



Does Your Incurred Cost Proposal Include All Necessary Data?

When preparing your annual incurred cost proposal for the Government, it is important that your submission data include all necessary data as required by DCAA and reinforced in FAR Part 42.705-1(b).

The current expectations include submitting several schedules supporting final indirect rate calculations, as well as other cost presentations by contract and cost element. What some contractors fail to include, however, is the "supplemental information" as specified in DCAA's Information for Contractors guide (Chapter 6) that outlines other data required. Such data includes comparative analyses of indirect expense pool amounts, a description of the accounting system and contracts briefing data, just to name a few.

The DCAA considers the failure to include this supplemental data with the incurred cost proposal as a noncompliance with the FAR requirements. Failing to include this data will result in the proposal being determined inadequate, and returned to the contractor.

Further, inadequate incurred cost proposals can be considered indicative of an inadequate billing system, in which case any direct billing authority granted the contractor may be rescinded.

The Information for Contractors guide can be found on the DCAA website, www.dcaa.mil. Click on the "site index" and then double click the menu item identified as Information for Contractors. Look in Chapter 6 and you will find an example of an adequate incurred cost submission for your enjoyment.

Meeting Due Dates for Incurred Cost Submissions

As a follow-up to the preceding article, remember that your incurred cost proposal is due no later than six months after the end of your fiscal year. For you folks whose last fiscal year ended December 31, 2005, your submission is due to the Government by June 30, 2006.

We encourage all Government contractors who are under this requirement to begin preparing this package as soon as possible. If you already foresee a problem with getting your proposal done on time, then **now** is the time to notify your DCAA office and ACO and request an extension for submitting this presentation. Your request for an extension should include reasons for needing extra time.

Interest Rates on Post Award Adjustments

DCAA has issued guidance identifying the rate to be used for calculating interest on overpayments resulting from defective pricing. That rate is now seven percent, and is effective between January 1, and March 31, 2006.

Government Compliance Training

Federal Publications Seminars Course

Government Contract Accounting System Compliance

Dates:

May 17-18, Washington D.C.

Course Instructors:

Darryl Walker and Scott Butler

For more information, go to www.fedpubseminars.com, and click on the Government Contracts tab.

Beason & Nalley, Inc. will develop and provide specialized Government contracts compliance training for client/contractor audiences. Topics on which we can provide training include estimating systems, FAR Part 31 Cost

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Principles, TINA and defective pricing, cost accounting system requirements, and basics of Cost Accounting Standards, just to name a few. If you have an interest in training, with educational needs specific to your company, please contact Ms. Sandra Baker at sbaker@beasonnalley.com, or at 256-533-1720.

Future Newsletter Editions

Beason & Nalley welcomes any feedback from the readers of this newsletter. We appreciate any suggestions that you may have as to future content, presentation and format, or interesting developments in the procurement community that would be of interest to our readers. Please provide any feedback or suggestions via our email address at dwalker@beasonnalley.com.

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