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Incurred Cost Proposal Checklist



An aerial photograph of a beach at sunset. The sun is low on the horizon, casting a warm, golden glow over the scene. Waves are breaking onto the shore, creating white foam. The sand is dark and wet, reflecting the light. There are some dark rocks scattered along the beach.

**In life, change is inevitable.
In business, change is vital.**

Warren G. Bennis

“ quote fancy

Regulatory Requirements

FAR 52.216-7 Allowable Cost and Payment clause:

- Applies to solicitations and contracts when a **cost-reimbursement contract** or a **time-and-materials contract** (other than a contract for a commercial product or commercial service) is contemplated.
- Permits billings of indirect costs based on provisional rates
- Requires submission of final indirect cost pools and allocation bases in accordance with FAR Subpart 42.7
- Requires incurred cost proposal to be submitted to Contracting Officer (or cognizant Federal agency official) and auditor within the 6-month period following the expiration of each of its fiscal years.

Developing An Incurred Cost Proposal Checklist

Identify the Applicable Clauses and Guidance

FAR:

- 52.216-7 Allow Cost and Payment
- 42.7 Indirect Cost Rates
- 31.2 Contracts with Commercial Organizations
- 31.109 Advance agreements.

Other Guidance:

- DCAA Contract Audit Manual
- A Guide for Indirect Cost Determination (Department of Labor)



Developing An Incurred Cost Proposal Checklist

- Determine the Need for and Purpose of the Checklist
- Review Each Clauses for Actionable, Compliance-Related Items
- Review FAR Prescriptions for Actionable, Compliance-Related Items
- Review Internal and External Audit Programs and the Results of Previous Audit Reports



Developing An Incurred Cost Proposal Checklist

- Identify the Need for Documentation to Support Compliance:
 - Forms
 - Workflows
 - Reports
 - Audits

- Identify Specific Actionable, Compliance-Related Items and Audit Elements to Include within the Checklist

- Identify and Review Existing Checklists Created by the Government

- Create the Checklist



Checklist Elements

- Department of Labor Model
- DoD Incurred Cost Electronically (ICE) Model



Indirect Cost Proposal Checklist Non-Profits and Commercial Organizations

1. Administrative documents:
 - 1a. Organizational chart,
 - 1b. Nonprofits - Narrative explaining compliance with 2 CFR §200.430(a)(1)(2) & (3) and the standards for documentation of personnel expenses.
Commercial - Narrative explaining the standards for documentation of personnel expenses in compliance with FAR 9.106-4 and SF-1408.
For both entities, an example of an employee timesheet for a pay period, providing for distribution of hours to direct/indirect functions.
 - 1c. Signed Cost Policy Statement.
2. An indirect cost rate proposal(s) providing the following:
 - 2a. Personnel Costs Worksheet, including fringe benefits breakdown.
 - 2b. Allocation of Personnel Worksheet, providing indirect/direct time charges.
 - 2c. Fringe Benefits Worksheet,
 - 2d. Statement of Total Costs, supporting the indirect and direct costs incurred by expense category, identified by Federal agency, specific government grant, contract, and other non-government activities.
 - 2e. Statement of Indirect Costs, including indirect cost pool(s), allocation base(s), and indirect cost rate(s) proposed.
3. Audited financial statements, if available. If audited financial statements are not available, IRS Form 990 (non-profits) or compilation/review financial statements (for-profits) for the final rate proposal. Approved budget for provisional proposal, if needed. Note: The Statement of Total Costs (2d. above) must reconcile to Financial Statements. If not, please provide a reconciliation statement.
4. Certification that the indirect cost rate proposal was prepared in a manner consistent with the applicable cost principles set forth in 2 CFR Part 200, Subpart E & Appendix IV for non-profits (all proposals with financial data), or the Federal Acquisition Regulation (Part 31) for commercial organizations (final rate proposals only). The certificate must be signed on behalf of the organization by an individual at a level no lower than vice-president or chief financial officer for the organization.
5. A listing of grants and contracts by Federal agency, subagency, program office funding source, award amount, period of performance, and the indirect cost (overhead) limitations (if any) applicable to each, such as, ceiling rates or amounts restricted by administrative or statutory regulations, applicable to the period(s) of the proposal(s). This listing must be supported with copies of the approved federal grants or contracts notification awards (1st page).

Note: For organizations receiving funding from DOL's Employment and Training Administration (ETA), please ensure that the proposed individual compensation (salary and bonus) complies with the salary limitations established in ETA's TEGL 5-06. The Office of Job Corps has similar salary limitations. See our [website](#) for additional details. Two additional proposal worksheets (see 2b. and 2d above) may be needed to show ETA and/or Job Corps rates reflecting unallowable compensation and prorated amounts. If you have any questions, contact [CPDD](#).

D. Indirect Cost Proposal-CPDD's Review Procedures

Some issues that may be raised by a CPDD negotiator during, or after, the review of an indirect cost rate proposal, usually result from the following procedures. Knowing these procedures while preparing an indirect cost proposal, organizations may enable us to avoid such issues from occurring.

- Determine that the applicable cost principles (stated in the Circulars or the FAR) were followed.
- Review the organization chart for a visual picture of the flow of responsibility, identification of areas of common costs, and the location of those areas in which federally-funded activity exists
- Perform a mathematical verification of the proposal.
- Determine that the proposal reconciles with the supporting audit, official budget or financial statements.
- Review the financial statements and audit report for any indication of activities which may have been omitted from the indirect cost proposal, i.e., the omission of restricted fund costs or the existence of an affiliated organization receiving supportive service from the parent organization.
- Determine that the itemized costs in the indirect cost pool pertain to functions that are supportive of all direct activity.
- Determine that costs that are statutorily unallowable, or for reasons of non-allocability, have been eliminated from the indirect cost pool. Determine whether these unallowable or non-allocable items should be added to the distribution/allocation base.
- Determine that "pass-through" funds have been excluded from the base.
- Review and analyze direct costs for the determination of:
 - a. Consistency in charging specific items of cost.
 - b. The selection of an appropriate base for allocating indirect costs.
- Review the contract/grant budget and payments, or contractor/grantee records, for determination of: (if deemed feasible under the circumstances)
 - a. The direct funding of indirect costs.
 - b. Any limitations placed upon the full recovery of indirect costs, i.e. ceiling rates or amounts.
 - c. Total Federal funds involved.
- Check with the appropriate Federal Program Manager for any problems he/she may be aware of relating to the charging of costs.

E. Administration Limits and Indirect Cost Claims

Various DOL funding instruments have statutory or regulatory limitations on the costs of "administration". These costs can be both personnel and non-personnel and both direct and

indirect. The costs of administration are those portions of reasonable, necessary and allowable costs associated with the overall program management and administration and which are not directly related to the provision of services to participants or otherwise allocable to the program cost objectives/categories.

Based on the above information, the statutory or regulatory limitation affects the combined claims for indirect costs and direct administration costs. Generally, direct administration costs differ from indirect charges in that the latter are considered organization-wide costs.

Examples of functions that are classified as direct "administration" are as follows:

- Overall **program** management, program coordination, and office management functions, including the salaries and related costs of the executive director, project director, and project evaluator **when directly allocated**.
- Preparing **program** plans, budgets schedules, and related amendments.
- Monitoring of programs, projects, sub-recipients and related systems and processes.
- Developing systems and procedures, including management information systems, for assuring compliance with program requirements.
- Preparing reports and other documents related to the **program** requirements.
- Evaluating program results against stated objectives; and
- Performing administration services such as **program specific** payroll, accounting, auditing or legal activities.

Examples of non-labor costs for direct administration include:

- Costs for goods and services required for administration of the **program**, including such goods and services as the rental or purchase of equipment, utilities, office supplies, postage, and rental and maintenance of office space.
- Travel costs incurred for official business in carrying out **program** management and administrative activities.

Checklist Elements

- The DCAA (Incurred Cost Electronically) ICE is an EXCEL spreadsheet that provides contractors with a standard user-friendly electronic package to assist in preparing timely and adequate incurred cost submissions.
- Includes all schedules required for an adequate submission per FAR 52.216-7.
- Updates are performed electronically and the linking feature updates all impacted schedules.
- ICE creates an inventory of electronic files that can be used in subsequent years to compare costs and facilitate submission preparation
- The submission of an adequate proposal may expedite contract closings.

Checklist Elements

Required Submission Schedules FAR 52.216-7(d)(2)(iii) *(referenced to ICE model)*

- Schedule A Summary of Indirect Expense Rates
- Schedules B, C, D Indirect Cost Pools
- Schedule E Claimed Allocation Bases
- Schedule F Cost of Money
- Schedule G Booked and Claimed Direct Costs
- Schedule H Direct Costs by Contract at Claimed Rates
- Schedule H-1 Government Participation by Pool
- Schedule I Cumulative Allowable Cost Worksheet
- Schedule J Subcontract Information
- Schedule K Hours and Amounts on T&M Contracts
- Schedule L Payroll Reconciliation
- Schedule M Accounting/Organization Changes
- Schedule N Certificate of Indirect Costs
- Schedule O Contract Closing Information

Checklist Elements

Schedule A Summary of Indirect Expense Rates

<u>COST ELEMENT</u>	<u>CLAIMED</u>	<u>REFERENCE</u>
<u>Overhead</u>		
POOL	510,610	<u>SCHED C (1)</u>
BASE	656,824	<u>SCHED E</u>
O/H RATE	<u>77.74%</u>	
<u>General and Administrative (G&A) Expenses</u>		
POOL	271,023	<u>SCHED B</u>
BASE	3,151,320	<u>SCHED E</u>
G& A RATE	<u>8.60%</u>	

Checklist Elements

Schedules B, C, D – Indirect Cost Pools

ACCOUNT NUMBER	DESCRIPTION	TOTAL PER G/L, F/S			Reference
		& TRIAL BAL.	ADJUSTMENT	CLAIMED	
8310	Salaries & Wages	90,007		90,007	
8320	Legal Fees	1,744		1,744	
8330	Audit Fees	32,361		32,361	
8501	Travel	12,987	(1,295)	11,692	
8503	Entertainment	484	(484)	-	
8505	Advertising & Promotion	354	(287)	67	
8522	Bad Debts	3,018	(3,018)	-	
8520	Periodicals	6,435		6,435	
8523	Conventions/Seminars	7,936	(319)	7,617	
8527	Interest Expense	1,001	(1,001)	-	
8528	Holiday	2,321		2,321	
8540	Vacation	5,812		5,812	
8530	Sick Leave	987		987	
8531	Personal Absence	1,082		1,082	
8532	Employee FICA	3,815		3,815	
8535	FUI	183		183	
8536	SUI	910		910	
8537	Workers' Compensation	515		515	
8549	Health Insurance	8,912		8,912	
8550	Life Insurance	1,087		1,087	
8551	Pension Plan	12,318	(1,883)	10,435	
8552	Miscellaneous	3,357		3,357	
	<u>SUBTOTAL</u>	197,626	(8,287)	189,339	
Intermediate Allocations:					
	Occupancy	23,151	-	23,151	Sched D (1)
	<u>SUBTOTAL</u>	220,777	(8,287)	212,490	
	IR & D Mat'l, Trvl, ODC(Sum SCH H)	9,724		9,724	SUM SCHED H
	IR & D Labor (Sum SCH H)	14,287		14,287	SUM SCHED H
	IR & D Overhead(Sum SCH H & SCH E)	11,822	(715)	11,107	SUM SCHED H SCHED E
	B & P Mat'l, Trvl, ODC(Sum SCH H)	6,485		6,485	SUM SCHED H
	B & P Labor (Sum SCH H)	9,525		9,525	SUM SCHED H
	B & P Overhead(Sum SCH H & SCH E)	7,882	(477)	7,405	SUM SCHED H SCHED E
				-	
	TOTAL G & A EXPENSE POOL	280,502	(9,479)	271,023	

Checklist Elements

Schedule E – Claimed Allocation Bases

	PER G/L, F/S & TRIAL BAL/FS	PER G/L ADJUSTMENTS	CLAIMED	Ref.
Overhead Pool	\$ 543,522	\$ (32,912)	\$ 510,610	Sched C (I)
Overhead Base:				
Total Contract Labor	\$ 633,012		\$ 633,012	Summary Sched H
IR&D Labor	14,287		14,287	Summary Sched H
B&P Labor	9,525		9,525	
Total Overhead Base	\$ 656,824	\$ -	\$ 656,824	
Overhead Rate	82.75%		77.74%	
G&A Pool				
	\$ 280,502	\$ (9,479)	\$ 271,023	Sched B
G&A Base:				
Contract Labor			\$ 633,012	Summary Sched H
Contract Travel			34,563	Summary Sched H
Contract Material			842,981	Summary Sched H
Other Direct Costs			172,105	Summary Sched H
Subcontracts			944,841	Summary Sched H
Subtotal = DIRECT COSTS			\$ 2,627,502	
General Ledger Overhead (before adjustments)			543,522	Sched C (I)
Less: IR&D/B&P O/H transferred to G & A pool.				
IR & D O/H (at G/L rate)			(11,822)	SCHED B
B&P O/H (at G/L rate)			(7,882)	SCHED B
Other Misc Adjustments to G&A Base (provide detailed support)			-	
G&A Base - Total Cost Input (excludes IR&D/B&P and COM)			\$ 3,151,320	
G&A Rate			8.60%	

Checklist Elements

Schedule F – Facilities Cost of Money

Computing COM Rate:			
Treasury			
	Rate	Mos.	COM Rate
Apr - Jun 08	4.750%	3.00	1.188%
Jul - Dec 08	5.125%	6.00	2.563%
Jan - Mar 09	5.625%	3.00	1.406%
			5.157%

Months percentage added for demonstration purposes - adjust as needed

Company 1		1. Applicable Cost of Money Rate	2. Accumulation & Distribution of NBV	3. Allocation of Undistributed	4. Total Net Book Value	5. COM for Cos Accounting Period	6. Allocation Base For Period	7. Facilities Capital COM Factors
Cost Accounting Period 20xx		5.16%	69,761	(Basis Of Allocation) (Column 2+3)	(Column 2+3)	(Column 1*4)	In units of measure (Note 1)	(Column 5/6)
Business Unit Facilities Capital	Recorded		69,761					
	Leased Property		162,290					
	Corporate/Group							
	Total		232,051					
	Undistributed		193,290					
	Distributed		38,761					
Overhead Pools	Cost of Money Overhead		30,345	168,162	198,507	10,237	656,824	0.01559
	Unused		-	-	-	-	-	0.00000
	<i>LESS: COM on IR&D/B&P Labor:</i>							
	Cost of Money Overhead					(371)	(23,812)	0.01559
	Unused					-	-	0.00000
	Subtotal					9,866		
G&A Expense Pools	G & A		8,416	25,128	33,544	1,730		
	ADD: COM on IR&D/B&P Labor					371		
	Subtotal:					2,101	3,151,320	0.00067
TOTAL			38,761	193,290	232,051	11,967		

Checklist Elements

Schedule G Booked and Claimed Direct Costs

<u>DESCRIPTION *</u>	AMOUNT		AMOUNT	Ref.
	<u>PER GENERAL</u>	<u>ADJUSTMENTS</u>		
	<u>LEDGER *</u>			
Direct Labor	656,824		656,824	Summary Sch H
Travel	35,173	(1,687)	33,486	Summary Sch H
Material	843,192		843,192	Summary Sch H
Other Direct Cost	187,493	(3,183)	184,310	Summary Sch H
Subcontracts	944,841		944,841	Summary Sch H
TOTAL DIRECT COSTS	2,667,523	(4,870)	2,662,653	

* Includes IR&D/B&P direct costs

Checklist Elements

Schedule H - Direct Costs by Contract at Claimed Rates

JOB ORDER	Prime CONTRACT NUMBER	SUBCONTRACT NUMBER	Total Labor	Travel	Material	ODC	Sub-Contracts	Total Direct Costs	Claimed O/H	Direct Costs Plus O/H	G&A Base (TCI)	Claimed C & A Applied	Total Costs	O/H COM Applied	G & A COM Applied	Total COM	Grand Total	
A. COST TYPE:																		
1201	N00039-90-C-0873		122,113	5,231	115,068	43,630	87,912	373,954	94,931	468,885	468,885	40,324	509,209	1,904	314	2,218	511,427	
	Claimed		-	1,687	-	3,183	-	4,870	-	4,870	4,870	419	5,289	-	3	3	5,292	
	Not Claimed		16,387	836	312	1,212	15,341	34,088	12,739	46,827	46,827	4,027	50,854	255	31	286	51,140	
1204	N00040-90-C-0874	Clark Inc. subk	8,973	87	9,687	652	7,888	27,267	6,976	34,243	34,243	2,945	37,188	n/a	n/a	-	37,188	
A. TOTAL COST TYPE			147,473	7,841	125,067	48,657	111,141	440,179	114,646	554,825	554,825	47,715	602,540	2,159	348	2,507	605,047	
B. OTHER FLEXIBLY PRICED:																		
1205	N00060-90-C-0913		210,312	8,932	38,643	59,613	89,732	407,232	163,497	570,729	570,729	49,083	619,812	3,279	382	3,661	623,473	
B. TOTAL OTHER FLEXIBLY PRICED			210,312	8,932	38,643	59,613	89,732	407,232	163,497	570,729	570,729	49,083	619,812	3,279	382	3,661	623,473	
C. VAR. TIME & MATERIAL:																		
1301	N00022-96-D-0111		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Task Order No. 1		5,300	382	1,000	-	-	6,682	4,120	10,802	10,802	929	11,731	83	7	90	11,821	
	Task Order No. 2		2,882	421	500	-	-	3,803	2,240	6,043	6,043	520	6,563	45	4	49	6,612	
1305	F66777-97-D-0112		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Task Order No. 1		2,911	171	750	-	-	3,832	2,263	6,095	6,095	524	6,619	45	4	49	6,668	
C. TOTAL VAR. TIME & MATERIAL			11,093	974	2,250	-	-	14,317	8,623	22,940	22,940	1,973	24,913	173	15	188	25,101	
D. VAR-FIXED PRICE:																		
			99,819	5,338	16,724	12,914	147,318	282,113	77,599	359,712	359,712	30,935	390,647	1,556	241	1,797	392,444	
D. TOTAL VAR-FIXED PRICE			99,819	5,338	16,724	12,914	147,318	282,113	77,599	359,712	359,712	30,935	390,647	1,556	241	1,797	392,444	
E. VARIOUS COMMERCIAL WORK:																		
			164,315	11,478	660,297	50,921	596,650	1,483,661	127,738	1,611,399	1,611,399	138,580	1,749,979	-	-	-	1,749,979	
E. TOTAL VARIOUS COMMERCIAL WORK			164,315	11,478	660,297	50,921	596,650	1,483,661	127,738	1,611,399	1,611,399	138,580	1,749,979	-	-	-	1,749,979	
TOTAL CONTRACT COSTS			633,012	34,563	842,981	172,105	944,841	2,627,502	492,103	3,119,605	3,119,605	268,286	3,387,891	7,167	986	8,153	3,396,044	
	IR&D		14,287	366	126	9,232	-	24,011	11,107	35,118	-	-	-	-	-	-	-	
	B&P		9,525	244	85	6,156	-	16,010	7,405	23,415	-	-	-	-	-	-	-	
TOTAL IR&D/B&P			23,812	610	211	15,388	-	40,021	18,512	58,533	-	-	-	-	-	-	-	
GRAND TOTAL			656,824	35,173	843,192	187,493	944,841	2,667,523	510,615	-	-	-	-	-	-	-	-	

Checklist Elements

Schedule H-1 Government Participation

<u>Contract Type</u>	<u>Overhead</u>		<u>G&A</u>		<u>Ref.</u>
	<u>Base Amount</u>	<u>%</u>	<u>Base Amount</u>	<u>%</u>	
Cost-Type	147,473	22.5%	554,825	17.8%	<u>SCHED H</u>
Flexibly Priced	210,312	32.0%	570,729	18.3%	<u>SCHED H</u>
T&M	11,093	1.7%	22,940	0.7%	<u>SCHED H</u>
Fixed Price	99,819	15.2%	359,712	11.5%	<u>SCHED H</u>
Commercial	164,315	25.0%	1,611,399	51.7%	<u>SCHED H</u>
IR&D/B&P	23,812	3.6%	-	0.0%	<u>SCHED H</u>
Total	656,824	100.0%	3,119,605	100.0%	

Note: The purpose of this schedule is to present a general overview of the extent that cost-type and flexibly priced contracts participate in the absorption of indirect expenses

Checklist Elements

Schedule I – Cumulative Direct & Indirect Costs Claimed & Billed

Contract No.	Subcontract No.	Order No.	Subject To Penalty Clause Note (2)	Prior Years Settled Total Costs Note (3)	Unsettled/Claimed Direct And Indirect Costs Using		Total Cumulative Settled or Claimed Note (5)	Less Contract Limitations/C Rebates Note (5)	Net Cumulative Settled or Claimed Note (6)	Cumulative Billed (Manual Entry)		Over (Under) Billing	Physically Complete (Note 7)	
					Prior Year Costs EYE Note (4)	Current Year Costs EYE Note (4)				Date Billed Through	Cost Amount			
Cost Type & Flexibly Priced:				SCHED H										
N00039-90-C-0873		1201	Yes	-	126,821	511,427	638,248	-	638,248	18	2/28/2009	640,110	1,862	
N00040-90-C-0874		1203	Yes	382,595	2,867,500	51,140	3,301,235	-	3,301,235	30	3/31/2009	3,295,110	(6,125)	
	Clark Inc. subk	1204	-	359,626	555,311	37,188	952,125	-	952,125	24	1/31/2009	960,100	7,975	Yes
N00060-90-C-0913		1205	Yes	591,362	443,916	623,473	1,658,751	-	1,658,751	33	3/31/2009	1,640,426	(18,325)	Yes
Subtotal Cost Type & Flexibly Priced							<u>6,550,359</u>		<u>6,550,359</u>			<u>6,535,746</u>	<u>(14,613)</u>	
Time & Material:				SCHED K										
N00022-96-D-0111		001	-	-	-	10,601	10,601	-	10,601	6	12/31/2008	10,848	247	Yes
N00022-96-D-0111		002	-	-	-	5,950	5,950	-	5,950	6	12/31/2008	5,000	(950)	
F66777-97-D-0112		001	-	-	-	6,000	6,000	-	6,000	2	12/31/2008	5,750	(250)	
Subtotal Time & Material Contracts							<u>22,551</u>		<u>22,551</u>			<u>21,598</u>	<u>(953)</u>	
Total - Cost/Flexibly Priced and Time & Material Contracts							<u>6,572,910</u>		<u>6,572,910</u>			<u>6,557,344</u>	<u>(15,566)</u>	

Checklist Elements

Schedule J – Subcontract Information

Cost-type subcontracts issued under flexibly priced prime contracts: Yes No

SUBCONTRACT NO.	PRIME CONTRACT NO.	SUBCONTRACTOR'S NAME & ADDRESS	POINT OF CONTACT AND PHONE NO.	SUBCONTRACT VALUE	Performance Period		INCURRED IN FY 2009	AWARD TYPE
					From	To		
P.O. #XYZ0998R	N00039-05-C-0873	Small Company 1445 Southpark Blvd. Buffalo, NY 14206	Ms. Donna Charleston Marketing Manager (716) 883-8700 X317	\$110,500	3/16/2006	6/30/2009	\$87,912	CPFF
P.O. #XYZ0776R	N00040-05-C-0874	Tanza Enterprises 87B Executive Park Fairfax, VA 22033	Mr. Mike Tanza President (703) 983-5640	\$895,000	4/20/2006	12/2//2010	\$15,341	CPFF
P.O. #XYZ01032R	Subcontract to Clark Inc. Prime N00039-05-C-0875	Argonautics, Inc. 555 Ocean Parkway Anaheim, CA 92803	Mr. Ted Kessel Marketing Manager (714) 998-2000 X12	\$152,500	7/25/2008	10/16/2011	\$7,888	CPFF
P.O. #XYZ1213R	N00060-05-C-0913	DSK Corporation 3559 Vaulting Road York, PA 17405	Ms. Jane Matthews Marketing (717) 992-7800	\$236,135	10/12/2008	3/15/2009	\$49,732	CPFF
P.O. #XYZ0822R	N00060-05-C-0913	Aristeo Associates 546 Arroyo Drive Carlsbad, NM 87112	Mr. Vince Aristeo President (504) 535-1600	\$100,000	5/14/2007	5/14/2008	\$40,000	CPFF

T&M/LH subcontracts issued under flexibly priced prime contracts: Yes No

Incentive subcontracts under flexibly priced prime contracts: Yes No

Subcontract orders based on cost issued under IDIQ prime contracts: Yes No

Inter-divisional/intercompany and FFP effort issued under flexibly priced prime contracts: Yes No

Checklist Elements

Schedule K - Hours and Amounts on Time & Material (T&M) Contracts

Contract Labor Category (1)	Contract No. N00022-96-D-0111	Task: 001	Rate (2)	Hrs	Amount	Contract No. N00022-96-D-0111	Task: 002	Rate (2)	Hrs	Amount
LABOR										
Program Manager			\$ 25.00	100	2,500			\$25.00	50	1,250
Senior Engineer			\$ 20.00	100	2,000			\$17.50	100	1,750
Engineer			\$ 15.00	200	3,000			\$12.50	100	1,250
Analyst			\$ 12.50	100	1,250			\$12.50	-	-
Technical Typist			\$ 7.00	50	350			\$7.00	100	700
TOTAL				<u>550</u>	<u>9,100</u>				<u>350</u>	<u>4,950</u>
OTHER COSTS										
Material Costs (3)					1,000					500
Travel Costs (3)					382					421
			Sched A							
G&A @:			8.60% (4)		119					79
Subtotal					<u>1,501</u>					<u>1,000</u>
TOTAL					<u>10,601</u>					<u>5,950</u>
Task Ceilings					<u>25,000</u>					<u>12,500</u>

Explanatory Notes

- (1) Represents effort performed by the company. Any subcontract effort should be identified separately.
- (2) Represents rates specified in the contract which may be higher or lower than actual rates incurred.
- (3) Represents actual costs recorded in the cost records.
- (4) G&A applied at the claimed rate to Material (if not Value-added base) and Travel Costs.

Checklist Elements

Schedule L – Payroll Reconciliation

<u>Acct No.</u>	<u>Description</u>	<u>General Ledger</u>	<u>Reference</u>
	<u>Direct Labor:</u>	656,824	Summary SCHED H
	<u>General & Administrative:</u>		SCHED B
8310	Salaries	90,007	
8528	Holiday Wages	2,321	
8540	Vacation Wages	5,812	
8530	Sick Leave	987	
8531	Personal Absence	1,082	
	<u>Overhead Pools:</u>		SCHED C (x)
7001	Wages	33,060	
8421	Holiday Wages	20,181	
8422	Vacation	25,440	
8423	Sick Leave	14,318	
8425	Severance Pay (in full)	32,419	
	<u>Intermediate Pools:</u>		SCHED D (x)
8110	Occupancy Wages	23,280	
	Overtime Premium (in ODCs)	270	
	Overtime Premium	-	
	Other Adjustment to arrive at Total Payroll Distributed (Provide detailed support)	-	
	TOTAL LABOR DISTRIBUTION	906,001	
		PER IRS FORM 941	
	1ST QTR.	228,479	
	2ND QTR.	228,236	
	3rd QTR.	237,206	
	4th QTR.	220,167	
	Plus: Current Year Accrual	15,128	
	Minus: Prior Year Accrual	(33,214)	
	Other Adjustments	9,999	
	TOTAL PAYROLL	906,001	

Checklist Elements

Schedule M Accounting/Organization Changes, etc.

This schedule provides information related to the following:

- Significant decisions, agreements or approvals (e.g., pension plan, billing rates or contract ceilings)
- Significant accounting or organization changes (e.g., changes to indirect pool structure or mergers and acquisitions)

Checklist Elements

Schedule N – Certificate of Indirect Costs

Certificate of Final Indirect Costs
Fiscal Year End - 3/31/2009

This is to certify that I have reviewed this proposal to establish final indirect cost rates and to the best of my knowledge and belief:

1. All costs included in the proposal identify proposal and date _____ to establish final indirect cost rates for identify period covered by rate _____ are allowable in accordance with the cost principles of the Federal Acquisition Regulation (FAR) and its supplements applicable to the contracts to which the final indirect cost rates will apply; and
2. This proposal does not include any costs which are expressly unallowable under applicable cost principles of the FAR or its supplements.

Firm: _____

Signature: _____

Name of Certifying Official: _____

Title: _____

Date of Execution: _____

FAR Part 52.242-4-- Certification of Final Indirect Costs.

As prescribed in 42.703-2(f), insert the following clause:

Certification of Final Indirect Costs (Jan 1997)

(a) The Contractor shall --

- (1) Certify any proposal to establish or modify final indirect cost rates;
 - (2) Use the format in paragraph (c) of this clause to certify; and
 - (3) Have the certificate signed by an individual of the Contractor's organization at a level no lower than a vice president or chief financial officer of the business segment of the Contractor that submits the proposal.
- (b) Failure by the Contractor to submit a signed certificate, as described in this clause, may result in final indirect costs at rates unilaterally established by the Contracting Officer.

(c) The certificate of final indirect costs shall read as follows: (see above)

Checklist Elements

Schedule O – Contract Closing Info

Contract No.	Order No.	Performance Period		Ready To Close(1)	Contract Ceiling Amount (2)	Fee(3)	Level of Effort Cumulative Hours		Notes
		From	To				Required	Actual	
Cost Type:									
Subcontract-Clark Inc.	-	2/16/05	2/28/09	Yes	1,000,000	60,000	15,000	14,588	
N00060-95-C-0913	-	10/16/06	12/28/08	Yes	1,750,000	112,000	27,500	28,950	
Time & Material									
N00022-96-D-0111	001	7/1/06	12/31/08	Yes	25,000				

Preparation Notes:

(1) Indicate whether the contract is ready to close based on all information available. If the contract is not ready to close (e.g., a contract modification is being pursued), the reasons why should be stated in a footnote:

(2) Provide the overall contract ceiling amount before fee, for the type of contract.

(3) Provide fee amount as provided by the contract. Include details of the fee computation for all flexibly priced incentive fee and level of effort type contracts, along with the contract modification used, in a footnote.

Checklist Elements

Other Schedules Provided by ICE

- Comparative Analysis by pool and account
- Compensation for Certain Contractor Employees per FAR 31.205-6(p)
- Identification of Prime Contracts Under Which the Contractor Performs as a Subcontractor
- Contract Brief

Common ICE Deficiencies

- Signed certification not included or not signed by at least a Vice President or CFO (schedule N)
- Lack of subcontractor information (schedule J)
- Not all intermediate allocations disclosed (sch. D)
- Unallowable costs not included in G&A base (sch. E)
- IR&D/B&P not fully burdened (sch. B)
- Physically complete contracts not shown on sch. I & O
- Government participation no calculated for all final indirect rates (schedule H-1)



Questions?



About Us

Jeffery A. White

Founder & CEO

JA White & Associates, Inc.



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