

SECTION VIII--COUNTY HIGHWAY DEPARTMENT

Project Records:

Once the source documents have been recorded in the journals by project, the next step is to periodically (monthly) summarize each column to get total project costs to date per that cost dimension. These total costs are then posted to the "Project Cost Record" from the above mentioned journals.

Each type of project may have any number of individual projects. For instance, each county road must be maintained as a separate maintenance project; each bridge within the county must be a separate maintenance project. Any construction activity should be identified and have its own Project Cost Record. The summary of the project cost records could comprise the annual report submitted to the county commissioners.

A Project Cost Record could take on the following appearance:

PROJECT COST RECORD
Construction Project No. 1
or
Road Maintenance Project No.
or
Bridge Maintenance Project No.

Project Description:

Date (Month)	Total Cost	Project Costs				Overhead Cost Journal (Year End)
		Direct Labor Journal	Direct Materials Journal	Equipment Cost Journal	Misc. Voucher Journal	
January Costs	\$20,800.75	\$240.00	\$17,000.00	\$60.75	\$3,500.00	-0-
February Costs Accumulated Costs						

When the journal postings to the individual project cost records are complete, the project cost records will show the cost of the individual projects to date.

Departmental Reports:

With current reporting and prompt summarization of information, progress reports and cost data can be prepared for any time period and for any phase of the work. Accurate, current information is particularly valuable when operating on a limited budget or on an appropriation basis. In these cases, it is imperative that you know the exact financial condition of the road department at all times to avoid an embarrassing deficit and/or a shutdown of operations. Although the county auditor may furnish expenditures and balances, at the end of the month, you should know the cost of your daily operations.

The most commonly used reports include, but are not limited to, the following:

- Progress reports on projects or operations, actual cost to date, estimated costs and quantities for completion and projected completion dates
- Unit cost reports - cost per mile, square yard, cubic yard, or other unit of measurement, of any phase of maintaining or constructing highways, such as grading, mowing, cleaning ditches, hauling material, placing surfacing material, etc.
- Manpower use - analysis of the labor used, idle time, accomplishments, and the cost of

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each

- Equipment - quantity and cost of fuel, lubricants, supplies, repairs, etc., the miles of hours operated, idle time and a comparison of efficiency of different units
- Inventory controls - the quantity and cost of materials and supplies purchased, used and on hand as well as cost of handling and storage

The reports prepared will generally consist of project reports. Upon their completion, monthly reports and annual reports will be prepared summarizing a variety of cost aspects as determined from cost records.

Project Budgets:

The costs of similar operations as reflected by cost records are important in preparing estimates of the cost of proposed current and future construction programs. Accurate estimates of the cost of proposed work are a necessity if funds are to be allocated to the best advantage and avoid serious over and under runs. For these reasons, the budget can be one of the important tools of management. It can be used as an advance estimate of the cost of operations as well as a measure of progress made in operations. Estimates of proposed construction projects should be formally prepared on a Project Budget Worksheet as shown in Appendix F.