

Preaward Survey of Prospective Contractor Accounting System Checklist

FAR 16.301-3 states that a cost-reimbursement type contract may be used only when the contractor's accounting system is adequate for determining costs applicable to the contract. If no information is available in the files to make this determination, a Preaward Survey of Prospective Contractor's Accounting System can be requested. The format followed would be that outlined in the SF 1408.

Instructions:

1. Mark "X" in the appropriate column.
2. On Page 2, provide a narrative describing how the current accounting system supports your response to each item. Be as descriptive as necessary.

Contractor Name:
Point of Contact (Name/Ph #/Email):
CAGE Code:

READY FOR AUDIT (YES) / (NO):				
	Yes	No	N/A	Note
1. Is the accounting system in accord with generally accepted accounting principles?				1
2. ACCOUNTING SYSTEM PROVIDES FOR:				
a. Proper segregation of direct costs from indirect costs.				2
b. Identification and accumulation of direct costs by contract.				3
c. A logical and consistent method for the allocation of indirect costs to intermediate and final cost objectives. (A contract is final cost objective.)				4
d. Accumulation of costs under general ledger control.				5
e. A timekeeping system that identifies employees' labor by intermediate or final cost objectives.				6
f. A labor distribution system that charges direct and indirect labor to the appropriate cost objectives.				7
g. Interim (at least monthly) determination of costs charged to a contract through routine posting of books of account.				8

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READY FOR AUDIT (YES) / (NO):				
	Yes	No	N/A	Note
h. Exclusion from 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.				9
i. 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.				10
j. Segregation of preproduction costs from production costs.				11
3. Accounting system provides financial information:				
a. Required by contract clauses concerning limitation of cost (FAR 52.232-20 and 21) or limitation on payments (FAR 52.216-16).				12
b. Required to support requests for progress payments.				13
4. Is the accounting system designed, and are the records maintained in such a manner that adequate, reliable data are developed for use in pricing follow-on acquisitions?				14
5. Is the accounting system currently in full operation? (If not, describe in Page 2 narrative which portions are (1) in operation, (2) set up, but not yet in operation, (3) anticipated, or (4) nonexistent.)				15

Instruction: Use this section to explain how the current accounting system supports your response to each item. If a response is N/A provide further explanation. Use as much space as needed. Provide references to current policies and procedures if applicable.

Note	Narrative
1	
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Note	Narrative
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PLEASE ANSWER ALL QUESTIONS BELOW:

1. Are you planning on bidding on cost type contracts? (Yes/No) _____
2. Have you read the requirements in the SF14087 (Yes/No) _____
3. If you are **NOT** using an outside CPA/Consultant/DoD Agency please identify the Accounting Software your firm is using. _____

4. If an Outside CPA/Consultant/DoD agency has reviewed your Accounting System, please identify the name and title of the individual/company who issued the certification:

Name: _____ Title: _____

Contractor or Company: _____

Address: _____

Please provide a copy of the report.

5. If an Outside CPA/Consultant or other individual has designed the firm's accounting system, please identify the individual responsible for maintaining this system.

Name: _____ Title: _____

Contractor or Company: _____

Address: _____

SELF CERTIFICATION: I hereby certify that _____ (name of company) has an accounting system adequate for determining cost(s) applicable to the contract in accordance with FAR 16.301-3.

Name and signature: _____