

WESTERN MICHIGAN UNIVERSITY—PREVAILING WAGE RATE AUDIT

Auditors for Western Michigan University are conducting an audit of contractors and subcontractors on university construction/remodeling projects in accordance with the contract terms regarding prevailing wage rates. All contractors and subcontractors need to be aware of the following requirements:

- 1) Certified Payroll Reports.** Weekly certified payroll reports should be completed and submitted as the project is in process. WMU requires the use of Federal Form WH-347 or an equivalent substitute. The WH-347 (Microsoft© Excel file format) can be emailed upon request. Please send copies of all weekly certified payroll reports to the general contractor or construction manager, or directly to the following address on smaller projects:

<u>Mail to:</u> Carole Nelson Internal Audit Department Western Michigan University 1903 W. Michigan Avenue Kalamazoo MI 49008-5222	<u>Other contact info:</u> (269)387-4832 Phone (269)387-3657 Fax carole.nelson@wmich.edu Email*
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*Inquiries only—Do not send payroll information via email.

For blank forms and instructions, contact Western Michigan University's Internal Audit Department at the number listed above or visit their web site at:

<http://www.wmich.edu/internal-audit/index.html>.

If a contractor does not furnish payroll reports or fringe benefit data in a timely manner, or has unresolved audit exceptions, the WMU project manager may decide to withhold payment and/or initiate other action. Supporting documents to verify information on the certified payroll reports may be requested at any time by WMU. Please refer to the contract specifications for further information.

- 2) Job classifications.** Contractors and subcontractors must use job classifications on their weekly certified payroll reports that match the state classifications published in the contract specifications, or provide a cross reference table that lists the job classification shown on the report and the corresponding state classification.
- 3) Hourly non-cash fringe benefits.** Contractors and subcontractors should provide with their weekly certified payroll reports a detailed breakdown of hourly non-cash fringe benefits paid by category, including holiday, vacation, health insurance, 401k match and pension, for each benefits-eligible employee listed on the report. *The benefits should include only those that are common in the construction industry and are established under a plan, fund or program. Fringe benefits that an employer is required to provide under federal, state or local law are excluded.* Bonuses or profit sharing amounts are not to be included unless they are guaranteed, or based upon an actual payment within the last rolling twelve month period to the individual or into an individual's benefit account with reasonable vesting provisions.
- 4) Interviews.** Interviews with workers will be conducted on a random basis at the job site. The interview will consist of a set of short questions, which mainly concern the worker's job duties, and should take no more than ten minutes to complete. The workers will be asked to review and sign the interview form after the interview is completed.
- 5) Apprentices.** All apprentices used on these projects must be registered in a recognized apprentice program, i.e., one that is certified by the Bureau of Apprenticeship and Training (BAT), U.S. Department of Labor. The contractor or subcontractor is required to attest to this by filling out and signing the cover sheet which accompanies the weekly certified payroll report.