

Consultant Advisory

2010-3

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Consultant Advisory  
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## **INCREASE TO OTHER DIRECT COSTS REQUIRING SUPPORTING DOCUMENTATION**

Other Direct Costs (ODC's) are those costs incurred that are directly related to a project. Consultants include ODC's on their invoices, individually, by line item, by the type of ODC. For example, vehicle mileage, hotel costs, and meals are all billed on separate line items. Currently, MDOT's reimbursement guidelines require all invoices that include requests for reimbursement of ODC's in excess of Five Hundred Dollars (\$500.00), by line item, must include photocopies of receipts to support these expenditures.

In an effort to work towards the implementation of a simpler, quicker, and more efficient consultant payment process, while continuing to maintain a well documented consultant payment process, MDOT reviewed the amount, quantity, and materiality of ODC's billed to MDOT, as well as any adjustments made to the ODC's billed.

Based on this review, MDOT determined that effective September 1, 2010, documentation in the form of photocopied receipts to support ODC's will be raised from \$500 to \$2,500 per line item.

MDOT will continue to reserve its right to request supporting documentation on any costs invoiced at any time during the life of the contract or during audit of the contract. Therefore, consultants are still required to maintain all contract documentation per contract requirements.

If you have any questions, please contact Carol Rademacher at 517-373-3382.