List.

Program/Account Code Combinations

Design (continued)

Program Code 57205 - Pre-Environmental Document - Bridge

Description: Bridge design work performed prior to the environmental document approval. Includes duties performed by engineering staff to support activities of the Bridge Design section. Standard Account Code List.

Program Code 57207 - Pre-Environmental Document - Environmental

Description: All work associated with environmental policy statements, preparation of required environmental documents, environmental design review, participation in public involvement. Includes preparation of support material for public meetings, participation in meetings, and preparation of follow-up documentation. Used by Environmental Section. Standard Account Code List.

Program Code 57208

Pre-Environmental Document - Statewide Materials

Description: Field investigation of foundation soils by the statewide materials section for a proposed structure prior to the environmental document approval. Preparation of report on findings of foundation investigation, including expenses related to reproduction and distribution of report. Used by Statewide Materials Section. Standard Account Code List.

Program Code 57210

Post-Environmental Document - Administration & Engineering

Description: General administration and engineering of project after approval of environmental document, including supervision of work, conferences, travel, preparation of applications to Federal, State and other agencies, and development and updating of project scope, schedule and budget. Used by Design Section. Standard Account Code List.

Program Code 57211

Drafting

Description: All drafting work performed in support of project development. Standard Account Code List.

Program Code 57213

Design Consultants Payments

Description: Payments to consultants. Account codes 73651, 75535.

Program Code 57214

Post-Environmental Document - Surveys

Description: Field and office survey work performed after approval of the environmental document. Used by Environmental Section. Standard Account Code List.

Program/Account Code Combinations

Design (continued)

Program Code 57220

Pre-Environmental Document - Regional Materials

Description: Field and office work performed by the Regional Materials section prior to environmental document approval, to provide input on alternative selections, foundation conditions and recommendations and materials sites, including office studies of reports, maps and aerial photos. Standard Account Code List.

Program Code 57225

Design Value Engineering

Description: Includes all personnel and materials costs incurred in conduct of a value engineering study during the project design phase, including cost of salaries, transportation and per diem. Also includes payment to consultants on contract. Standard Account Code List.

Program Code 57226

Pre-Environmental Document - ROW

Description: ROW costs associated with doing preliminary title work, base mapping, relocation studies, and ROW cost estimates prior to environmental document approval. Used by ROW staff. Same account code list as Program Code 57302.

Program Code 57227

Post-Environmental Document - ROW

Description: ROW costs performed after approval of environmental document. Right of Way Plans, parcel plats, legal descriptions of the needed acquisition areas identified within the designated route of the Design Study Report. Right of Way plans are prepared for sending to FHWA as an informational copy to the request of Phase 3 Authority to Appraise and Acquire. Used by ROW staff. Same account code list as Program Code 57302.

Program Code 57230

Post-Environmental Document - Traffic

Description: All traffic engineering performed after approval of environmental document, including traffic design, traffic count support and analysis, accident analysis, special traffic studies, traffic channelization, sign and marking layout, and signal and illumination layout. Used by Traffic Section. Standard Account Code List.

Program Code 57233

Preliminary Engineering by Local Forces

Description: Preliminary engineering work performed by local forces. Can be either pass through or contractual codes depending on the which entity retains responsibility for federal compliance. Account codes 73064, 73065, 75535.

Program/Account Code Combinations

Design (continued)

Program Code 57236

Design Consultant Administration

Description: In-house staff activities associated with the coordination of design consultant contracts, including preparation of requests for proposals and advertisements, consultant selection and negotiation and administration of consultant contracts and payments. Standard Account Code List.

Program Code 57239

Post-Environmental Document - Statewide Materials

Description: Provide design values and foundation designs for structures, provide geotechnical expertise as requested by the regions, and review project plans and specifications by the Headquarters Materials section, after approval of the environmental document. Includes per diem and salary, equipment rental and ancillary expenditures, analysis and preparation of recommendations, plans, or report. Standard Account Code List.

Program Code 57240

Post-Environmental Document - Bridge Design

Description: Preparation of bridge design plans, estimates and specifications performed after approval of the environmental document. Includes duties performed by Design personnel to coordinate with or support activities of the Bridge Design section. Standard Account Code List.

Program Code 57245

Foundation/Geology Engineering

Description: Field and office work performed to provide geologic analysis and recommendations required for project design. Includes transportation and per diem to conduct surface and sub-surface geological investigation of materials sites, structure sites or centerline locations, evaluation of soil samples and test results, office studies of reports, maps and aerial photos. Standard Account Code List.

Program Code 57250

Post-Environmental Document - Environmental

Description: All work associated with environmental policy statements, environmental design review, participation in public involvement, and acquiring required permits. Used by Environmental Section. Standard Account Code List.

Program Code 57260

Post-Environmental Document - Regional Materials

Description: Review by Regional Materials section of preliminary and final project plans and specifications after approval of environmental document. Standard Account Code List. Used by Material section.

Program/Account Code Combinations

Design (continued)

Program Code 57268

Pavement Design

Description: Costs pertaining to all aspects of pavement design work. Used by Design Section. Standard Account Code List.

Program Code 57275

Post-Environmental Document - Contracts

Description: In-house review of plans, specifications and estimates through Final PS&E Review performed after approval of environmental document. Includes costs of producing and distributing review documents, resolution of Final PS&E review comments, resolution of consultant review, and preparation of final contract documents. Preparation, review, and coordination of consultant and term contracts. Standard Account Code List.

Program Code 57279

Advertise and Award

Description: Advertising and addenda costs prior to bid opening. Used by Contacts Section. Account Codes 71000, 73227, 73451, 73756. Used by Contract section.

Program Code 57281

Utilities State Forces Preliminary Engineering

Description: Preliminary engineering used by Utility Section. Standard Account Codes.

Program Code 57282

Utilities Non-State Forces Preliminary Engineering

Description: Preliminary engineering by contractor. Account Codes 75535 and 75585.

Program Code 57291

Legal

Description: Time and travel associated with legal determinations and the resolution of legal actions during the preliminary engineering phase. Account Codes 71000, 72000, 73812.

Program Code 57294

Construction Support During Design

Description: All costs associated with review of plans and specifications by the Construction section during design. Used by the Construction Section. Account codes 71000, 72000.

Program/Account Code Combinations

Design (continued)

Program Code 57296

PH2 MBE Compliance Review

Description: For EEO/MBE Office use only. Account Codes 71000, 72000.

Program Code 57900

Cost Allocation Plan Bill

Description: Indirect Cost Allocation Plan billing charged to capital projects. Account Code 73169.

Program/Account Code Combinations

Right of Way

Program and account codes for use by the Right of Way standard account code list.

Account Code	Description	Account Code	Description
70821	RG-REGULAR TIME	70931	EQ - EQUIPMENT - FUR
70831	OT-OVERTIME TIME&1/2	73169	FED INDIRECT (A-87 ICAP)
70832	DT-DOUBLE TIME	73226	FREIGHT
70833	ST-STRAIGHT TIME OT	73227	COURIER
70851	BN-BENEFITS	73451	ADVERTISING
70852	LV-LEAVE	73651	ARCHITECT/ENGINEER
70854	IN-INSURANCE	73652	SURVEYS/APPRAISALS
70865	VR-VARIANCE	73653	INSPECTIONS/TESTING
71970	PERSONAL SVCE TRANS	73668	ROOM RENTAL
72111	AIRFARE - Employee Instate	73751	CONSERVATION
72112	SURFACE TRANSPORT - Employee Instate	73756	PRINT/COPY/GRAPHICS
72113	LODGING - Employee Instate	73812	LEGAL - State agency
72114	MEALS & INCIDENTALS - Employee Instate	73819	COMMISSION SALES - US Travel Fees
72116	OTHER TRAVEL COSTS - Employee Instate	73822	CONSTRUCTION TESTING - State agency
		75150	EASEMENTS
		75151	ACQUISITION COSTS
		75535	ARCHITECT/ENGINEER
		75660	ROW RELOCATION COSTS

Program Code 57302

State Forces AP & AQ

Description: Appraisal & acquisition activity by S.F. (State Forces), law bills and miscellaneous expenses associated with the appraisal & acquisition process. Standard Account Code List.

Program Code 57306

Audit, Permit & ROW

Description: Utility Related Audit Activity, Utility Permit (Project Related) & Utility ROW activity. Standard Account Code List.

Program Code 57307

ROW Eng, Survey & Mapping

Description: R.O.W Engineering (SURVEY AND MAPPING) activity in support of the Appraisal & Acquisition process. Standard Account Code List.

Program Code 57315

ROW Consultants

Description: Payment to consultants/contractors performing ROW functions. Use with Account 75151.

Program/Account Code Combinations

Right of Way (continued)

Program Code 57324

CA Utility Comp Work

Description: Payments to utilities for actual relocation costs under certification acceptance procedures. Use with account 75585.

Program Code 57325

CA Util N-ST Force CE

Description: Payments to utilities for construction engineering work under certification acceptance procedures. Use with account codes 75585 and 75660.

Program Code 57326

CA Util ST Forces CE

Description: Utility relocation construction engineer costs incurred by state forces under certification acceptance procedures. State Forces Account Code list. See Construction.

Program Code 57345

Relocation

Description: The FHWA Annual Statistical Report requires us to report Relocation Advisory Services. Standard Code list.

Program Code 57371

Parcels Acquired by Negotiation

Description: This program code is used when parcels are acquired via the Fair Market Value Offer or Value Estimate. Account 75150

Program Code 57372

Acquisition of Excess Land

Description: Lands purchased in excess of Right Of Way needs. Account 75150

Program Code 57373

Court Deposits

Description: This program code is used on parcels going to condemnation. Initial and subsequent court deposits prior to jury or judges verdict is what this activity best describes. Account 75150

Program Code 57374

Administrative Settlements

Description: This program code is used frequently when approval is given (through the appropriate delegation of authority) to settle beyond fair market value. Account 75150

Program/Account Code Combinations

Right of Way (continued)

Program Code 57375

Jury Verdict

Description: This program code is infrequently used because the Dept. does not go to jury trial very often. This code helps to identify those costs awarded via jury or judge's verdict. Account 75150

Program Code 57376

Settlement Awards

Description: If a condemnation case is settled via Pre-trial Settlement, Master's Award or a Stipulated Settlement this program code would be used. Account 75150

Program Code 57377

Reimb Taxes, Fees, Penalty Costs

Description: Costs associated with prorated property taxes, penalties for early pay off of deeds of trust, reconveyance fees from the title company or any other miscellaneous costs that become part of doing business and clearing title to land the Dept. is trying to purchase. Account 75150

Program Code 57381

Business Moves

Description: Cost of non-residential (business) relocation benefits and the cost of, in part /in whole, the actual move of the non-residential property. Account 75660

Program Code 57383

Replacement Housing Supplement

Description: The payment for replacement housing within 18 months after the date of displacement or the final acquisition payment, whichever is later. Account 75660

Program Code 57384

Rent Supplement Payment

Description: The payment for relocation of tenants within 18 months after the date of displacement. Account 75660

Program Code 57385

Individual & Family Moving Costs

Description: This payment is used for residential moves based on actual moving expenses or a fixed payment rate based on a per room count. Account 75660

Program/Account Code Combinations

Right of Way (continued)

Program Code 57387

Last Resort Housing Payment

Description: This code combination is used for those who qualify for Replacement Housing of Last Resort as defined in the ROW manual of 3/1/04 Section 7.13. Account 75660

Program Code 57900

Cost Allocation Plan Bill

Description: Indirect Cost Allocation Plan billing charged to capital projects. Account 73169

Program/Account Code Combinations

Right of Way - Property Management

Account

Code Description

70821	RG-REGULAR TIME
70831	OT-OVERTIME TIME&1/2
70832	DT-DOUBLE TIME
70833	ST-STRAIGHT TIME OT
70851	BN-BENEFITS
70852	LV-LEAVE
70854	IN-INSURANCE
70865	VR-VARIANCE
71970	PERSONAL SVCE TRANS
72111	AIRFARE - Employee Instate
72112	SURFACE TRANSPORT - Employee Instate
72113	LODGING - Employee Instate
72114	MEALS & INCIDENTALS - Employee Instate
72116	OTHER TRAVEL COSTS - Employee Instate
70931	EQ - EQUIPMENT - FUR
73169	FED INDIRECT (A-87 ICAP)
73226	FREIGHT
73227	COURIER
73401	LONG DISTANCE

Account

Code Description

73402	LOCAL/EQUIP CHARGES
73451	ADVERTISING
73526	ELECTRICITY
73527	WATER & SEWAGE
73528	DISPOSAL
73529	NATURAL GAS/PROPANE
73530	HEATING OIL
73651	ARCHITECT/ENGINEER
73652	SURVEYS/APPRAISALS
73653	INSPECTIONS/TESTING
73656	SNOW REMOVAL
73658	PAVEMENT MAINTENANCE
73660	OTHER REPAIRS/MAINTENANCE
73657	JANITORIAL/CARETAKER
73659	LAWNCARE MAINTENANCE
73691	OTH EQUIP/MACHINERY - Lease or Rent
73756	PRINT/COPY/GRAPHICS
73819	COMMISSION SALES - US Travel Fees
73812	LEGAL - State Agency
74753	BOTTLED GAS

Program Code 57353

Property Management

Description: Property management costs in relation to the relocation costs on a project.

Plus all program codes listed under "Right of Way."

Program/Account Code Combinations

Construction

Phase 4 Program Codes

O	57403	Field Office-Construction
C O S	57406	Construction Support
C O	57409	Statewide Engineering Support
C O S	57411	Field Costs Not associated with an Official Field Office
C O S	57415	Environment
C O S	57426	ROW Support Construction
C O	57427	Utilities Support
C O	57428	Royalty and Art Work
C O	57429	Design Consultant PA
C O	57431	Consultant Management
C O	57437	State Forces Construction Engineering not limited to 15%
C O	57442	Local Forces -Construction
C O	57443	Local Forces Construction Engineering
C O S	57450	Construction Contractor Payment
C O	57451	Contractor Furnished Engineering Items
S	57452	Drain/Erosion Control
S	57453	M&O Payment Marking
S	57454	Minor Structure Repairs
S	57457	M&O Bridge Repairs
C O S	57463	Regional Quality Assurance
C O	57464	Construction Materials-Lab Tests and Reports
C O	57465	Stwd Quality Assurance
S	57477	M&O Gravel Surface Repair
S	57481	M&O Crack Sealing
S	57487	M&O Hi-Float Pavement Repair
S	57488	M&O Asphalt Overlay Pavement Repairs
S	57489	M&O Chip Seal Pavement Repair
S	57491	Construction State Foces
S	57493	M&O Reclaimer Activity
C O S	57494	Construction Concurrent Review
C O	57497	Design During Construction
C O S	57900	Cost Allocation Plan

C Construction
O Construction with a Field Office
S State Forces Work

Program/Account Code Combinations

Construction

Program and account code combinations for use during construction activities when there is no State Forces or separate Field Office.

Account Code	Description	Account Code	Description
70821	RG-REGULAR TIME	73451	ADVERTISING
70831	OT-OVERTIME TIME&1/2	73651	ARCHITECT/ENGINEER
70832	DT-DOUBLE TIME	73652	SURVEYS/APPRAISALS
70833	ST-STRAIGHT TIME OT	73653	INSPECTION/TESTING
70851	BN-BENEFITS	73668	ROOM RENTAL
70852	LV-LEAVE	73691	OTH EQUIP/MACHINERY - Lease or Rent
70854	IN-INSURANCE	73751	CONSERVATION/ENVIRN - Outside Vendor
70865	VR-VARIANCE	73756	PRINT/COPY/GRAPHICS
71970	PERSONAL SVCE TRANS	73755	SAFETY SERVICES
72111	AIRFARE - Employee Instate	73803	CONSERVATION/ENVIRN - State agency
72112	SURFACE TRANSPORT - Employee Instate	73812	LEGAL - State Agency
72113	LODGING - Employee Instate	73819	COMMISSION SALES - US Travel Fees
72114	MEALS & INCIDENTALS - Employee Instate	73822	CONSTRUCTION TESTING - State agency
72116	OTHER TRAVEL COSTS - Employee Instate	73827	SAFETY - State Agency
70931	EQ - EQUIPMENT - FUR	73979	MANAGEMENT CONSULTING - State agency
73065	SUBRECIPNT AGRMT TAX - pass through	75400	MATERIALS & SUPPLIES
73065	SUBRECIPNT AGRMT N/T - pass through	75535	ARCHITECT/ENGINEER
73169	FED INDIRECT (A-87 ICAP)	75565	LABORATORY/TESTING
73226	FREIGHT	75585	UTILITY RELOCATION
73227	COURIER	75600	CONTRACT PAYMENTS

Program Code 57406

Construction Support

Description: Construction regional support. Used by the Regional Construction Sections and Maintenance and Operations Divisions for allowable charges to projects.

Program Code 57409

Statewide Construction Engineering Support

Description: Statewide support activities. Includes costs incurred by Bridge Design and the Standards Section.

Program Code 57411

Construction Engineering - Field Activities

Description: Activities related to a construction site without a valid field office.

Program/Account Code Combinations

Construction (Continued)

Program Code 57415

Environment

Description: Activities performed during construction in connection with acquiring required permits, investigating and reporting "Rights-of-Way" hazardous contamination, Agency coordination, preparation and administration, consultation and contract. Also used for payments to environmental consultants/contractors.

Program Code 57425

Airport Vehicle Purchase

Description: FAA projects only. Must be specifically requested to be added to project table. Purchase of airport vehicles for airport use only, fire/rescue, graders, etc. Standard account code list, plus account code 75755.

Program Code 57426

ROW Support Construction

Description: Costs incurred during construction when Right of Way phase is not active, or for Right of Way activities unique to construction. Used by ROW. Same Account Codes as Program 57302.

Program Code 57427

Utilities Support (Construction)

Description: Utilities costs incurred during construction when Phase 7 is not active, or for utilities activities unique to construction. Accounts 71000, 72000.

Program Code 57428

Royalty Payments

Description: Payment of royalty fees. Account code 75120.

Program Code 57429

Design Consultant Payments

Description: Design consultant payments made during the construction phase.

Program Code 57431

Consultant Management

Description: Construction engineering performed by a consultant/contractor.

Program Code 57432

Art in Public Places

Description: Costs to comply with the Art in Public Places Statute AS 35.27.020. Accounts 71000, 72000, 75555.

Program Code 57437

State Forces Construction Engineering not limited to 15%

Description: In-house construction staff working on legal and advertising activities.

Program/Account Code Combinations

Construction (Continued)

Program Code 57442

Local Forces Construction

Description: Construction work performed by local forces. Construction engineering by local forces should be charged to PR 57443.

Program Code 57443

Local Forces Construction Engineering

Description: Construction engineering performed by local forces. Actual construction work by local forces should be charged to PR 57442.

Program Code 57450

Construction Contractor Payments

Description: All payments made to construction contractors. Account Codes 75600 and 73065 only.

Program Code 57451

Contractor Furnished Items

Description: Items furnished by the Contractor. Limited to 15% of participating contractor payments.

Program Code 57463

Regional Quality Assurance

Description: Includes all costs incurred by regional materials personnel to inspect, sample and field test materials used in the project. Also includes inspection and calibration of field-testing equipment and consultation provided by regional materials personnel.

Program Code 57464

Construction Materials - Lab Tests and Reports

Description: Physical and chemical testing of materials samples at the regional materials lab.

Program Code 57465

Statewide Quality Assurance

Description: All work performed by statewide materials personnel during the construction phase of the project.

Program Code 57494

Construction Concurrent Review

Description: Costs incurred by Division Concurrent Review personnel when checking and verifying accuracy and completeness of project records.

Program/Account Code Combinations

Construction (Continued)

Program Code 57497

Design During Construction

Description: Design personnel performing design activities during the construction phase.

Program Code 57900

Cost Allocation Plan Bill

Description: Indirect Cost Allocation Plan billing charged to capital projects. Account Code 73169.

Program/Account Code Combinations

Field Offices

Program and account codes for use only in an approved Field Office situation as documented as a bid item.

Account Code	Description
70821	RG-REGULAR TIME
70831	OT-OVERTIME TIME&1/2
70832	DT-DOUBLE TIME
70833	ST-STRAIGHT TIME OT
70851	BN-BENEFITS
70852	LV-LEAVE
70854	IN-INSURANCE
70865	VR-VARIANCE
71970	PERSONAL SVCE TRANS
72111	AIRFARE - Employee Instate
72112	SURFACE TRANSPORT - Employee Instate
72113	LODGING - Employee Instate
72114	MEALS & INCIDENTALS - Employee Instate
72116	OTHER TRAVEL COSTS - Employee Instate
70931	EQ - EQUIPMENT - FUR
73169	FED INDIRECT (A-87 ICAP)
73226	FREIGHT
73227	COURIER
73228	POSTAGE
73401	LONG DISTANCE
73402	LOCAL/EQUIP CHARGES
73403	DATA/NETWORK
73451	ADVERTISING
73526	ELECTRICITY

Account Code	Description
73527	WATER & SEWAGE
73528	DISPOSAL
73529	NATURAL GAS/PROPANE
73530	HEATING OIL
73651	ARCHITECT/ENGINEER
73652	SURVEYS/APPRAISALS
73653	INSPECTIONS/TESTING
73660	REPAIRS/MAINTENANCE
73668	ROOM RENTAL
73687	OFFICE FURN & EQUIP - lease or rent
73691	OTH EQUIP/MACHINERY - lease or rent
73751	CONSERVATION/ENVIRN
73756	PRINT/COPY/GRAPHICS
73812	LEGAL State Agency
73819	COMMISSION SALES - US Travel Fees
73822	CONSTRUCTION TESTING - State agency
73827	SAFETY - State agency
74753	BOTTLED GAS
75400	MATERIALS & SUPPLIES
75535	ARCHITECT/ENGINEER
75565	LABORATORY/TESTING
75600	CONTRACT PAYMENTS

Program Code 57403

Field Office - Construction

Description: Time and materials associated with project office work performed by project personnel in support of construction contract administration. Includes costs incurred by project personnel from Notice to Proceed until final project closeout. Must be a separate office from normal operations. Documented in the Bid.

Plus all of the program codes listed under "Construction."

Program/Account Code Combinations

Construction - State Forces

Program and account codes for activities by state employees while doing actual construction activities. Mainly used by the Maintenance and Operation divisions.

Account Code	Description	Account Code	Description
70821	RG-REGULAR TIME	73653	INSPECTION/TESTING
70831	OT-OVERTIME TIME&1/2	73691	OTH EQUIP/MACHINERY - lease or rent
70832	DT-DOUBLE TIME	73751	CONSERVATION
70833	ST-STRAIGHT TIME OT	73812	LEGAL - State agency
70851	BN-BENEFITS	73819	COMMISSION SALES - US Travel Fees
70852	LV-LEAVE	73822	CONSTRUCTION TESTING - State agency
70854	IN-INSURANCE	73827	SAFETY - State agency
70865	VR-VARIANCE		
71970	PERSONAL SVCE TRANS	74691	BUILDING MATERIALS
		74693	SIGNS AND MARKERS
72111	AIRFARE - Employee Instate	74694	ASPHALT
72112	SURFACE TRANSPORT - Employee Instate	74695	AGGREGATE
72113	LODGING - Employee Instate	74698	GUARDRAILS
72114	MEALS & INCIDENTALS - Employee Instate	74699	CULVERTS
72116	OTHER TRAVEL COSTS - Employee Instate	74753	BOTTLED GAS
		74754	PARTS AND SUPPLIES - Supplies Only
70931	EQ - EQUIPMENT - FUR	74759	PAINT & PRESERVATIVES
73169	FED INDIRECT (A-87 ICAP)	74765	SAND
73226	FREIGHT	74855	UNLEADED - for equipment only
73227	COURIER	74856	DIESEL - for equipment only
73451	ADVERTISING		
73529	NATURAL GAS/PROPANE	75600	CONTRACT PAYMENT

Program Code 57452

Drainage/Erosion Control

Description: Used by M&O. Work includes shoulder and drainage work with culverts and erosion protection.

Program Code 57453

M&O Pavement Markings

Description: Used by M&O. Application and/or removal of pavement markings.

Program Code 57454

Minor Structural Repairs

Description: Used by M&O. Minor structural repairs such as guardrails, fencing, and signs.

Program Code 57477

M&O Gravel Surface Repair

Description: Used by M&O. Gravel surface repair activities, including application of dust palliatives and the FAHR Crusher.

Program/Account Code Combinations

Construction - State Forces (continued)

Program Code 57481

M&O Crack Sealing

Description: Used by M&O Crack seal pavement repair and banding activities.

Program Code 57487

M&O Hi-Float Pavement Repair

Description: Used by M&O. Costs associated with the application of asphalt emulsion with a D-1 aggregate cover.

Program Code 57488

M&O Asphalt Overlay Pavement Repair

Description: Used by M&O. Costs associated with applying hot or cold mix asphalt over an existing asphalt surface.

Program Code 57489

M&O Chip Seal Pavement Repair

Description: Used by M&O. Costs associated with chip seal pavement repair.

Program Code 57491

Construction State Forces

Description: All labor, state furnished materials and other costs incident to state forces construction. **This program code used for costs that do not fit under the following program codes: 57452, 57453, 57454, 57477, 57481, 57487, 57488, 57489, 57493.**

Program Code 57493

M&O Reclaimer Activity

Description: Used by M&O. Costs associated with milling and reclamation of existing pavement.

Program Code 57457

M&O Bridge Repairs

Description: Maintenance & Operations is the main user of this program code for capital projects funded by the FHWA Preventative Maintenance Program. Costs associated with repairing/rehabilitating bridges.

State Forces also use the following Program Codes described under Basic Construction:

57406, 57415, 57426, 57450, 57463, 57494, 57900

Program/Account Code Combinations

Utilities

Program and account codes for use during specific Phase 7 FHWA grant work or authorized on FAA projects.

Account Codes Allowed under Program Code 57711

Account Code	Description	Account Code	Description
70821	RG-REGULAR TIME	70931	EQ - EQUIPMENT - FUR
70831	OT-OVERTIME TIME&1/2	73169	FED INDIRECT (A-87 ICAP)
70832	DT-DOUBLE TIME	73226	FREIGHT
70833	ST-STRAIGHT TIME OT	73227	COURIER
70851	BN-BENEFITS	73451	ADVERTISING
70852	LV-LEAVE	73651	ARCHITECT/ENGINEER
70854	IN-INSURANCE	73652	SURVEYS/APPRAISALS
70865	VR-VARIANCE	73653	INSPECTION/TESTING
71970	PERSONAL SVCE TRANS	73691	OTH EQUIP/MACHINERY - Lease or Rent
		73756	PRINT/COPY/GRAPHICS
72111	AIRFARE - Employee Instate	73812	LEGAL State Agency
72112	SURFACE TRANSPORT - Employee Instate	73819	COMMISSION SALES - US Travel Fees
72113	LODGING - Employee Instate	73822	CONSTRUCTION TESTING - State agency
72114	MEALS & INCIDENTALS - Employee Instate	73827	SAFETY - State agency
72116	OTHER TRAVEL COSTS - Employee instate		
		75585	UTILITY RELOCATION

Program

Code	Description	
57711	Util State Force PE	See List Above
57718	Non-State Forces P.E.	Account 75585
57719	Utility Company Work	Account 75585
57720	Non-State Forces C.E.	Account 75585
57721	Util State Force C.E.	Construction Account Code List, see Construction Section
57900	Cost Allocation Plan	Account 73169

Program/Account Code Combinations

Planning

Program and account codes for use

Account Code	Description
70821	RG-REGULAR TIME
70831	OT-OVERTIME TIME&1/2
70832	DT-DOUBLE TIME
70833	ST-STRAIGHT TIME OT
70851	BN-BENEFITS
70852	LV-LEAVE
70854	IN-INSURANCE
70865	VR-VARIANCE
71970	PERSONAL SVCE TRANS
72111	AIRFARE - Employee Instate
72112	SURFACE TRANSPORT - Employee Instate
72113	LODGING - Employee Instate
72114	MEALS & INCIDENTALS - Employee Instate
72116	OTHER TRAVEL COSTS - Employee Instate
70931	EQ - EQUIPMENT - FUR
73064	SUBRECPNT AGRMT TXBL-pass through
73065	SUBRECPNT AGRMNT N/TAX-pass through
73169	FED INDIRECT (A-87 ICAP)
73226	FREIGHT

Account Code	Description
73227	COURIER
73228	POSTAGE
73451	ADVERTISING
73651	ARCHITECT/ENGINEER
73652	SURVEYS/APPRAISALS
73653	INSPECTIONS/TESTING
73668	ROOM RENTAL
73691	OTH EQUIP/MACHINERY - lease or rent
73751	CONSERVATION/ENVIRN - Outside vendor
73753	PROGRAM MANAGEMENT/CONSULTING
73756	PRINT/COPY/GRAPHICS
73803	CONSERVATION/ENVIRN - State agency
73804	ECONOMIC/DEVELOPMENT - State agency
73812	LEGAL - State Agency
73819	COMMISSION SALES - US Travel Fees
73827	SAFETY - State agency
75535	ARCHITECT/ENGINEER
75565	LABORATORY/TESTING
75600	CONTRACT PAYMENTS

Program Code 57801

Planning and Research Activity

Description: All planning and research activities.

Program Code 57810

Consultant, Contractor Payment

Description: Optional program code to further separate activity in conjunction with account codes.

Program Code 57840

Commercial Vehicle Enforcement Activity

Description: Programs funded with Motor Carrier Assistance (MCSCP) funding.

Program Code 57878

Pass Through Payment

Description: Grant and or contract payments under the Federal Transit program, the Highway Safety Office and the Scenic By Way Program. Account Codes 73064 and 73065.

Program/Account Code Combinations

Planning (continued)

Program Code 57880

Federal Programs Administration

Description: Administrative costs associated with the Federal Transit Program and the Highway Safety Office.

Program Code 57900

Cost Allocation Plan Bill

Description: Indirect Cost Allocation Plan billing charged to capital projects. Account code 73169.

Appendixes



U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
ALASKA DIVISION
709 West Ninth Street, Room 851
P.O. Box 21648
Juneau, Alaska 99802
907-586-7418 | 907-586-7420 FAX

June 6, 2001

REFER TO
HDA-AK
File #: Adm-F&A 104

Ms. Nancy Slagle, Director
Administrative Services Division
Alaska Department of Transportation
and Public Facilities
3132 Channel Drive
Juneau, AK 99801-7898

SUBJECT: Travel Costs of Employees Defined as Indirect

Dear Ms. Slagle:

We have been asked to address the subject of travel costs related to employees defined by the AKDOT&PF's indirect cost allocation plan (ICAP) as indirect, or benefiting multiple cost objectives.

As noted in the July 2000 Quality Financial Management Improvement (QFMI) report on the Department's ICAP, the personal services costs of several employees were recently reclassified from direct project chargeable, to indirect, or general operating funded costs. This change was made to comply with the guidelines for indirect cost allocation plans established in US OMB Circular A-87. These guidelines require that expenditures that benefit multiple cost objectives must be classified as indirect, and as such, distributed through an approved ICAP.

Because the employees mentioned above perform tasks related to multiple cost objectives, their related personal services costs fit the definitions outlined in A-87. In many cases, however, the travel performed by these employees is for the specific benefit of one or two transportation projects. While on the trip, they might still be on the phone or computer working on other activities, but it can reasonably be argued that no travel costs should be assigned to these other activities.

The guidance outlined in A-87 infers that travel costs related to general operating funded employees should be charged as indirect costs. This should be the standard policy of the Department for coding of travel costs. As an exception to this rule, however, we have determined that when an indirect charging employee is traveling specifically for the benefit of one or two projects, the associated travel costs may be charged to that project. If two projects benefit, then the travel costs should be equitably split between the two projects. All related personal services costs should remain charged to general operating funds.

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JUN 07 2001

This exception to general A-87 guidelines applies strictly to the situations mentioned above. Any travel for such activities as conferences, training, general meetings, or other indirect activities, must remain coded as indirect costs.

For more information, please contact Karen R. Tennison, Acting Financial Manager, at (907) 586-7421.

Sincerely,

A handwritten signature in cursive script that reads "Karen R. Tennison".

For
David C. Miller
Division Administrator

cc: Elizabeth Blecker, Finance Officer, Administrative Services Division, AKDOT&PF
Bob Janes, Chief of Internal Review, AKDOT&PF
Debbie Roth, Program Specialist, Federal Aviation Administration, Anchorage
Dorothy Krieger, Accountant, Administrative Services Division



U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
ALASKA DIVISION
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FHWA Equipment Purchasing Policies

With recent discussions on the subject of equipment acquisition by the Department, I thought it would be useful to consolidate and disseminate FHWA's current policies on the subject.

Questions have come up on whether the Department has the ability to acquire equipment with Federal-aid funds and then either certify that the equipment will be used on other federal projects, or provide a salvage credit to FHWA at the end of the life of the project. My research indicates that these options are no longer available. The following excerpt was taken from FHWA's current policy on the subject of Equipment Purchases for State Construction Engineering Use:

"Pursuant to 23 U.S.C. 302, SHA's must be suitably equipped to carry out the requirements of the Federal-aid highway program. When a State needs to purchase equipment to adequately meet the construction engineering requirements of a Federal-aid project, it makes no difference, relative to Federal-aid participation, whether the equipment is purchased by the State directly or through the project coordinator. In either case, it is not acceptable to use Federal-aid funds to participate in the purchase of the equipment. Rather, the equipment's cost should be amortized over the equipment's useful life. Federal-aid funds will then participate only in that portion of the amortized cost attributable to the time the equipment is used on a specific Federal-aid project(s). Participation will, of course, be accounted for as a construction engineering cost." This procedure would also apply to non-CE equipment items, acquired by the State, for use on construction projects by either the State or contractor. Examples include: variable message signs, temporary bridges (e.g., Bailey Bridge), construction barrier systems, etc.

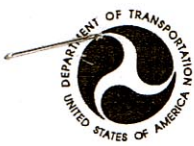
Essentially, non-participating funds must be used to acquire equipment. FHWA can pay for the amortized portion of cost that relates to the equipment's use on a given Federal-aid project. For example, assume a piece of equipment costs \$100,000 and is estimated to have 5,000 hours of operable life. It is used on Project X for 375 hours of operation. The hourly rate of \$20 ($\$100,000/5,000$ hours) would be multiplied by 375 hours to arrive at a project charge of \$7,500.

Regarding equipment items costing less than \$5,000:

OMB Circular A-87, Attachment B, section 19(d), states that "Items of equipment with an acquisition cost of less than \$5,000 are considered to be supplies and are allowable as direct costs of Federal awards without specific awarding agency approval". The caveat behind this statement is that these costs must first meet OMB's definition of a direct cost before being eligible as a direct project expenditure. As stated in Attachment A, Part E of A-87, such costs must be "identified specifically with a particular final cost objective". In other words, the costs must be entirely consumed on a given project to be a direct project expenditure.

Equipment purchases under the \$5,000 threshold that do not meet the above definition as a direct cost, must then be charged to the appropriate indirect cost pool (ICAP). OMB defines indirect costs as those "incurred for a common or joint purpose benefiting more than one cost objective, and not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved". Another way to state this is that an indirect cost benefits more than one project.

Dave Bruce
Financial Program Manager
FHWA
2-27-01



U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
ALASKA DIVISION
709 West Ninth Street, Room 851
P.O. Box 21648
Juneau, Alaska 99802
907-586-7418 | 907-586-7420 FAX

May 2, 2002

REFER TO
HDA-AK
File #: ADM-F&A 104-6

Ms. Nancy J. Slagle, Director
Administrative Services Division
Alaska Department of Transportation and
Public Facilities
3132 Channel Drive
Juneau, AK 99801-7898

SUBJECT: Distribution of Shared Field Office Costs

Dear Ms. Slagle:

We have reviewed your request dated April 23, 2002, to revise Alaska DOT&PF's process to charge shared field office expenses (as outlined in your "A-87 Implementation Manual" dated July 1, 2001). After reviewing the audit report prepared by Bob Janes, Chief of Internal Review, dated April 18, 2002, and having had several discussions with Mr. Janes about this issue, we have determined that the current process is not cost effective due to the staff time involved in making the adjustments and the small dollar amounts involved. Therefore, we approve your request to discontinue the current process and to distribute field office costs on an exception basis. The exceptions where it will still be required to redistribute field office costs are (1) if the office serves projects from multiple modes; and (2) if the field office bid item exceeds \$20,000 and it is shared by multiple projects.

It is our understanding that Mr. Janes will continue to monitor field office costs to assure that significant bid items and multiple mode shared office costs are equitably distributed.

For more information, please contact Karen Tennison, Financial Manager, of our office at 907-586-7421.

Sincerely,

A handwritten signature in cursive script, appearing to read "Karen A. Schmidt".

For
David C. Miller
Division Administrator

cc: Bob Janes, Chief of Internal Review, Alaska DOT&PF
Liz Blecker, Finance Officer, Alaska DOT&PF

Allocation Methodology for Shared Field Offices

Scenario 1

Three projects, same funding source, one large project as follows:

<u>Project</u>	<u>Authorization</u>	<u>Percentage</u>
A	16 m	80 %
B	2 m	10%
C	2 m	10%

In this scenario, the field office cost will be charged to the main project, project A, as it has 80 % or more of the total shared projects authorizations

Scenario 2

Three projects, different funding sources as follows:

<u>Project</u>	<u>Authorization</u>	<u>Percentage</u>
Project A (FHWA)	15 m	79 %
Project B (FAA)	3 m	16 %
Project C (other)	1 m	5 %

In this scenario, the projects would bear the shared field office costs (i.e. bid item costs plus any contractual costs such as utilities not covered in the bid) in the same percentage as their authorizations.

Scenario 3

Four projects, one large project all with the same funding source

<u>Project</u>	<u>Authorization</u>	<u>Percentage</u>
Project A	12 m	86 %
Project B	1 m	7 %
Project C	.5 m	3.5 %
Project D	.5 m	3.5 %

In this scenario, the large project would be charged for the field office cost as all projects have the same funding source and the large project has 80 % or more of total authorizations.

Scenario 4

In this scenario, there is a bid item for a field office and the office is used in more than one year but the projects don't share the office both years. (i.e. one large project with a two year life shares its office with another project for year two only) If the shared projects will be using the office for most of each season the office is in use, then the costs can be spread based on the project authorization percentage.

	<u>Project A</u>	<u>Project B</u>
Authorization	15 m	5 m
Percent	75%	25%

Bid item \$100,000 Project A

Project A has a life of two seasons and Project B doesn't begin sharing the office until season two.

The bid item cost of \$100,000 is spread over two years, or \$50,000/year. Year one cost of \$50,000 will be born by project A as it is the only project operating out of the office. In season two the \$50,000 will be allocated between both project A and B at 75:25. Other contractual costs such as utilities, not covered by the bid item, would also be split in the same percentages for year two, the year the sharing takes place.

Note: These scenarios may not cover all potential situations. Any new or unusual combinations should be handled on a case by case basis.