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**
Profit:	Line 43 $ _____	divided by	
Line 42 less line 40 =	$ _____	= ____ %	10%
General Overhead:	Line 40 $ _____	divided by	
Line 42 less line 40 =	$ _____	= ____ %	4%
General Requirements:	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 _____ .

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.

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?	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
b. Has request for payment been concurred by the inspecting architect?	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
c. Does the accumulated total for general requirements exceed the final	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
d. Does the accumulated total for exceed the final estimates?	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
e. Does the accumulated total for profit exceed the final estimate?	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
f. Are there any hard cost line items that were not included in the final	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
g. Is there a change in the contract sum with this payment	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
h. Does the accumulated total requested equate to the percentage of indicated on the last Rural Development Inspection Report?	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

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?	☐	☐	☐	☐	☐	☐	☐	☐
b. Is the change justified?	☐	☐	☐	☐	☐	☐	☐	☐
c. Does the change involve a or supplier with an identity of interest with the borrower?	☐	☐	☐	☐	☐	☐	☐	☐
d. Is the cost of the change broken down between hard and soft costs?	☐	☐	☐	☐	☐	☐	☐	☐
e. If change increases contract sum, borrower provided additional funds?	☐	☐	☐	☐	☐	☐	☐	☐

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 contact 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 **lower** that 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.