

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) \_\_\_\_\_

Position 6

To be used for Multi-Family Housing Loans to review and analyze cost certification of 515 funds

To be used in conjunction with Seven Steps to Cost Certification.

(see reverse)

PROCEDURE FOR PREPARATION : RD 1924-A

PREPARED BY : Rural Development servicing official

NUMBER OF COPIES : Original

SIGNATURES REQUIRED : Servicing official

DISTRIBUTION COPIES : Original filed in Borrower's case file

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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.

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k.  Attestation of accounting system is attached

l. Proposal  is  is not acceptable.

If not, what additional action needs to be taken \_\_\_\_\_  
\_\_\_\_\_

m. The applicant was notified, in writing, of the following issues and concerns:

(1) \_\_\_\_\_  
\_\_\_\_\_

(2) \_\_\_\_\_  
\_\_\_\_\_

(3) \_\_\_\_\_  
\_\_\_\_\_

n.  Action completed to correct above discrepancies.

o.  Cost estimates are approved.

**4. PARTIAL PAYMENTS TO CONTRACTOR:**

**District Office (State Office, if applicable):**

Answer the following questions for EACH payment: (Y/N)

	1	2	3	4	5	6	7	8	9	10
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"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Has request for payment been concurred by the inspecting architect?	<input type="checkbox"/>	<input type="checkbox"/>	<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 accumulated total for general requirements exceed the final estimate?	<input type="checkbox"/>	<input type="checkbox"/>	<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. Does the accumulated total for overhead exceed the final estimates?	<input type="checkbox"/>	<input type="checkbox"/>	<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. Does the accumulated total for profit exceed the final estimate?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Are there any hard cost line items that were not included in the final estimate?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Is there a change in the contract sum with this payment request?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. Does the accumulated total requested equate to the percentage of completion indicated on the last Rural Development Inspection Report?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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### 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.	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 be increased?  Yes  No

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

Yes  No

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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.

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- 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.