

Attachment L-9

Offeror's Proposed Accounting System Information

- (1) Is the accounting system in accordance with generally accepted accounting principles?
Please explain.
- (2) Does the proposed accounting system provide for:
 - (a) Proper segregation of direct costs from indirect costs? Please explain.
 - (b) Identification of and accumulation of direct costs by contract? Please explain.
 - (c) A logical and consistent method for allocation of indirect costs to intermediate and final cost objectives? (A contract is a final cost objective.) Please explain.
 - (d) Accumulation of costs under general ledger control? Please explain.
 - (e) A timekeeping system that identifies employees' labor by intermediate or final cost objectives? Please explain.
 - (f) A labor distribution system that charges direct and indirect labor to the appropriate cost objectives? Please explain.
 - (g) Interim (at least monthly) determination of cost charged to a contract through routine posting of book of accounts? Please explain.
 - (h) Exclusion from costs charged to Government contracts of amounts which are not allowable in terms of FAR Part 31, Contract Cost Principles and Procedures or other contract provisions? Please explain.
 - (i) Identification of costs by contract line item and by units (as if unit or line items were a separate contract) if required by the proposed contract? Please explain.
 - (j) Segregation of preproduction costs from production costs (if applicable)? Please explain.
- (3) Does the proposed Accounting System provide financial information:
 - (a) Required by clauses concerning limitation of costs (FAR 52.232-20, *Limitation of Cost*) and/or limitation on payments (FAR 52.216-16, *Incentive Price Revision—Firm Target*)? Please explain.
 - (b) Required to support requests for progress payments? Please explain.
- (4) Is the proposed 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?
Please explain.
- (5) Is the accounting system currently in full operation? If not, describe which portions are:
(1) in operation; (2) set-up, but not yet in operation; (3) anticipated; or (4) nonexistent.