ADEQUATE ACCOUNTING SYSTEM

FA8051-24-S-0001 Attachment 1

In order to avoid potential contracting delays, it is suggested that companies interested in pursuing cost reimbursement type contracts under the subject BAAs have an adequate accounting system in place per Generally Accepted Accounting Principles (GAAP), Generally Accepted Government Auditing Standards (GAGAS), the Federal Acquisition Regulation (FAR) and Cost Accounting Standards (CAS). Therefore if you have not already had a Defense Contract Audit Agency (DCAA) review of your accounting system, it is necessary for DCAA to perform an audit to confirm that an adequate system is in place.

DCAA's requirements and standards are available on their Website at: https://www.dcaa.mil/. Select "Customers" from the drop down menu and then click on "Guidance" and "Audit Process Overview – Information for Contractors". The Preaward Accounting System Adequacy Checklist is available by selecting "Customers" from the drop down menu and then "Checklists and Tools" and "Pre-award Accounting System Adequacy Checklist".

For Offerors without a DCAA-approved cost accounting system, **DCAA will require a SF Form 1408.** Please complete the SF 1408 found at https://www.gsa.gov/system/files/2024-08/SF1408-14f.pdf and submit the completed form with your proposal.

Proposals requesting a cost-reimbursement type contract without including the completed SF1408 may be deemed non-conforming to the solicitation.

The Government recognizes that this form is intended for an auditor to use when evaluating a contractor's cost accounting system. However, your preliminary responses to the questions will expedite the DCAA accounting system review. To complete the form, check the boxes on the second page (Section II), then provide a narrative explanation of your accounting system on page one (Section I) to supplement the checklist in Section II. It is expected that the answers to the

questions on the SF 1408 will be "Yes" and will have adequate narrative remarks for each question to demonstrate to DCAA that an appropriate accounting system is in place prior to their initiation of a review of that system. The Government will forward a copy of the form to the cognizant DCAA Field Office with the request for audit.
Note that the cost of any audit activity is not considered an allowable direct charge to the contract currently contemplated or any other contract.

Adequate Accounting System and Cost Accounting Standards (CAS) Notices and Certification. Per FAR 52.230-2, any procurement contract in excess of $2M resulting from this solicitation will be subject to the requirements of the Cost Accounting Standards Board (48 CFR 99), except those contracts which are exempt as specified in 48 CFR 9903.201-1. Any offeror submitting a proposal which, if accepted, will result in a CAS compliant contract, must submit representations and a Disclosure Statement as required by 48 CFR 9903.202 detailed in FAR 52.230-2. The disclosure forms may be found at https://www.whitehouse.gov/omb/management/office-federal-procurement-policy/#_Office_of_Federal_5

Agencies and Resources available to assist you:

DCAA SMALL BUSINESS SEMINARS – To schedule contact your local DCCA Audit Office.

DCAA Locator: https://www.dcaa.mil/Locator/

DCAA Audit Process Overview: https://www.dcaa.mil/Guidance/Audit-Process-Overview/

DCAA Small Business Focal Point: (571) 448-3478

Defense Contract Management Agency (DCMA): http://www.dcma.mil/

Small Business Administration: https://www.sba.gov/about-sba/sba-locations/headquarters-offices

SF 1408 Pre-award Survey of Prospective Contractor Accounting System Checklist: https://www.dcaa.mil/Checklists-Tools/Pre-award-Accounting-System-Adequacy-Checklist/