



State of Utah

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Lieutenant Governor

DEPARTMENT OF TRANSPORTATION

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April 28, 2016

To: Consultants

From: Jimmy C. Holfeltz, CPA
Director of Audit, UDOT Internal Audit

A handwritten signature in blue ink that reads "Jimmy C. Holfeltz CPA".

Subject: Direct Expenses

UDOT is clarifying the requirement about what is allowable and qualifies as direct expense.

For an expense to be billed to a UDOT project as a direct expense the following must be present:

1. Used directly on the project.
2. Not a shared expense with another project.
3. Not included in overhead (can't bill it twice).
4. Consistently applied. Similar expenses should be billed the same way in similar circumstances on all projects, not just UDOT cost-plus-plus-fixed-fee projects

The following should not be billed to a UDOT project directly unless the item was used only on that UDOT project, with no personal use, and not used on other projects:

1. Cell charges.
2. Air cards charges.
3. Small tools and supplies.
4. Other similar items.

If any expenses are billed directly to projects using a rate, than any over or under recover of those expenses becomes part of the overhead.