

**PREAWARD SURVEY OF PROSPECTIVE
CONTRACTOR
ACCOUNTING SYSTEM**

SERIAL NO. (For surveying activity use)

**OMB Control Number: 9000-0011
Expiration Date: 6/30/2020**

PROSPECTIVE CONTRACTOR

Public reporting for this collection of information is estimated to average 24 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Regulatory Secretariat (MVCB), Office of Acquisition Policy, GSA, 1800 F Street, NW, Washington, DC 20405.

SECTION I - RECOMMENDATION

1. PROSPECTIVE CONTRACTOR'S ACCOUNTING SYSTEM IS ACCEPTABLE FOR AWARD OF PROSPECTIVE CONTRACT

YES

NO (Explain in 2. NARRATIVE)

YES, WITH A RECOMMENDATION THAT A FOLLOW ON ACCOUNTING SYSTEM REVIEW BE PERFORMED AFTER CONTRACT AWARD (Explain in 2. NARRATIVE)

2. NARRATIVE (Clarification of deficiencies, and other pertinent comments. If additional space is required, continue on plain sheets of paper.)

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Not intended for official use.*

IF CONTINUATION SHEETS
ATTACHED - MARK HERE

3. SURVEY MADE BY	a. SIGNATURE AND OFFICE (Include typed or printed name)	b. TELEPHONE NO. (include area code)	c. DATE SIGNED
4. SURVEY REVIEWING OFFICIAL	a. SIGNATURE AND OFFICE (Include typed or printed name)	b. TELEPHONE NO. (include area code)	c. DATE REVIEWED

SECTION II - EVALUATION CHECKLIST

MARK "X" IN THE APPROPRIATE COLUMN <i>(Explain any deficiencies in SECTION I NARRATIVE)</i>	YES	NO	NOT APPLI-CABLE
<p>1. EXCEPT AS STATED IN SECTION I NARRATIVE, IS THE ACCOUNTING SYSTEM IN ACCORD WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES APPLICABLE IN THE CIRCUMSTANCES?</p> <p>The PROCAS project accounting software (PROCAS Accounting) is designed to be operated in accordance with Generally Accepted Accounting Principles (GAAP), including maintaining the books of record on the accrual basis of accounting.</p>	X		
<p>2. ACCOUNTING SYSTEM PROVIDES FOR:</p>			
<p>a. Proper segregation of direct costs from indirect costs.</p> <p>In PROCAS Accounting, expense accounts in the chart of accounts are identified as either direct or indirect, which provides for the proper segregation of direct costs from indirect costs. Additionally, PROCAS assigns specific account types to further segregate these costs.</p>	X		
<p>b. Identification and accumulation of direct costs by contract.</p> <p>In PROCAS Accounting, the identification and accumulation of direct costs requires the assignment of direct costs to a corresponding project code. The project code corresponds to a contract.</p>	X		
<p>c. A logical and consistent method for the allocation of indirect costs to intermediate and final cost objectives. (A contract is a final cost objective.)</p> <p>PROCAS Accounting provides logical and consistent methods for the allocation of indirect costs to intermediate and final cost objectives. Indirect rates can be calculated automatically for Fringe Benefits, Facilities, Material Handling, Subcontract Administration, Overhead and G&A. Bid and proposal and internal research and development costs are also treated appropriately. The indirect rates can be further segregated by division, location and work-site. Indirect rates are automatically applied to contracts in direct correlation/proportion to the respective allocation base.</p>	X		
<p>d. Accumulation of costs under general ledger control.</p> <p>PROCAS Accounting accumulates costs directly to the general ledger, which is the basis for financial and job cost reports.</p>	X		
<p>e. A timekeeping system that identifies employees' labor by intermediate or final cost objectives.</p> <p>PROCAS provides online timesheet software (PROCAS Time) in which employees record their time to intermediate or final cost objectives. Employees are assigned appropriate intermediate and/or final cost objectives for recording their time and can only record their time to their authorized work assignments.</p>	X		
<p>f. A labor distribution system that charges direct and indirect labor to the appropriate cost objectives.</p> <p>In PROCAS Accounting, the distribution of direct and indirect labor costs are recorded automatically from the employee timesheets created in PROCAS Time to the appropriate cost objectives. PROCAS Accounting supports the calculation of effective hourly rates associated with total time accounting.</p>	X		
<p>g. Interim (at least monthly) determination of costs charged to a contract through routine posting of books of account.</p> <p>In PROCAS Accounting, direct costs are posted in the general ledger and job cost ledger in real time and do not require the use of batch processing or summary entries. Indirect rates can be automatically calculated and applied at any time.</p>	X		
<p>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.</p> <p>In PROCAS Accounting, expense accounts are identified as being either allowable or unallowable. Unallowable expenses are excluded from indirect cost pools when automatically calculating and applying indirect rates.</p>	X		
<p>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.</p> <p>PROCAS Accounting has the capability to incorporate logical project assignments that will track costs by unit and/or line item.</p>	X		
<p>j. Segregation of preproduction costs from production costs.</p> <p>In PROCAS Accounting, pre-production costs are segregated from production costs through the use of project assignments and/or separate expense accounts.</p>	X		

SECTION II - EVALUATION CHECKLIST (cont'd)

MARK "X" IN THE APPROPRIATE COLUMN <i>(Explain any deficiencies in SECTION I NARRATIVE)</i>	YES	NO	NOT APPLI-CABLE
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). In PROCAS Accounting, the billing setup can be configured to limit amounts to be billed and reports are available to assist with managing the limitation of costs and/or limitation of payments.	X		
b. Required to support requests for progress payments. PROCAS Accounting supports cost type, time and materials and fixed price invoices which are generated automatically from the accounting records. Requests for progress payments can be generated for interim time periods, by percentage of completion or by deliverables as specified by the contract.	X		
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?	X		
5. IS THE ACCOUNTING SYSTEM CURRENTLY IN FULL OPERATION? (if not, describe in Section I Narrative which portions are (1) in operation, (2) set up, but not yet in operation, (3) anticipated, or (4) nonexistent.)			

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