




# DCAA

DEFENSE CONTRACT AUDIT AGENCY

# Incurred Cost Submissions

Further information is available in the Information for Contractors Manual under Enclosure 6 

The views expressed in this presentation are DCAA's views and not necessarily the views of other DoD organizations

# Incurring Cost Submissions

- Due Dates of Submissions
- Delinquent Submissions
- Adequacy Review
- Audit Requirements
- Required Submission Schedules
- ICE Model
- Penalties
- Frequently Asked Questions

# Due Dates of Submissions

- Incurred cost claims are due six months after completion of the contractor's fiscal year end.
  - Per the Allowable Cost and Payment Clause (FAR 52.216-7(d)(2))
  - Allowable cost and payment clause applies to cost-reimbursement type contracts (FAR 16.307)

# Delinquent Submissions

- If submissions are six months delinquent, DCAA will recommend a decrement factor and for the CO to make a unilateral determination. (FAR 42.703-2(c)(2))

# Incurring Cost Adequacy Review

- We check for the schedules listed FAR 52.216-7(d)(2)(iii)
- Any missing or unreconcilable schedule could cause us to report the submission as inadequate.
- Recommend self-assessment



[http://www.dcaa.mil/incurred\\_cost\\_checklist.html](http://www.dcaa.mil/incurred_cost_checklist.html)

**Adequacy Checklist**

# Audit Requirements

- FAR 31.201-2 (d) Requires contractors to maintain records and supporting documentation to demonstrate allowability and allocability of costs.
- FAR 31.205 also requires specific documentation to demonstrate the allowability of certain cost elements

# Examples of Specific Documentation Under FAR 31.205

- FAR 31.205-33, Professional and Consultant Service Costs, requires the following evidential matter:
  - Details of all agreements (e.g., work requirements, rate of compensation, and nature and amount of other expenses, if any) with the individuals or organizations providing the services and details of actual services performed;
  - Invoices or billings submitted by consultants, including sufficient detail as to the time expended and nature of the actual services provided; and
  - Consultants' work products and related documents, such as trip reports indicating persons visited and subjects discussed, minutes of meetings, and collateral memoranda and reports.

## Examples of Specific Documentation Under FAR 31.205

- FAR 31.205-46, Travel Costs indicates costs shall be allowable only if the following information is documented:
  - Date and place (city, town, or other similar designation) of the expenses;
  - Purpose of the trip; and
  - Name of person on trip and that person's title or relationship to the contractor



# ICE MODEL

**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.

It should result in less time being spent in:

- ***Submission preparation.***
- ***Supporting the audit.***

# ICE BENEFITS

- User Friendly
- It 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.

## Required Information in Incurred Cost Submission FAR 52.216-7(d)(2)(iii) (referenced to ICE model)

- Schedule A Summary of Indirect Expense Rates
- Schedule 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

# Schedule A

## Summary of Indirect Expense Rates

COST ELEMENT	CLAIMED	REFERENCE
<u>Overhead</u>		
POOL	510,610	SCHED C (1) SCHED E
BASE	656,824	
O/H RATE	77.74%	
<u>General and Administrative (G&amp;A) Expenses</u>		
POOL	271,023	SCHED B SCHED E
BASE	3,151,320	
G& A RATE	8.60%	
<u>Occupancy</u>		
POOL	178,083	SCHED D (1)
BASE - (i.e. Sq. Ft.)	18,492	
OCCUPANCY RATE	9.6303	
<u>Cost of Money Overhead</u>		
COM FOR PERIOD	10,237	SCHED F SCHED E
ALLOCATION BASE	656,824	
O/H COM FACTOR	0.01559	
<u>Cost of Money G&amp;A</u>		
COM FOR PERIOD	2,101	SCHED F SCHED E
ALLOCATION BASE	3,151,320	
G&A COM FACTOR	0.00067	



# Schedule B, C, D—Indirect Cost Pools

ACCOUNT NUMBER	DESCRIPTION	Acct Balances			TOTAL PER	ADJUSTMENT	CLAIMED	Reference
		Mkt	Cont	Pres	G/L, F/S & TRIAL BAL.			
8310	Salaries & Wages	25,202	30,602	34,203	90,007		90,007	
8320	Legal Fees		1,744		1,744		1,744	
8330	Audit Fees		32,361		32,361		32,361	
8501	Travel	3,636	2,082	7,269	12,987	(1,295)	11,692	
8503	Entertainment	300		184	484	(484)	-	
8505	Advertising & Promotion	354			354	(287)	67	
8522	Bad Debts		3,018		3,018	(3,018)	-	
8520	Periodicals	2,882	1,678	1,875	6,435		6,435	
8523	Conventions/Seminars	4,920		3,016	7,936	(319)	7,617	
8527	Interest Expense		1,001		1,001	(1,001)	-	
8528	Holiday	650	789	882	2,321		2,321	
8540	Vacation	1,627	1,976	2,209	5,812		5,812	
8530	Sick Leave	276	336	375	987		987	
8531	Personal Absence	303	368	411	1,082		1,082	
8532	Employee FICA	1,068	1,297	1,450	3,815		3,815	
8535	FUI	51	62	70	183		183	
8536	SUI	255	309	346	910		910	
8537	Workers' Compensation	144	175	196	515		515	
8549	Health Insurance	2,495	3,030	3,387	8,912		8,912	
8550	Life Insurance	304	370	413	1,087		1,087	
8551	Pension Plan	3,449	4,188	4,681	12,318	(1,883)	10,435	
8552	Miscellaneous	940	1,488	929	3,357		3,357	
	<b>SUBTOTAL</b>	<b>48,856</b>	<b>86,874</b>	<b>61,896</b>	<b>197,626</b>	<b>(8,287)</b>	<b>189,339</b>	
<b>Intermediate Allocations:</b>								
	Occupancy	5,085	6,269	11,797	23,151	-	23,151	Sched D (1)
	<b>SUBTOTAL</b>	<b>53,941</b>	<b>93,143</b>	<b>73,693</b>	<b>220,777</b>	<b>(8,287)</b>	<b>212,490</b>	
	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
	<b>TOTAL G &amp; A EXPENSE POOL</b>				<b>280,502</b>	<b>(9,479)</b>	<b>271,023</b>	

# Schedule E—Claimed Allocation Bases

Overhead	PER G/L, F/S & TRIAL BAL/FSADJUSTMENTS	PER G/L	CLAIMED
Overhead Pool	\$ 543,522	\$ (32,912)	\$ 510,610
<b>Overhead Base:</b>			
Total Contract Labor	\$ 633,012		\$ 633,012
IR&D Labor	14,287		14,287
B&P Labor	9,525		9,525
Total Overhead Base	\$ 656,824	\$ -	\$ 656,824
Overhead Rate	82.75%		77.74%

Overhead Base\* - Straight time direct labor dollars of all contracts and projects including labor costs of IR&D/B&P projects.

G & A Pool	PER G/L, F/S & TRIAL BAL/FSADJUSTMENTS	PER G/L	CLAIMED
G & A Pool	\$ 280,502	\$ (9,479)	\$ 271,023
<b>G &amp; A Base:</b>			
Contract Labor			\$ 633,012
Contract Travel			34,563
Contract Material			842,981
Other Direct Costs			172,105
Subcontracts			944,841
Subtotal = DIRECT COSTS			\$ 2,627,502
General Ledger Overhead (before adjustments)			543,522
Less: IR&D/B&P O/H transferred to G & A pool.			
IR & D O/H (at G/L rate)			(11,822)
B&P O/H (at G/L rate)			(7,882)
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%

# Schedule F—Facilities Cost of Money

<b>Computing COM Rate:</b>			
	<b>Treasury</b>		
	<b>Rate</b>	<b>Mos.</b>	<b>COM Rate</b>
<b>Apr - Jun 08</b>	4.750%	3.00	1.188%
<b>Jul - Dec 08</b>	5.125%	6.00	2.563%
<b>Jan - Mar 09</b>	5.625%	3.00	1.406%
			<b>5.157%</b>
Months percentage added for demonstration purposes - adjust as needed			

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

Note 1 Allocation Bases (Refer to Schedule E for details)

Overhead COM: Straight time direct labor dollars of all contracts and projects including labor costs of IR&D/B&P projects.

G&A COM: Total cost input (excluding G&A, B&P, and Cost of Money)

# Schedule G—Booked and Claimed Direct Costs

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

\* Includes IR&D/B&P direct costs

- (1) Travel - Costs of first class airfare in excess of coach on Contract No. N00039-90-C-0873 unallowable per FAR 31.2
- (2) Other Direct Cost - Overtime premium not allowable by terms of Contract No. N00039-90-C-0873



# Schedule H—Direct Costs by Contract at Claimed Rates

JOB ORDER	Prime CONTRACT NUMBER	SUBCONTRACT NUMBER	Labor O/H	Total Labor	Travel	Material	ODC	Sub-Contracts	Total Direct Costs	Claimed O/H O/H	Direct Costs Plus O/H	G&A Base (TCI)	Claimed G&A Applied	Total Costs	O/H COM Applied	G&A COM Applied	Total COM	Grand Total
<b>A. COST TYPE (no entry on title line)</b>																		
1201	N00039-90-C-0873			-					-	-	-	-	-	-	-	-	-	-
	Claimed		122,113	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
	Not Claimed (note 1)			-	1,687		3,183		4,870	-	4,870	4,870	419	5,289	-	3	3	5,292
1203	N00040-90-C-0874		16,387	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		Subcontract-Clark Inc.	8,973	8,973	87	9,687	632	7,888	27,267	6,976	34,243	34,243	2,945	37,188 (Note 2)		37,188 (Note 2)		37,188
<b>A. TOTAL COST TYPE:</b>			<b>147,473</b>	<b>147,473</b>	<b>7,841</b>	<b>125,067</b>	<b>48,657</b>	<b>111,141</b>	<b>440,179</b>	<b>114,646</b>	<b>554,825</b>	<b>554,825</b>	<b>47,715</b>	<b>602,540</b>	<b>2,159</b>	<b>348</b>	<b>2,507</b>	<b>605,047</b>
<b>B. OTHER FLEXIBLY PRICED (Note 3)</b>																		
1205	N000060-90-C-0913		210,312	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>B. TOTAL OTHER FLEXIBLY PRICED</b>			<b>210,312</b>	<b>210,312</b>	<b>8,932</b>	<b>38,643</b>	<b>59,613</b>	<b>89,732</b>	<b>407,232</b>	<b>163,497</b>	<b>570,729</b>	<b>570,729</b>	<b>49,083</b>	<b>619,812</b>	<b>3,279</b>	<b>382</b>	<b>3,661</b>	<b>623,473</b>
<b>C. VAR. TIME &amp; MAT'L</b>																		
1301	N00022-96-D-0111			-					-	-	-	-	-	-	-	-	-	-
	Task Order No. 1		5,300	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	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	2,911	171	750			3,832	2,263	6,095	6,095	524	6,619	45	4	49	6,668
<b>C. TOTAL VAR. TIME &amp; MAT'L</b>			<b>11,093</b>	<b>11,093</b>	<b>974</b>	<b>2,250</b>	<b>-</b>	<b>-</b>	<b>14,317</b>	<b>8,623</b>	<b>22,940</b>	<b>22,940</b>	<b>1,973</b>	<b>24,913</b>	<b>173</b>	<b>15</b>	<b>188</b>	<b>25,101</b>
<b>D. VAR-FIXED PRICE</b>																		
			99,819	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
<b>D. TOTAL VAR-FIXED PRICE</b>			<b>99,819</b>	<b>99,819</b>	<b>5,338</b>	<b>16,724</b>	<b>12,914</b>	<b>147,318</b>	<b>282,113</b>	<b>77,599</b>	<b>359,712</b>	<b>359,712</b>	<b>30,935</b>	<b>390,647</b>	<b>1,556</b>	<b>241</b>	<b>1,797</b>	<b>392,444</b>
<b>E. VARIOUS COMMERCIAL WORK</b>																		
			164,315	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
<b>E. TOTAL VARIOUS COMMERCIAL WORK</b>			<b>164,315</b>	<b>164,315</b>	<b>11,478</b>	<b>660,297</b>	<b>50,921</b>	<b>596,650</b>	<b>1,483,661</b>	<b>127,738</b>	<b>1,611,399</b>	<b>1,611,399</b>	<b>138,580</b>	<b>1,749,979</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,749,979</b>
<b>TOTAL CONTRACT COSTS</b>			<b>633,012</b>	<b>633,012</b>	<b>34,563</b>	<b>842,981</b>	<b>172,105</b>	<b>944,841</b>	<b>2,627,502</b>	<b>492,103</b>	<b>3,119,605</b>	<b>3,119,605</b>	<b>268,286</b>	<b>3,387,891</b>	<b>7,167</b>	<b>986</b>	<b>8,153</b>	<b>3,396,044</b>
<b>TOTAL IR &amp; D/B &amp; P</b>																		
	IR & D		14,287	14,287	366	126	9,232			24,011	35							
	B&P		9,525	9,525	244	85	6,156			7,405	23							
<b>TOTAL IR &amp; D/B &amp; P</b>			<b>23,812</b>	<b>610</b>	<b>211</b>	<b>15,388</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,02</b>	<b>18,512</b>	<b>58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL</b>			<b>656,824</b>	<b>35,173</b>	<b>843,192</b>	<b>187,493</b>	<b>-</b>	<b>944,841</b>	<b>2,667,523</b>	<b>510,615</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



# Schedule H-1—Government Participation

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

**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

## Schedule I—Cumulative Direct and Indirect Cost Claimed and 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 Claimed		Total Cumulative Settled or Claimed	Less Contract Limitations Rebates/ Credit Note (5)	Net Cumulative Settled or Claimed Note (6)	Cumulative Billed (Manual Entry)			Over (Under) Billing	Physically Complete (Note 7)
					Prior Year Costs FYE Note (4)	Current Year Costs FYE Note (4)				PV No.	Date Cost Billed Through	Amount		
<b>Cost Type &amp; Flexibly Priced:</b>														
<b>(note 1)</b>														
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)	
	Sub. Clark Inc.	1204		359,626	555,311	37,188	952,125		952,125	24	1/31/2009	960,100	7,975	Yes
N000060-90-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
<b>Subtotal-Cost &amp; Flexibly Priced Contracts</b>							<b>6,550,359</b>		<b>6,550,359</b>			<b>6,535,746</b>	<b>(14,613)</b>	
<b>Time &amp; Material</b>														
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	(950.00)	
F66777-97-D-0112		001				6,000	6,000		6,000	2	12/31/2008	5,750	(250.00)	
<b>Subtotal Time &amp; Material Contracts</b>							<b>22,551</b>		<b>22,551</b>			<b>21,598</b>	<b>(953.00)</b>	
<b>Total Cost-Flexibly Priced and Time &amp; Material Contracts</b>							<b>6,572,910</b>		<b>6,572,910</b>			<b>6,557,344</b>	<b>(15,566)</b>	

# Schedule J—Subcontract Information



Subcontracts issued under flexibly priced prime contracts – Yes X No   

SUBCONTRACT NO.	PRIME CONTRACT NO.	SUBCONTRACTOR'S NAME & ADDRESS	POINT OF CONTACT AND PHONENO.	SUBCONTRACT VALUE	Performance Period		INCURRED INFY2009	AWARD TYPE
					From	To		
Subcontracts Issued: 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	CPIF
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	CPIF
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	CPIF
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	CPIF
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	CPIF

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

This Schedule is linked to schedule A for the G&A rate.

Any changes in data will affect Schedule L.

Other than G&A rate, only manual or externally imported entries

Schedule A - Applied Overhead, G&A, & COM Rates

XYZ Corporation

NOTE: Hidden rows have been inserted that will allow for automatic adjustment of the column totals when additional rows are inserted

SCHEDULE K

ICE (version 2.0.1c)

Contract Labor Category (1)	Contract No. 22-96-D-0111 Task: 001			Contract No. 22-96-D-0111 Task: 002			Contract No. 77-97-D-0112 Task: 001			Contract No. _____ Task: _____			Contract No. _____ Task: _____		
	Rate (2)	Hrs	Amount	Rate (2)	Hrs	Amount	Rate (2)	Hrs	Amount	Rate (2)	Hrs	Amount	Rate (2)	Hrs	Amount
LABOR															
Program Manager	\$ 25.00	100	2,500	\$25.00	50	1,250	\$22.50	100	2,250						
Senior Engineer	\$ 20.00	100	2,000	\$17.50	100	1,750	\$17.50	100	1,750						
Engineer	\$ 15.00	200	3,000	\$12.50	100	1,250	\$16.00	50	800						
Analyst	\$ 12.50	100	1,250	\$12.50	-	-	\$10.00	20	200						
Technical Typist	\$ 7.00	50	350	\$7.00	100	700	\$0.00	-	-						
TOTAL		550	9,100		350	4,950		270	5,000						
<b>OTHER COSTS</b>															
Material Costs (3)			1,000			500			750						
Travel Costs (3)			382			421			171						
G&A @:	8.60%	(4)	119			79			79						
Subtotal			1,501			1,000			1,000						
TOTAL			10,601			5,950			6,000						
Task Ceilings			25,000			12,500			7,500						

**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.



# Schedule L—Payroll Reconciliation

## Reconciliation of Total Payroll per IRS form 941 to Total Labor Costs Distribution

Fiscal Year End- 3/31/2009

NOTE: Hidden rows have been inserted that will allow for automatic adjustment of the column totals when additional rows are inserted

NOTE: Links not established for indirect costs because they have to be linked to account numbers inserted by contractor.

Description	General <u>Ledger</u>	<u>Reference</u>
<b><u>Direct Labor</u></b>	656,824	Summary SCHED H
<b><u>General &amp; Administrative:</u></b>		SCHED B
Salaries	90,007	
Holiday Wages	2,321	
Vacation Wages	5,812	
Sick Leave	987	
Personal Absence	1,082	
<b><u>Overhead Pools:</u></b>		SCHED C (x)
Wages	33,060	
Holiday Wages	20,181	
Vacation	25,440	
Sick Leave	14,318	
Severance Pay (in full)	32,419	
<b><u>Intermediate Pools:</u></b>		SCHED D (x)
Occupancy Wages	23,280	
Overtime Premium (in ODCs)	270	
Overtime Premium	-	
Other Adjustment to arrive at Total Payroll Distributed (Provide detailed support)	-	
<b>TOTAL LABOR DISTRIBUTION</b>	<b>906,001</b>	



## Schedule M—Accounting/Organization Changes, etc.

- This schedule provides information to the auditor 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)

# 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)



# Schedule O—Contract Closing Info

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

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Increased \$7B for DoD to acquire 500 UH-60 Black Hawks

**ABOUT DCAA**  
 DCAA's mission, services, and value to our and taxpayer with the Standard Plan.

**GUIDANCE**  
 Access current DCAAs, DoD, and Federal acquisition regulations and requirements for government.

**CHECKLISTS & TOOLS**  
 Prepare for a DCAA Preaward Accounting System Contract Pricing Proposal Forecast Pricing Rate

[DCAA website](#)

# EXPLORING ICE MODEL

## *ICE MANUAL.DOC*

### *Complete Instructions for Using the ICE Model*

# EXPLORING ICE MODEL


## Includes Two Excel Files :

*ICE\_Model(2.0.1c).xls - Template for Use  
in Preparing Incurred Cost Proposal*

*ICE\_Demo(2.0.1c).xls – Sample File with  
Data*



## Other Schedules Provided by ICE

- The **ICE** program provides the following additional Schedules:
  - Comparative Analysis by pool and account
  - Reconciliation of claim to corporate income tax return 
  - Contract Brief
  - Executive Compensation form
  - 
  -

## Penalties (FAR 42.709):

- Penalties will be assessed if a contractor claims an expressly unallowable indirect costs (as noted in FAR 31.2) in an incurred cost submission
- Two levels of penalties

## Common 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 not calculated for all final indirect rates (schedule H-1)

# Frequently Asked Questions:

- Do I have to use the ICE model?
  - No, contractor may use any format; However, the ICE model does provide all the schedules required per FAR 52.216-7



# Frequently Asked Questions:

- Can DCAA grant an extension for submitting my final incurred cost rate proposal?
  - No. Extensions for submitting final rate proposals can only be granted by the administrative contracting officer per FAR 42.302 and FAR 42.705-1(b)(1)(ii). To locate your responsible administrative contracting officer, please contact the Defense Contract Management Agency (DCMA).

# Frequently Asked Questions:

- When will DCAA determine adequacy of my incurred cost submission and perform the incurred cost audit?
  - Auditors should evaluate a contractor's incurred cost proposal upon receipt and immediately notify the contracting officer of significant deficiencies.
  - It is DCAA policy that indirect submissions will be audited as promptly as possible after receipt.

# Frequently Asked Questions:

- **I'm preparing my submission(s) (e.g. contract pricing proposal, forward pricing rates, incurred cost, etc.) and would like to ask the DCAA auditor some specific questions on my submission to make sure I'm on the right track. Will the DCAA auditor give me some specific advice on how to prepare my submission?**
  - Answer: A DCAA auditor can answer general questions related to the acquisition regulations. For example, if a contractor asked advice on what the FAR requires in certain situations, a DCAA auditor would be able to provide that information. Auditors may also provide general advice on what constitutes an adequate submission. However, auditors are precluded from assisting contractors in preparing and developing the contractor's submission because doing so would create a significant threat to the auditor's independence. Contractors should look under the "Guidance" and "Checklist and Tools" tabs on DCAA's website for guidance about the adequacy of their specific submission.



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DEFENSE CONTRACT AUDIT AGENCY

# Questions?

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