

For First Time Contractors with Cost Reimbursable Government Projects

PRE-AWARD SURVEY OF PROSPECTIVE CONTRACTOR ACCOUNTING SYSTEM CHECKLIST

PRE-AWARD SURVEY OF PROSPECTIVE CONTRACTOR ACCOUNTING SYSTEM

Date: mm/dd/yyyy

Company Name, Contract Number, and Full Address:

Company Name & Address

Commercial and Government Agency (CAGE) Code Number: (Found at <https://cage.dla.mil/>)

Alpha Numeric Number like 11AAA

Cognizant Defense Contract Audit Agency (DCAA) office info (Address/phone number/E-mail) - (Found at <http://www.dcaa.mil/Home/Locator>)

<http://www.dcaa.mil/Home/Locator>

Company Point of Contact: (Name, Title, Phone Number, and E-mail address)

Contact Details

If the accounting books and records are located at a physical address other than the address provided above, please indicate address here:

Alternate Address

Name, Title, and signature of Company Principal (President/VP/Controller, etc) responsible for the design of the Accounting System.

Name of Principal

NAME

Title

TITLE

Email

E-MAIL ADDRESS

Signature

SIGNATURE

mm/dd/yyyy

DATE

PLEASE ANSWER THE QUESTIONS BELOW:

HAVE YOU READ THE REQUIREMENTS IN THE SF1408? (YES/NO)

Yes

HAVE YOU READ THE DCAA PUBLICATION DCAAM 7841.80 - "Information for Contractors" DCAA'S WEBSITE at <http://www.dcaa.mil/>? (YES/NO)

Yes

For each question, check only one box. ALL questions must have explanatory narrative text entered in the boxes. Please provide sufficient detail to describe the process (including Account Numbers/Process Flow etc.) Each Question must be complete. Do NOT refer to previous answers, (i.e. "See Question 3 Above").

Pre-award Survey of Prospective Contractor Accounting System Checklist

1. Has your organization's Accounting System ever been audited by DCAA?

YES (if Yes, the Offeror should attach a copy of their most recent DCAA audit report to this Modified Pre-Award Survey) or provide the DCAA Report number or DCAA POC info.

NO (if NO, answer N/A to Questions 1.A., 1.B., and 1.C. below)

First time Government contractor will get audited after completion of first contract

1.A. If the answer is "Yes" to Question 1 above, when was the audit performed?

Within the past Year

Within the past 3 Years

Greater than 3 Years (PROVIDE THE YEAR THE AUDIT WAS PERFORMED HERE - _____).

N/A (Answer to Question 1 is NO)

1.B. If the answer is "Yes" to Question 1 above, did DCAA determine the Accounting System acceptable for award of prospective contracts?

YES

NO (If NO provide an explanation in the box below)

N/A (Answer to Question 1 is NO)

N/A

1.C. If the answer is "Yes" to Question 1 above, have there been any changes to the Accounting System since the DCAA audit?

YES (If YES, describe the changes in the box below)

NO

N/A (Answer to Question 1 is NO)

N/A

Pre-award Survey of Prospective Contractor Accounting System Checklist

2. Is your organization subject to CAS (48 CFR Chapter 99)?

YES (If YES, is it FULL or MODIFIED CAS?) FULL MODIFIED

(If YES (FULL or MODIFIED), the Offeror **MUST** attach a copy of their most recent audit reports/documentation regarding all CAS compliance or non-compliance issues to this Modified Pre-Award Survey)

NO (If NO provide an explanation in the box below why your organization is exempt and answer N/A to Questions 2.A., 2.B., and 2.C. below)

Small businesses are exempt from CAS.
Large businesses need to refer 48 CFR Chapter 99.

2.A. Has your organization submitted a CASB disclosure statement (CASB DS-1) to DCAA and has it been determined adequate?

YES (If YES, provide an explanation that validates your answer in the box below)

NO (If NO provide an explanation in the box below)

N/A (Answer to Question 2 is NO)

N/A

2.B. Has your organization been notified by DCAA that it is (or may be in) non-compliance with its disclosure statement or CAS?

YES (If YES, provide an explanation that validates your answer in the box below)

NO (If NO provide an explanation in the box below)

N/A (N/A, if the answer to Question 2 is NO)

N/A

Pre-award Survey of Prospective Contractor Accounting System Checklist

2.c. Is any aspect of this proposal inconsistent with your organization's disclosed practices or applicable CAS?

- YES (If YES, provide an explanation that validates your answer in the box below)
- NO (If NO provide an explanation in the box below)
- N/A (N/A, if the answer to Question 2 is NO or if you have no current, active proposal being considered)

N/A

Instruction: If the Contractor is planning on bidding on Cost Type Contracts, the contractor MUST provide explanatory narrative for all of the following questions:

3. Has your organization's Accounting System been audited by an outside Certified Public Accountant/Consultant or other Cognizant Federal Agency other than DCAA?

- YES (If YES, the Offeror MUST attach a copy of their most recent audit report to this Modified Pre-Award Survey) NOTE: Do not submit your Annual Financial Audit.
- NO

N/A

4. Is your organization's Accounting System currently in full operation?

- YES (If YES, provide an explanation that validates your answer in the box below).
- NO (If NO, provide an explanation in the box below which portions are (1) in operation, (2) set up, but not yet in operation, (3) anticipated, or (4) non-existent)
- N/A (If N/A, provide an explanation in the box below)

Sample Answer:

XXX currently uses Microsoft Excel for its internal accounting needs and uses external CPA for tax accounting and payroll preparation. In two-four weeks, we will migrate to 'DCAA Software', DCAA compliant integrated accounting software.

Pre-award Survey of Prospective Contractor Accounting System Checklist

5. Is your organization's Accounting System in accord with Generally Accepted Accounting Principles (GAAP) Applicable in the Circumstances?

- YES (If YES, provide an explanation that validates your answer in the box below)
- NO (If NO provide an explanation in the box below)
- N/A (N/A, provide an explanation in the box below)

Sample Answer:

'DCAA Software' will be implemented in accordance with GAAP in two-four weeks. As mentioned in response to Question 4, it is used by United States based automobile companies (Honda affiliate/supplier) as their General Ledger according to GAAP principles.

6. Is your organization's Accounting System ready for a DCAA audit?

- YES (If YES, provide an explanation that validates your answer in the box below)
- NO (If NO provide an explanation in the box below as to when you will be ready for an audit)
- N/A (N/A, provide an explanation in the box below)

Sample Answer:

We will be ready for a complete accounting system audit in two-four weeks. We can be ready sooner for a DCAA audit of accounting policies and procedures.

7. Are the loaded hourly labor rates proposed consistent with your established estimating and accounting principles and procedures and FAR Part 31, Cost Principles? (Answer this Questions "N/A" if you do not have an active proposal)

- YES (If YES, provide an explanation that validates your answer in the box below)
- NO (If NO provide an explanation in the box below)
- N/A (N/A, provide an explanation in the box below)

Sample Answer:

This is our first foray into federal contracting and have no prior history and therefore do NOT have any historical labor data.

Pre-award Survey of Prospective Contractor Accounting System Checklist

8. Does the Accounting System provide for the proper segregation of Direct Costs from Indirect Costs?

- YES (If YES, provide an explanation that validates your answer in the box below)
- NO (If NO provide an explanation in the box below)
- N/A (N/A, provide an explanation in the box below)

Sample Answer:
'DCAA Software' will segregate direct costs from indirect costs. Our direct costs will be primary labor costs which will be tracked using DCAA Software's Time Entry module

9. Does the Accounting System provide for the identification and accumulation of Direct Costs by contract?

- YES (If YES, provide an explanation that validates your answer in the box below)
- NO (If NO provide an explanation in the box below)
- N/A (N/A, provide an explanation in the box below)

Sample Answer:
'DCAA Software' supports contracts and accumulation of direct costs by contract number.

10. Does the Accounting System provide for a logical and consistent method for the allocation of Indirect Costs to intermediate and final cost objectives? (A contract is a final cost objective.)

- YES (If YES, provide an explanation that validates your answer in the box below)
- NO (If NO provide an explanation in the box below)
- N/A (N/A, provide an explanation in the box below)

Sample Answer:
'DCAA Software' will allocate indirect costs to intermediate and final cost objectives.

Pre-award Survey of Prospective Contractor Accounting System Checklist

11. Does the Accounting System Provide for the accumulation of costs under general ledger control?

- YES (If YES, provide an explanation that validates your answer in the box below)
- NO (If NO provide an explanation in the box below)
- N/A (N/A, provide an explanation in the box below)

Sample Answer:

'DCAA Software' will allow for job cost ledger and other books of account to be reconciled with the general ledger. Our organization's accounting system is controlled by the general ledger.

12. Does the Accounting System provide for a timekeeping system that identifies employees' labor by intermediate or final cost objectives?

- YES (If YES, provide an explanation that validates your answer in the box below)
- NO (If NO provide an explanation in the box below)
- N/A (N/A, provide an explanation in the box below)

Sample Answer:

'DCAA Software' has a comprehensive Time Entry module that identifies employees labor by intermediate or final cost objectives. It has the ability to track employee's time spent on individual work activity.

13. Does the Accounting System provide for a labor distribution system that charges Direct and Indirect labor to the appropriate cost objectives?

- YES (If YES, provide an explanation that validates your answer in the box below)
- NO (If NO provide an explanation in the box below)
- N/A (N/A, provide an explanation in the box below)

Sample Answer:

'DCAA Software' will provide for a labor distribution that charges direct and indirect labor to the appropriate cost objectives. This is connected to the time keeping process. The costs will be allocated to the appropriate cost objectives depending on work activity assigned to contracts.

Pre-award Survey of Prospective Contractor Accounting System Checklist

14. Does the Accounting System provide for an interim (at least monthly) determination of costs charged to a contract through routine posting of books of account?

YES (If YES, provide an explanation that validates your answer in the box below)

NO (If NO provide an explanation in the box below)

N/A (N/A, provide an explanation in the box below)

Sample Answer:

'DCAA Software' will provide for an interim/monthly determination of costs charged to a contract through routine posting of books of account. It will provide adequate reports that show the results of charges to contracts and they can be generated on-demand by users.

15. Does the Accounting System provide for an exclusion of costs charged to government contracts of amounts which are not allowable in terms of FAR 31, Contract Cost Principles and Procedures, or other contract provisions?

YES (If YES, provide an explanation that validates your answer in the box below)

NO (If NO provide an explanation in the box below)

N/A (N/A, provide an explanation in the box below)

Sample Answer:

'DCAA Software' will provide for an exclusion of costs charged to government contracts which are not allowable in terms of FAR 31, contract cost principles and procedures or other contract provisions. Bad debts, contingencies, contributions or donations, entertainment will be excluded from government contracts.

Pre-award Survey of Prospective Contractor Accounting System Checklist

16. Does the Accounting System provide for the identification of costs by contract line item and by units (as if each unit or line item were a separate contract) if required by the proposed contract?

YES (If YES, provide an explanation that validates your answer in the box below)

NO (If NO provide an explanation in the box below)

N/A (N/A, provide an explanation in the box below)

Sample Answer:

'DCAA Software' will provide for the identification of costs by contract line item and by units if required by the proposed contract.

Pre-award Survey of Prospective Contractor Accounting System Checklist

17. Does the Accounting System provide for the segregation of preproduction costs from production costs?

- YES (If YES, provide an explanation that validates your answer in the box below)
- NO (If NO provide an explanation in the box below)
- N/A (N/A, provide an explanation in the box below)

Sample Answer:
'DCAA Software' will be able to separate preproduction costs from production costs.

18. Does the Accounting System provide financial information required by contract clauses concerning limitation of cost (FAR 52.232.20) or limitation on payments (FAR 52.216-16)?

- YES (If YES, provide an explanation that validates your answer in the box below)
- NO (If NO provide an explanation in the box below)
- N/A (N/A, provide an explanation in the box below)

Sample Answer:
'DCAA Software' will provide financial information required by contract clauses concerning limitation of cost and payments FARs. It will alert us when we approach the estimated cost of the contract or the limit of the funds allowed.

19. Does the Accounting System provide financial information required to support requests for Progress Payments?

- YES (If YES, provide an explanation that validates your answer in the box below)
- NO (If NO provide an explanation in the box below)
- N/A (N/A, provide an explanation in the box below)

Sample Answer:
'DCAA Software' will provide total costs incurred under the contract whether or not actually paid, plus financing to subcontractors. It can also track financing and other payments for the cost of suppliers and services purchased directly for the contract, probably allowable indirect costs.

Pre-award Survey of Prospective Contractor Accounting System Checklist

20. Is the Accounting System designed, and are the records maintained, in such manner that adequate, reliable data are developed for use in pricing follow-on acquisitions?

- YES (If YES, provide an explanation that validates your answer in the box below)
- NO (If NO provide an explanation in the box below)
- N/A (N/A, provide an explanation in the box below)

Sample Answer:

In two-four weeks, our organization will maintain records in 'DCAA Software' in a manner that adequate, reliable data are developed for use in pricing follow-up acquisitions.

21. Is your organization planning on submitting proposals on Cost-Type (FAR 16.3) contracts/task orders?

- YES
- NO (If NO provide an explanation in the box below)
- N/A (N/A, provide an explanation in the box below)

If 'YES': No explanation required.
If 'NO': Explanation required why not.

22. Is your organization currently performing on Cost-Type (FAR 16.3) contracts/task orders?

- YES
- NO
- N/A

No explanation required for this question.