

Preaward Survey of Prospective Contractor Accounting System Checklist

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.

	Yes	No	N/A	Note
1. Is the accounting system in accord with generally accepted accounting principles?				<a href="#">1</a>
<b>2. ACCOUNTING SYSTEM PROVIDES FOR:</b>				
a. Proper segregation of direct costs from indirect costs.				<a href="#">2</a>
b. Identification and accumulation of direct costs by contract.				<a href="#">3</a>
c. A logical and consistent method for the allocation of indirect costs to intermediate and final cost objectives. (A contract is final cost objective.)				<a href="#">4</a>
d. Accumulation of costs under general ledger control.				<a href="#">5</a>
e. A timekeeping system that identifies employees' labor by intermediate or final cost objectives.				<a href="#">6</a>
f. A labor distribution system that charges direct and indirect labor to the appropriate cost objectives.				<a href="#">7</a>
g. Interim (at least monthly) determination of costs charged to a contract through routine posting of books of account.				<a href="#">8</a>
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.				<a href="#">9</a>
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.				<a href="#">10</a>
j. Segregation of preproduction costs from production costs.				<a href="#">11</a>
<b>3. Accounting system provides financial information:</b>				
a. Required by contract clauses concerning limitation of cost (FAR 52.232-20 and 21) or limitation on payments (FAR 52.216-16).				<a href="#">12</a>
b. Required to support requests for progress payments.				<a href="#">13</a>
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?				<a href="#">14</a>
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.) Do you currently have existing contracts with the U.S. Government?				<a href="#">15</a>

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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.

<b>Note</b>	<b>Narrative</b>
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