

USDA-Rural Development

Form RD 1924-26

(3-94)

COST CERTIFICATION WORKSHEET

Name of Borrower _____

1. To be used with "Seven Steps to Cost Certification."

2. PRELIMINARY ESTIMATES (PREAPPLICATION):

District Office (State Office, if applicable):

a. \$ _____ proposed project building cost.

Unit costs compare favorably with historic unit costs.

b. Comments to State Office:

State Office:

c. Marshall & Swift building cost estimate for project _____

d. Comments to District Office: (evaluate D/O comments and add S/O comments)

District Office (State Office, if applicable):

e. The applicant was notified, in writing, of the following issues and concerns specific to cost:

(1) _____

(2) _____

(3) _____

3. FINAL 1924-13 ESTIMATES (APPLICATION):

District Office (State Office, if applicable):

- a. All discrepancies reports to the applicant have been satisfactorily corrected.
- Discrepancies still remaining _____

b. Do all line items contain a cost figure corresponding to the materials expected to be used in project construction?

- Yes No
- If no, what line item costs are missing?

c. Borrower's arithmetic has been recalculated.

d. Percentages for profit, overhead, and requirements will be calculated as follows:

| Proposed \$ Amount | Max % Allowed |
|--|----------------------|
| <u>Profit:</u> Line 43 \$ _____ divided by | |
| Line 42 less line 40 = \$ _____ = _____ % | 10% |
| <u>General Overhead:</u> Line 40 \$ _____ divided by | |
| Line 42 less line 40 = \$ _____ = _____ % | 4% |
| <u>General Requirements:</u> Line 39 \$ _____ divided by | |
| Line 42 less Lines 39, 40, 41 \$ _____ = _____ % | 7% |

e. Contractor is is not qualified to build project.

f. Comments to State Office: _____

State Office:

g. Line item costs of proposed project:

- Deviate from historic line item costs by the acceptable level.
- Costs appear excessive compared with historic line item costs for the following line items:

h. Construction contract price: _____ .
 Final construction cost estimate: _____ .

i. Time span between preapplication and application _____ .
 \$ _____ Marshall & Swift estimate (if more than 1 year between preapplication and application) .

j. Have final cost estimates (1924-14's) been received from all identities of interest? Yes No.

5. CHANGE ORDERS:

District Office (State Office, if applicable):

Answer the following questions for EACH Contract change order: (Y/N)

| | | | | | | | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| a. Has all arithmetic been verified to be accurate? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Is the change justified? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Does the change involve a subcontractor or supplier with an identity of interest with the borrower? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Is the cost of the change broken down between hard and soft costs? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e. If change increases contract sum, has borrower provided additional funds? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

6. COST CERTIFICATION DOCUMENT:

District and/or State Office:

- a. Borrower's arithmetic has been recalculated.
- b. Certified line item costs have been compared with estimated line item costs.

Are certified line item hard costs 15% more or less than estimated? If yes, in which line items? Note if documentation was provided for the variation? (Y/N)

| | Doc. | | Doc. |
|-------|-------|-------|-------|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

c. If total hard costs exceed the estimated amount, was total contract amount increased? Yes No

If contract amount was not increased, has profit been reduced to offset the increase in costs? Yes No

If contract amount was increase, what was source of additional funds _____

d. If total hard costs are decreased, has profit or overhead been increased? Yes No

e. If overhead or general requirements exceed their estimates, has profit been reduced to offset the increase?

Yes No

f. If profit has been decreased because of overruns in hard costs and soft costs are lower than anticipated, has profit been increased to bring it back to the original estimate? Yes No

g. Percentages for profit, overhead, and requirements.

| | Final Estimates | Actual |
|--------------|--------------------|----------|
| Profit | \$ _____ | \$ _____ |
| Overhead | \$ _____ | \$ _____ |
| Requirements | \$ _____ | \$ _____ |

h. Are all line items relating to General Requirements and General Overhead recorded under the proper category? Yes No Misclassified: _____

i. Enter all construction line items where the certified costs were **lower** than the accumulated payments.

| Line Item No. | Accumulated Payments | Certified Cost |
|---------------|----------------------|----------------|
| _____ | \$ _____ | \$ _____ |
| _____ | \$ _____ | \$ _____ |
| _____ | \$ _____ | \$ _____ |
| _____ | \$ _____ | \$ _____ |
| _____ | \$ _____ | \$ _____ |
| _____ | \$ _____ | \$ _____ |
| _____ | \$ _____ | \$ _____ |
| _____ | \$ _____ | \$ _____ |
| _____ | \$ _____ | \$ _____ |
| _____ | \$ _____ | \$ _____ |
| _____ | \$ _____ | \$ _____ |

j. All discrepancies between accumulated payments and certified costs have been resolved? Yes No

How _____

k. GAGAS requirements were included in certification.

l. Person doing cost certification is qualified.

_____Name of CPA firm.

m. Costs involving all identities of interest were certified.

n. More than 50% of contract sum was subcontracted to one subcontractor, material supplier, or equipment lessor.

75% or more of contract was subcontracted to one subcontractor, material supplier, or equipment lessor.

If yes to either of above, was contractor or owner-builder paid a profit and/or overhead Yes No

o. Certification was performed under Government contract. Yes No

p. Did CPA or borrower disclose any rebates or discounts? Yes No

If yes, in which line items: _____

q. Did the CPA issue an unqualified opinion? Yes No

7. FINAL PAYMENT TO CONTRACTOR

District Office (State Office, if applicable):

a. Borrower's arithmetic has been recalculated.

b. Evidence that project architect concurs with final pay request?

c. Is all construction work completed? Yes No

If not, what work remains? _____

How much is being retained from contractor for this work? \$

d. Have releases of claimants or other similar protection from liens been obtained? Yes No

e. All work is complete and final payment to contractor is approved.