
CHAPTER 6

6-000 Incurred Cost Proposals

6-101 Introduction

a. This chapter covers submission of incurred cost proposals. These would include the various indirect overhead and General and Administrative (G&A) rates incurred by the contractor during its fiscal year. The incurred cost proposal encompasses both the indirect cost pool and base costs applicable to a submitted rate.

b. Because of their size and the nature of their operations, some non-profit organizations are treated similarly to commercial concerns. Consequently, these non-profit organizations operate under the FAR cost principles applicable to commercial concerns rather than OMB Circular A-122, *Cost Principles for Non-Profit Organizations*. While these non-profit organizations use the FAR as their primary regulation for administration of contracts, they also use applicable OMB Circulars as guidelines for administering federal financial assistance (grants and agreements). A listing of non-profit organizations subject to the FAR cost principles is contained in Attachment C to OMB Circular A-122. The nonprofit organizations listed in Attachment C should follow the examples in this pamphlet as well as satisfying the audit and reporting requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

6-201 Contractor Proposal

a. Contractors may have both DoD and non-DoD contracts. Audits of incurred costs applicable to non-DoD Federal agencies are performed by DCAA on a reimbursable basis and only upon request of the cognizant agency. Some agencies do not request audits from DCAA for various reasons including funding considerations and the materiality of small dollar contracts. It is the contracting agency's responsibility to audit contract costs or otherwise close the contracts. DCAA is available to assist the contractor in coordinating with other agencies.

b. The Allowable Cost And Payment clause (FAR 52.216-7) requires that the contractor submit an adequate final incurred cost proposal together with supporting data, within 6 months after the end of its fiscal year. An illustration of a Model Incurred Cost Proposal is included in section 6-801 of this pamphlet. The receipt of a proposal by the audit office starts the audit process. This proposal should include a signed "Certificate of Indirect Costs" in accordance with FAR 42.703-2. A copy of this certificate may be found at FAR 52.242-4. (See Schedule N of the model incurred cost proposal under section 6-801.) An adequate proposal should reduce the time required to perform the audit because numerous preliminary steps can be performed before the auditor arrives at the contractor location.

c. Failure to comply with the Allowable Cost and Payment clause requirement to provide a submission will result in a DCAA recommendation for the contracting officer to make a unilateral determination. The DCAA auditor will send several reminder letters to the contractor, but when the submission becomes 6 months overdue (one year after the end of the

fiscal year) and no extension has been granted, the auditor will provide the contracting officer with a unilateral recommendation. The unilateral recommendation will be based on either a decrement factor applied to indirect rates using relevant contractor historical data or an Agency-wide decrement factor based on questioned costs at high risk contractors applied to total contract costs, if no relevant historical data exists. Relevant historical data exists when **all** of the following criteria are met:

1. The prior fiscal year has been audited.
2. All contractor submissions received have been audited and settled.
3. The indirect cost pool and base data for the overdue fiscal year is readily available in the contractor's books and records.
4. There have been no significant changes in the contractor's business base between the last audited fiscal year and the overdue fiscal year.
5. There has been no significant reorganization of the contractor between the last audited fiscal year and the overdue fiscal year.
6. There have been no changes in the indirect cost rate structure between the last audited fiscal year and the overdue fiscal year.

The recommendation will apply to active contracts as well as physically complete contracts for the overdue fiscal year. FAR 42.703-2(c)(1) and FAR 42.705(c)(1) provide the contracting officer with the authority to unilaterally establish indirect cost rates or total contract costs.

6-202 Penalties for Mischarging

The manipulation of charges to a contract may be subject to criminal penalties under 18 United States Code (U.S.C.) 1001, which reads as follows:

“Whoever, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States knowingly and willfully (1) falsifies, conceals or covers up by any trick, scheme, or device a material fact; (2) makes any materially false, fictitious or fraudulent statement or representation; or (3) makes or uses any false writing or document knowing the same to contain any materially false, fictitious or fraudulent statement or entry; shall be fined under this title or imprisoned not more than five years, or both.”

Penalties may be assessed against contractors who include expressly unallowable costs, or costs previously determined to be unallowable for that contractor, in a final indirect cost rate proposal pursuant to 10 U.S.C. 2324 (a) through (d) and 41 U.S.C. 256 (a) through (d).

Implementing guidance for these statutes is provided in FAR 42.709 and was effective for all contracts on October 1, 1995.

6-301 Audit Evaluation

a. After receipt of an adequate proposal, the auditor will contact the contractor's representative and set up an entrance conference. If the proposal is inadequate (e.g. missing the information listed in 6-801), the auditor will notify the contractor of the deficiency. Absent a mutually agreeable arrangement, the audit will likely be delayed pending receipt of the necessary documents. The auditor may also have performed certain analyses and tests of the books and records, and internal controls, during the fiscal year the costs were actually being incurred. These tests will supplement the audit work performed after receipt of the proposal.

b. The audit will include an evaluation of both direct and indirect costs. The audit objective is to examine contractor cost representations (i.e., public vouchers, incurred cost proposal, etc.) to determine whether such costs are: reasonable, allocable to the contract(s), in accordance with generally accepted accounting principles (GAAP) and Cost Accounting Standards (CAS), and not prohibited by the contract, Government statute, or regulation (see FAR 31.201-2). During the audit, the auditor will discuss the audit findings with the contractor. The contractor is expected to provide feedback on these findings on a timely basis.

c. After completing the audit, the auditor will discuss the results of audit with the contractor and provide the contractor a copy of the draft audit report. The contractor will be given the opportunity to respond to the draft report and any contractor's comments will be included in the final report. FAR 42.705 discusses the conditions which determine whether the final indirect cost rates will be negotiated or audit determined. If the rates are auditor determined, once agreement is reached on the indirect rates, the contractor will be asked to sign an audit-furnished indirect rate agreement. If agreement with the contractor is not reached, DCAA will forward its audit report concerning the rates to the cognizant contracting officer who will then resolve the disagreement. The auditor will also issue a DCAA Form 1 to recover any reimbursement of unallowable costs that has occurred. The contractor may appeal the Form 1 disallowance to the contracting officer or file a claim under the contract "Disputes" clause (FAR 52.233-1). If rates are to be negotiated by the contracting officer (CO), the audit report and contractor comments will be forwarded to the contracting officer for action.

6-401 Contract Costs

Costs must be accumulated by contract in order to determine their allowability per Government regulations. All costs (both direct and indirect) of producing goods or providing services should be identified to a **final cost objective**. FAR 31.001 defines a final cost objective as a cost objective that has allocated to it both direct and indirect costs and, in the contractor's accumulation system, is one of the final accumulation points. Generally, a final cost objective is a contract. Accordingly, costs of a contract are comprised of direct costs and the contract's allocable share of indirect costs.

A major part of accounting for costs by contract is the classification of costs as either direct costs or indirect costs.

6-501 Direct Cost

FAR 2.101 defines direct costs as “any cost that can be identified specifically with a particular final cost objective” (i.e., cost incurred for a specific contract). FAR 31.202 also supplements this broad definition with the following:

- Costs identified specifically with a contract are direct costs of the contract and are to be charged directly to the contract.
- All costs specifically identified with other final cost objectives of the contractor are direct costs of those cost objectives.
- No final cost objectives shall have allocated to it as a direct cost any cost, if other costs incurred for the same purpose in like circumstances have been included in any indirect cost pool to be allocated to that or any other final cost objective.

Contractors should make every effort to identify all costs that are direct, and by default, what remains is indirect.

6-601 Indirect Costs

FAR 2.101 defines an indirect cost as “any cost not directly identified with a single, final cost objective, but identified with two or more final cost objectives or an intermediate cost objective. It is not subject to treatment as a direct cost.” Further, an indirect cost shall not be allocated to a final cost objective if other costs incurred for the same purpose in like circumstances have been included as a direct cost of that or any other final cost objective.

Because of their nature, indirect costs cannot be charged to final cost objectives on an individual basis. Therefore, indirect costs must be classified and grouped together into indirect cost pools, typically either an overhead cost pool or the general and administrative expense (G&A) cost pool. The pools in turn are allocated to final cost objectives using an indirect cost allocation base that best links the cost pool to the cost objectives.

6-602 Overhead Costs

Costs that are incurred for or that only benefit an identifiable unit or activity of the contractor internal organization such as an engineering or manufacturing department are considered overhead costs. It is common to find separate overhead pools for engineering, manufacturing, material handling, and for certain off-site activities. Yet, it is conceivable that a very small contractor could have only one overhead pool.

Examples of overhead pool costs are:

- Department supervision

- Depreciation of department buildings and equipment
- Training of department employees
- Fringe benefits of department employees

Overhead rates are developed by dividing the overhead pool costs by the selected allocation base, e.g., direct labor dollars or direct labor hours.

To allocate means to distribute overhead pool costs to contracts. In order to distribute overhead pool costs, the contractor must select an allocation base. There must be a relationship between the selected allocation base and the pool of costs to be allocated to contracts. For example, an engineering overhead pool would logically be allocated over total engineering direct labor dollars or engineering direct labor hours. Additional information regarding the allocation of indirect costs to contracts can be found at FAR 31.203, Indirect costs.

6-603 G&A Expenses

G&A expenses represent the cost of activities that are necessary to the overall operation of the business as a whole, but for which a direct relationship to any particular cost objective cannot be shown. G&A includes the top management functions for executive control and direction over all personnel, departments, facilities, and activities of the contractor. Typically, it includes human resources, accounting, finance, public relations, contract administration, legal, and an expense allocation from the corporate home office.

The G&A rate is developed by dividing total general and administrative expenses by the selected allocation base, e.g., total cost input (i.e., total direct and indirect costs, except G&A), value added cost input (i.e., total cost input except G&A, material and subcontract costs), or single element cost input (e.g., direct labor dollars, direct labor hours, direct materials costs).

6-701 Facilities Capital Cost of Money (FAR 31.205-10)

a. Facilities Capital Cost of Money (cost of capital committed to facilities) is an imputed cost determined by applying a cost of money rate to facilities capital employed in contract performance. It is allowable whether or not the contract is otherwise subject to cost accounting standards (reference 48 CFR Chapter 99) if:

- (1) the contractor's capital investment is measured, allocated to contracts, and costed in accordance with CAS 414;
- (2) the contractor maintains adequate records to demonstrate compliance with this standard;
- (3) the estimated facilities capital cost of money was specifically identified or proposed in cost proposals relating to the contract under which this cost is to be claimed; and

(4) the requirements of FAR 31.205-52, which limit the allowability of facilities capital cost of money, are observed.

b. The facilities capital cost of money need not be entered on the contractor's books of account. However, the contractor shall make a memorandum entry of the cost and maintain, in a manner that permits audit and verification, all relevant schedules, cost data, and other data necessary to fully support the memorandum entry. An example of a facilities capital cost of money submission can be found in Section 6-801 (Schedule F).

c. There is no requirement for a contractor to propose facilities capital cost of money in pricing and performing a contract. If it chooses not to propose this cost during contract pricing then the contractor waives any right to claim it during contract performance. (See FAR 15.408(I) and FAR 52.215-17 for more information.)

6-801 Model Incurred Cost Proposal

a. This section of the pamphlet presents DCAA's Model Incurred Cost Proposal (Figure 6-8-1) to assist a contractor in meeting its requirement for submitting final indirect cost rate proposals. The model includes example schedules on the following pages. These example schedules present the information needed to begin an audit. If a contractor generates internal formal reports that identify the needed information, these internal reports can be submitted in lieu of the example schedules. However, the basic data contained in the schedules is required to complete the audit in a timely manner. The use of internal reports as a substitute for the example schedule formats shown should first be discussed with the contractor's cognizant DCAA field audit office.

b. Note that depending upon the size of the firm, complexity of the accounting system, and type of business, some of the information contained in the schedules may not be necessary to perform the audit. Specific requirements should be coordinated with the cognizant DCAA field audit office.

c. This model incurred cost proposal illustrates only a final overhead and G&A rate. Some operations may have additional rates, such as: fringe benefits rate, engineering overhead rate, manufacturing overhead rate, off-site rate, etc. A separate schedule should be prepared for each final or intermediate indirect expense pool. If expenses are available by department (e.g., President's Office, Marketing Department for G&A; Fabrication, Assembly/Test for overhead), a breakout by expense for each department should also be provided.

d. DCAA prefers that contractors include an index similar to that used in the model incurred cost proposal for each year submitted. If certain schedules are not applicable, the contractor should so note on the index.

e. In addition to the data presented in the schedules, there is additional information that the auditor typically needs to facilitate timely completion of the audit in accordance with generally accepted government auditing standards. A list of this information is presented on the page entitled "Supplemental Model Incurred Cost Proposal Information." Having this

information available at or prior to the entrance conference will make the audit process as fast and efficient as possible.

f. The company name and fiscal period should be included on all schedules submitted.

g. Contractors are encouraged to submit their proposals in electronic format. The Incurred Cost Electronically (ICE) Model, available from the DCAA web site (<http://www.dcaa.mil>, under DCAA Publications), is the electronic version of the Model Incurred Cost Proposal. It provides contractors with a standard user-friendly ICE submission package that will assist them in preparing adequate incurred cost submissions in accordance with FAR 52.216-7. Downloading and execution instructions are provided on the web site. The ICE Model is updated periodically, so contractors electing to use it should check the web site periodically for changes. While the ICE model is intended to aid the contractor in providing an adequate submission, its use does not guarantee that the submission will be judged adequate. Contractors should discuss the ICE model and its requirements with their local DCAA Office before preparing the proposal.

Figure 6-8-1 Model Incurred Cost Proposal

**MODEL INCURRED COST PROPOSAL
FISCAL YEAR ENDED 3/31/2000**

Schedule A	Summary of Claimed Indirect Expense Rates
Schedule B	General and Administrative (G&A) Expenses (Final Indirect Cost Pool)
Schedule C	Overhead Expenses (Final Indirect Cost Pool)
Schedule D	Occupancy Expenses (Intermediate Indirect Cost Pool)
Schedule E	Claimed Allocation Bases
Schedule F	Facilities Capital Cost of Money Factors Computation
Schedule G	Reconciliation of Books of Account and Claimed Direct Costs
Schedule H	Schedule of Direct Costs by Contract/Subcontract and Indirect Expense Applied At Claimed Rates
Schedule H-1	Government Participation Percentages
Schedule I	Schedule of Cumulative Direct and Indirect Costs Claimed and Billed
Schedule J	Subcontract Information
Schedule K	Summary of Hours and Amounts on T&M/Labor Hour Contracts
Schedule L	Reconciliation of Total Payroll to Total Labor Distribution
Schedule M	Listing of Decisions/Agreements/Approvals and Description of Accounting/Organizational Changes
Schedule N	Certificate of Final Indirect Costs
Schedule O	Contract Closing Information for Contracts Completed in this Fiscal Year

SUPPLEMENTAL MODEL INCURRED COST PROPOSAL INFORMATION

1.	Comparative analysis of indirect expense pools detailed by account with prior fiscal year and budgetary data.
2.	General Organization and Executive compensation information for top five executives (see attached form)
3.	List of ACOs and PCOs for each flexibly priced contract
4.	Identification of and information on prime contracts under which the contractor performs flexibly priced effort as a subcontractor
5.	List of work sites and the number of employees assigned to each site (identify the number of Direct and Indirect employees)
6.	Description of accounting system
7.	Procedures for identifying and handling unallowable costs
8.	Certified financial statements or other financial data (e.g., trial balance, compilation, review, etc.)
9.	Management letter from outside CPAs concerning any internal control weaknesses
10.	Actions that have been and/or will be implemented to correct the weaknesses described in number 9 above
11.	List of internal audit reports issued in this fiscal year
12.	Annual internal audit plan of scheduled audits to be performed in this fiscal year
13.	Federal and state income tax returns
14.	Securities and Exchange Commission 10-K Annual Report
15.	Minutes from Board of Directors meetings
16.	Listing of Delay and Disruptions and Termination Claims Submitted Which Contain Costs Relating to the Subject Fiscal Year.
17.	Contract Briefings -- Contract briefings generally include a synopsis of all pertinent contract provisions, such as: contract type, contract amount, product or service(s) to be provided, applicable Cost Principles, contract performance period, rate ceilings, advance approval requirements, precontract cost allowability limitations, and billing limitations. A typical format for the briefings is shown at the end of this model. A contractor need not use the example form if the information is already generated and available within its automated accounting or billing systems.

XYZ CORPORATION
ANYWHERE, USA

SCHEDULE A

SUMMARY OF CLAIMED INDIRECT EXPENSE RATES
FISCAL YEAR ENDED 3/31/2000

Description	Amount	Reference
<u>General and Administrative:</u>		
Pool	<u>\$271,022</u>	Schedule B
Base	<u>\$3,151,320</u>	Schedule E
Claimed G&A Rate	<u>8.60%</u>	
<u>Overhead:</u>		
Pool	<u>\$510,610</u>	Schedule C
Base	<u>\$656,824</u>	Schedule E
Claimed O/H Rate	<u>77.74%</u>	
<u>Occupancy Expense (Intermediate):</u>		
Pool	<u>\$178,083</u>	Schedule D
Base (Square Footage)	<u>18,492</u>	Schedule D
Claimed Rate (per Sq.Ft.)	<u>\$9.63</u>	

XYZ CORPORATION ANYWHERE, USA							SCHEDULE B	
GENERAL AND ADMINISTRATIVE (G & A) EXPENSES FISCAL YEAR ENDED 3/31/2000								
ACCT NO.	ACCOUNTS	DEPT. A MARKETING	DEPT B CONTROLLER	DEPT. C PRESIDENT	EXPENSES PER G/L	ADJUST- MENTS	CLAIMED COSTS	NOTES
600101	Salaries and Wages	\$25,202	\$30,602	\$34,203	\$90,007	\$-	\$90,007	[1]
600102	Legal Fees		1,744		1,744		1,744	
600103	Audit Fees		32,361		32,361		32,361	
600104	Travel	3,636	2,082	7,269	12,987	(1,295)	11,692	[2]
600105	Entertainment	300		184	484	(484)	-	[3]
600106	Advertising/ Promotion	354			354	(287)	67	[4]
600107	Bad Debts		3,018		3,018	(3,018)	-	[5]
600108	Periodicals	2,882	1,678	1,875	6,435		6,435	
600109	Conventions/ Seminars	4,920		3,016	7,936	(319)	7,617	[4]
600110	Interest Expense		1,001		1,001	(1,001)	-	[6]
600111	Holiday	650	789	882	2,321		2,321	
600112	Vacation	1,627	1,976	2,209	5,812		5,812	
600113	Sick Leave	276	336	375	987		987	
600114	Personal Absence	303	368	411	1,082		1,082	
600115	Employer FICA	1,068	1,297	1,450	3,815		3,815	
600116	FUI	51	62	70	183		183	
600117	SUI	255	309	346	910		910	
600118	Workers' Compensation	144	175	196	515		515	
600119	Health Insurance	2,495	3,030	3,387	8,912		8,912	
600120	Life Insurance	304	370	413	1,087		1,087	
600121	Pension Plan	3,449	4,188	4,681	12,318	(1,883)	10,435	[7]
600122	Miscellaneous	940	1,488	929	3,357		3,357	
	Subtotal	\$48,856	\$86,874	\$61,896	\$197,626	\$(8,287)	\$189,339	
	Occupancy Allocation	5,093	6,269	11,789	23,151		23,151	Sched . D
	Subtotal	\$53,949	\$93,143	\$73,685	\$220,777	\$(8,287)	\$212,490	
	IR&D/B&P							
	IR&D Mat'l, Travel, ODCs				\$9,724		\$9,724	
	IR&D Labor				14,287		14,287	
	IR&D Overhead @82.75%				11,822	(716)	11,106	[8]
	B&P Mat'l, Travel, ODCs				6,485		6,485	
	B&P Labor				9,525		9,525	
	B&P Overhead @82.75%				7,882	(477)	7,405	[8]
	Grand Total				\$280,502	\$(9,480)	\$271,022	

Notes Explaining Adjustments:

- [1] Executive Compensation claimed is less than limitations established per FAR 31.205-6 and DFARS 231.205-6.
- [2] Expense of President, Vice President, and wives on a personal trip not claimed.
- [3] Unallowable cost per FAR 31.205-14.
- [4] Unallowable cost per FAR 31.205.1.
- [5] Unallowable cost per FAR 31.205-3.
- [6] Unallowable cost per FAR 31.205-20.
- [7] Employer contributions to pension plan in excess of that approved and considered allowable by the ACO.
- [8] Adjustments reflect the difference between the G/L overhead rate of 82.75% and the claimed rate of 77.74%.

NOTE:

Although IR&D and B&P are technically not G&A expenses, they are normally allocated using the same cost input base as used for G&A. The term G&A used in this model includes IR&D and B&P. In the event that the base used to allocate IR&D and B&P is different than the base used to allocate G&A, a separate schedule for IR&D and B&P would be required.

XYZ CORPORATION ANYWHERE, USA								SCHEDULE C
OVERHEAD EXPENSES FISCAL YEAR ENDED 3/31/2000								
ACCT NO.	ACCOUNTS	FABRI-CATION	ASSEMBLY/TEST	MFG. ENG.	EXPENSE S PER G/L	ADJUST-MENTS	CLAIMED COSTS	NOTES
700101	Salaries and Wages	\$13,885	\$13,224	\$5,951	\$33,060		\$33,060	
700123	Postage & Handling	2,619	2,494	1,122	6,235		6,235	
700124	Office Supplies	2,714	2,584	1,163	6,461		6,461	
700125	Small Equipment	369	351	158	878		878	
700126	Temp. Help	763	726	327	1,816		1,816	
700127	Other Outside Services	12,718	12,112	5,451	30,281		30,281	
700128	Relocation	511	486	219	1,216	(777)	439	[1]
700129	Business Meals	1,135	1,081	486	2,702		2,702	
700130	Telephone	19,132	18,221	8,199	45,552		45,552	
700131	Telecopier	1,022	974	438	2,434		2,434	
700132	Equipment Rental	11,403	10,860	4,887	27,150		27,150	
700133	Recruitment	120	114	51	285		285	
700134	Dues/Memberships	587	545	980	2,112	(500)	1,612	[2]
700135	Insurance	310	295	133	738		738	
700136	Depreciation/Amortization	1,186	1,130	508	2,824		2,824	
700137	Repairs & Maintenance	706	672	303	1,681		1,681	
700111	Holiday	8,476	8,072	3,633	20,181		20,181	
700112	Vacation	10,685	10,176	4,579	25,440		25,440	
700113	Sick Leave	6,014	5,727	2,577	14,318		14,318	
700138	Severance Pay	13,616	12,968	5,835	32,419	(23,023)	9,396	[3]
700115	Employer FICA	9,917	9,445	4,250	23,612		23,612	
700116	FUI	508	484	218	1,210		1,210	
700117	SUI	2,441	2,325	1,046	5,812		5,812	
700118	Workmen's Compensation	1,391	1,324	596	3,311		3,311	
700119	Health Insurance	13,061	12,439	5,597	31,097		31,097	
700120	Life Insurance	2,870	2,733	1,230	6,833		6,833	
700121	Pension Plan	24,494	23,328	10,498	58,320	(8,612)	49,708	[4]
700122	Miscellaneous	<u>257</u>	<u>245</u>	<u>110</u>	<u>612</u>		<u>612</u>	
	Subtotal	\$162,910	\$155,135	\$70,545	\$388,590	\$(32,912)	\$355,678	
	Occupancy Allocation	<u>80,565</u>	<u>46,426</u>	<u>27,941</u>	<u>154,932</u>		<u>154,932</u>	Sched. D
	Grand Total	<u>\$243,475</u>	<u>\$201,561</u>	<u>\$98,486</u>	<u>\$543,522</u>	<u>\$(32,912)</u>	<u>\$510,610</u>	

Notes Explaining Adjustments:

[1] Moving expenses in excess of those allowed by FAR 31.205-35.

[2] Membership fees and tennis dues for one individual-not allowable per FAR 31.205-14.

[3] Severance pay in excess of allowable costs per FAR 31.205-6.

[4] Employer contributions to pension plan in excess of that approved and considered allowable by the ACO.

XYZ CORPORATION ANYWHERE, USA				SCHEDULE D
OCCUPANCY EXPENSES (NOTE 1) FISCAL YEAR ENDED 3/31/2000				
ACCT NO.	ACCOUNTS	EXPENSES PER G/L	ADJUSTMENTS	CLAIMED COSTS
800101	Salaries & Wages	\$23,280	\$ -	\$23,280
800139	Real Estate Rent	122,959		122,959
800135	Insurance	2,946		2,946
800140	Property Taxes	1,761		1,761
800141	Permit & Licenses	39		39
800136	Depreciation/Amortization	25,417		25,417
800137	Repairs & Maintenance	<u>1,681</u>	<u> </u>	<u>1,681</u>
	GRAND TOTAL	<u>\$178,083</u>	<u>\$ -</u>	<u>\$178,083</u>

ALLOCATION OF EXPENSES BASED ON SQUARE FEET UTILIZED (NOTE 2)			
	Sq. Footage	% of Total	Expense Allocation
<u>G&A Departments:</u>			
Marketing	528	2.86	\$5,093
Controller	651	3.52	6,269
President's Office	1,225	6.62	11,789
<u>Manufacturing Departments:</u>			
Fabrication	8,365	45.24	80,565
Assembly/Test	4,821	26.07	46,426
Manufacturing Engineering	<u>2,902</u>	<u>15.69</u>	<u>27,941</u>
TOTAL	<u>18,492</u>	<u>100.00%</u>	<u>\$178,083</u>

Explanatory Notes:

- [1] This example would be applicable to any intermediate pool which is allocated to other final pools.
- [2] It may be necessary to modify the square feet allocation base if the resulting allocation is not equitable. For example, the cost per square foot for executive offices or clean rooms may be greater than for warehouse space.

XYZ CORPORATION ANYWHERE, USA			SCHEDULE E	
CLAIMED ALLOCATION BASES FISCAL YEAR ENDED 3/31/2000				
DESCRIPTION	GENERAL LEDGER	ADJUSTMENTS	CLAIMED COSTS	NOTES
Overhead Base:				Sched. H
Contract Labor	\$633,012	\$ -	\$633,012	
IR&D Labor	14,287		14,287	[1]
B&P Labor	9,525	—	9,525	[1]
Total Labor	<u>\$656,824</u>	<u>\$ -</u>	<u>\$656,824</u>	
Overhead Base: * Straight time direct labor dollars of all contracts and projects including labor costs of IR&D/B&P projects.				
*NOTE: Describe in detail the cost elements in the allocation bases that are used to distribute indirect costs.				
G&A Base:				
Contract direct costs				Sched. H
Labor			\$633,012	
Travel			34,563	
Material			842,981	
Other Direct Costs			172,105	
Subcontracts			<u>944,841</u>	
Total Direct Costs			\$2,627,502	
Overhead			\$543,522	Sched. C, [2]
Less: IR&D/B&P transferred to G&A:				
IR&D Overhead @ G/L Rate of 82.75%			(11,822)	Sched. B, [3]
B&P Overhead @ G/L Rate of 82.75%			<u>(7,822)</u>	Sched. B, [3]
Total Cost Input			<u>\$3,151,320</u>	[4]
G&A Base: * Total cost input (excludes IR&D, B&P, and Cost of Money).				
*NOTE: Describe in detail the cost elements in the allocation bases that are used to distribute indirect costs.				

Explanatory Notes:

- [1] The IR&D and B&P labor is included in the overhead base in order to allocate a proportionate share of overhead to the labor as required by FAR 31.205-18.
- [2] The claimed G&A base must include both the Schedule C claimed overhead (\$510,610) plus overhead costs incurred but not claimed (\$32,912).
- [3] Overhead on the IR&D/B&P labor at the General Ledger rate of 82.75% is added to the G&A pool (Schedule B) and deducted from the G&A base.
- [4] In summary, the total cost input base consists of contract direct costs plus overhead (claimed and unclaimed) less overhead on IR&D/B&P transferred to the G&A pool. The base does not include IR&D/B&P direct labor or other IR&D/B&P direct costs which are usually recovered through the G&A pool.

XYZ CORPORATION
ANYWHERE, USA

FACILITIES CAPITAL
COST OF MONEY FACTORS COMPUTATION
FISCAL YEAR ENDED 3/31/2000

SCHEDULE F

Period	Rate *	Months	COM
Apr-June 99	5.00	3/12	1.25
Jul - Dec 99	6.50	6/12	3.25
Jan-Mar 00	6.75	3/12	1.687
			6.187

CONTRACTOR: XYZ CORPORATION			ADDRESS: ANYWHERE, USA						
BUSINESS UNIT:									
COST ACCOUNTING PERIOD:			1. APPLICABLE COST OF MONEY RATE 6.563%	2. ACCUMULATION & DIRECT DISTRIBUTION OF NVB	3. ALLOCATION OF UNDISTRIBUTED	4. TOTAL NET BOOK VALUE	5. COST OF MONEY FOR THE COST ACCOUNTING PERIOD	6. ALLOCATION BASE FOR THE PERIOD	7. FACILITIES CAPITAL COST OF MONEY FACTORS
BUSINESS UNIT FACILITIES CAPITAL	RECORDED	\$ 69,761	BASIS OF ALLOCATION	COLUMNS [2] + [3]	COLUMNS [1] X [4]	IN UNITS OF MEASURE (Note 1)	COLUMNS [5] / [6]		
	LEASED PROPERTY	162,290							
	CORPORATE OR GROUP								
	TOTAL	\$ 232,051							
	UNDISTRIBUTED	193,290							
	DISTRIBUTED	38,761							
OVERHEAD POOLS	Overhead	30,345	167,958	198,303	12,269	656,824	0.01868		
	Less:COM on IR&D/B&P Labor			-	(445)	23,812	0.01868		
				-	-	-	-		
				-	-	-	-		
				-	-	-	-		
				-	-	-	-		
G&A EXPENSE POOLS	G&A	8,416	25,332	33,748	2,088	-	-		
	Add:COM on IR&D/B&P Labor			-	445	-	-		
				-	2,533	3,151,320	0.00080		
				-	-	-	-		
TOTAL			38,761	193,290	232,051	14,357			

(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, IR&D, B&P, and Cost of Money).

*NOTE: The interest rates to be used are those determined by the Secretary of the Treasury under Public Law 92-41, 85 Statute 97. This rate is published semiannually in the Federal Register. Your proposal should use the applicable actual Treasury Rates in effect during your fiscal year.

XYZ CORPORATION ANYWHERE USA			SCHEDULE G	
RECONCILIATION OF BOOKS OF ACCOUNT AND CLAIMED DIRECT COSTS FISCAL YEAR 3/31/2000				
DESCRIPTION	AMOUNTS PER G/L	ADJUSTMENTS	AMOUNT CLAIMED	NOTES
*Direct Costs:				
Direct Labor	\$656,824	\$ -	\$656,824	
Travel	35,173	(1,687)	33,486	[1]
Material	843,192		843,192	
Other Direct Costs	187,493	(3,183)	184,310	[2]
Subcontracts	<u>944,841</u>	—	<u>944,841</u>	
Total Direct Costs	<u>\$2,667,523</u>	<u>\$(4,870)</u>	<u>\$2,662,653</u>	
	(Sched. H)			
*Includes IR&D/B&P direct costs.				

Notes Explaining Adjustments:

[1] Travel – Costs of first class airfare in excess of coach on contract N00039-96-C-0873 that are unallowable per FAR 31.205-46.

[2] Other Direct Costs – Overtime premium not allowable by terms of contract N00039-96-C-0873.

XYZ CORPORATION
ANYWHERE, USA

SCHEDULE OF DIRECT COSTS BY CONTRACT/SUBCONTRACT
AND INDIRECT EXPENSE APPLIED AT CLAIMED RATES
FISCAL YEAR ENDED 3/31/2000

SCHEDULE H

JOB ORDER NO.	CONTRACT NO.	DIRECT LABOR	TRAVEL	MAT'L	ODCs	SUB- CONTRACTS	TOTAL DIRECT COSTS	(NOTE 4) O/H @ 77.74%	DIRECT COSTS PLUS O/H	(NOTE 4) G&A @ 8.60%	TOTAL COSTS	COST OF MONEY			GRAND TOTAL	
												O/H @ 0.01868	G&A @ 0.0008	TOTAL COM		
Cost Type (Note 3):																
1201	N00039-96-C-0873															
	Claimed	\$ 122,113	\$ 5,231	\$ 115,068	\$ 43,630	\$ 87,912	\$ 373,954	\$ 94,931	\$ 468,885	\$ 40,324	\$ 509,209	\$ 2,281	\$ 375	\$ 2,656	\$ 511,865	
	Not Claimed (Note 1)		1,687		3,183		4,870	-	4,870	419	5,289	0	4	4	5,293	
1203	N00040-94-C-0874	16,387	836	312	1,212	15,341	34,088	12,739	46,827	4,027	50,854	306	37	343	51,197	
1204	Subcontract-Clark Inc.	8,973	87	9,687	632	7,888	27,267	6,976	34,243	2,945	37,188	(Note 2)	(Note 2)	(Note 2)	37,188	
	Total Cost Type	\$ 147,473	\$ 7,841	\$ 125,067	\$ 48,657	\$ 111,141	\$ 440,179	\$ 114,646	\$ 554,825	\$ 47,715	\$ 602,540	\$ 2,587	\$ 416	\$ 3,003	\$ 605,543	
Other Flexibly Priced (Note 3):																
1205	N00060-95-C-0913	210,312	8,932	38,643	59,613	89,732	407,232	163,497	570,729	49,083	619,812	3,929	457	4,386	624,198	
	Time & Materials															
1301	N00022-96-D-0111				-	-	-	-	-	-	-	-	-	-	-	-
	Task Order No. 1	5,300	382	1,000			6,682	4,119	10,801	942	11,743	99	8	107	11,850	
	Task Order No. 2	2,882	421	500			3,803	2,240	6,043	512	6,555	54	5	59	6,614	
1305	F66777-97-D-0112						-	-	-	-	-	-	-	-	-	-
	Task Order No.1	2,911	171	750			3,832	2,265	6,097	519	6,616	54	5	59	6,675	
Various	Firm Fixed Price	99,819	5,338	16,724	12,914	147,318	282,113	77,599	359,712	30,935	390,647	1,865	288	2,153	392,800	
Various	Commercial Work	164,315	11,478	660,297	50,921	596,650	1,483,661	127,738	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	\$ 492,104	\$ 3,119,606	\$ 268,286	\$ 3,387,892	\$ 8,588	\$ 1,179	\$ 9,767	\$ 3,397,659	
	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 COSTS		\$ 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	\$ 510,616								
(Sched H-1)							(Sched. A w/ rounding)									

Explanatory Notes:

- (1) Direct costs not claimed as explained in Schedule G.
- (2) Cost of money is not applicable to this subcontract by terms of the subcontract.
- (3) Cost and flexibly priced contracts should be sorted and subtotaled by Federal Agency if you perform work for both DoD and other non-DoD (civilian) agencies. Provide details in the same level used for billing costs (e.g. by delivery order, etc.). In addition, any level of effort hours required should be provided in a footnote or subsidiary schedule.
- (4) Claimed indirect expense rates are applicable to cost-type and flexibly-priced effort, as well as IR&D/B&P projects. Indirect recovery on fixed price and commercial work is not necessarily limited to the claimed rates.

NOTE: Any indirect costs which exceed contract ceilings should be identified separately as "not claimed".

XYZ CORPORATION ANYWHERE, USA			SCHEDULE H-1	
GOVERNMENT PARTICIPATION PERCENTAGES FISCAL YEAR ENDED 3/31/2000				
	OVERHEAD		G&A	
CONTRACT TYPE	ALLOCATION BASE AMOUNT	% OF BASE	ALLOCATION BASE AMOUNT	% OF BASE
Cost Type	\$147,473	22.5	\$554,825	17.8
Flexibly Priced	210,312	32.0	570,729	18.3
Time and Material	11,093	1.7	22,941	0.7
Firm Fixed Price	99,819	15.2	359,712	11.5
Commercial	164,315	25.0	1,611,399	51.7
IR&D/B&P	<u>23,812</u>	<u>3.6</u>	_____	_____
TOTAL	<u>\$656,824</u>	<u>100.0</u>	<u>\$3,119,606</u>	<u>100.0</u>
	(Schedule H)		(Schedule H)	

NOTE: The purpose of this schedule is to present a general overview of the extent cost-type and flexibly priced contracts in the allocation bases participate in the absorption of indirect expenses of each pool.

For users of this model incurred cost proposal, the schedule should reflect the circumstances at your own operation. For example, if you use more than one overhead pool, there should be a separate calculation of Government participation for each overhead pool.

XYZ CORPORATION
ANYWHERE, USA

SCHEDULE OF CUMULATIVE DIRECT AND INDIRECT COSTS
CLAIMED AND BILLED ON COST / FLEXIBLY PRICED AND TIME AND MATERIAL CONTRACTS
FISCAL YEAR ENDED 3/31/2000

SCHEDULE I

CONTRACT NO.	Order No.	Subject to Penalty Clause (Note 2)	Prior Years Settled Total Costs (Note 3)	Unsettled Claimed		Total Cumulative Settled or Claimed	Less: Contract Limitations, Rebates & Credits (Note 5)	Net Cumulative Settled or Claimed (Note 6)	Cumulative Costs Billed			OVER (UNDER) BILLED	Physically Complete (Note 7)
				Direct and Indirect Costs Using Claimed Rates (Note 4)					PV NO.	THRU	AMOUNT		
				FYE 3/31/99	FYE 3/31/00								
<u>Cost & Flexibly Priced (Note 1):</u>													
N00039-96-C-0873		Yes	\$ -	\$ 126,821	\$ 511,865	\$ 638,686	\$ -	\$ 638,686	18	2/28/2000	\$ 640,110	\$ 1,424	
N00040-94-C-0874		Yes	382,595	2,867,500	51,197	3,301,292		3,301,292	30	3/31/2000	3,295,110	(6,182)	
Subcontract-Clark Inc.			359,626	555,311	37,188	952,125		952,125	24	1/31/2000	960,100	7,975	Yes
N00060-95-C-0913		Yes	591,362	443,916	624,198	1,659,476		1,659,476	33	3/31/2000	1,640,426	(19,050)	Yes
					(Sched. H)								
Subtotal-Cost Type						<u>\$ 6,551,579</u>		<u>\$ 6,551,579</u>			<u>\$ 6,535,746</u>	<u>\$ (15,833)</u>	
<u>Time & Material:</u>													
N00022-99-D-0111	0001		\$ -	\$ -	\$ 10,600	\$ 10,600	\$ -	10,600	6	3/31/2000	\$ 10,848	\$ 248	Yes
N00022-99-D-0111	0002		-	-	5,950	5,950	-	5,950	6	3/31/2000	5,000	(950)	
F66777-99-D-0112	0001		-	-	6,000	6,000		6,000	2	3/31/2000	5,750	(250)	
					(Sched. K)								
Subtotal-Time & Material						<u>\$ 22,550</u>		<u>\$ 22,550</u>			<u>\$ 21,598</u>	<u>\$ (952)</u>	
TOTAL						<u>\$ 6,574,129</u>		<u>\$ 6,574,129</u>			<u>\$ 6,557,344</u>	<u>\$ (16,785)</u>	

Explanatory Notes:

- (1) Cost and flexibly priced contracts should be sorted and subtotaled by Federal Agency if you perform work for both DoD and other non-DoD (civilian) agencies. Provide details in the same level used for billing costs (e.g. by delivery order, etc.).
- (2) Indicate those contracts covered by the penalty clause required by FAR 42.709.
- (3) These totals, by contract, should be computed using the negotiation or rate agreement document for the respective year.
- (4) These totals, by contract, should be the same as shown in the overhead submissions using the claimed indirect rates. Claimed amounts for Cost Type contracts should come from Schedule and claimed amounts for T&M contracts should come from Schedule K.
- (5) Contract limitations include costs that are included in the column entitled "Total Cumulative Settled or Claimed" and are either; (i) in excess of contract ceiling rates, (ii) unallowable per contract terms, (iii) outside the period of performance, (iv) in excess of contract ceiling amounts.
- (6) The cumulative amounts in this column should not exceed the contract ceiling. If amounts exceeding the ceiling are in dispute, or if you have requested that the contracting agency increase the contract ceiling, please include the amounts in the "Contract Limitations" column and provide an explanation in a footnote.
- (7) Indicate those contracts for which work effort was physically completed during the fiscal year claimed. (Complete Schedule O for these contracts.) Shortly after the final agreement on rates, you will need to submit final vouchers on these completed contracts.

XYZ CORPORATION ANYWHERE, USA						SCHEDULE J
SUBCONTRACT INFORMATION FISCAL YEAR ENDED 3/31/2000						
SUBCON-TRACT NO.	PRIME CON-TRACT NO.	SUBCONTRACTOR'S NAME AND ADDRESS	POINT OF CONTACT AND PHONE NUMBER	SUBCONTRACT VALUE	COSTS INCURRED IN FY 2000	AWARD TYPE
<u>Subcontracts Issued:</u>						
P.O. #XYZ0998R	N00039-96-C-0873	Small Company 1445 Southpark Blvd. Buffalo, NY 14206	Ms. Donna Charleston Marketing Manager (716)883-8700 X317	\$110,500.00	\$87,912.00	CPFF
P.O. #XYZ0776R	N00040-94-C-0874	Tanza Enterprises 87B Executive Park Fairfax, VA 22033	Mr. Mike Tanza President (703) 983-5640	\$895,000.00	\$15,341.00	CPFF
P.O. #XYZ1032R	Subcontract to Clark Inc. (Prime N00039-93-C-0875)	Argonautics, Inc. 555 Ocean Parkway Anaheim, CA 92803	Mr. Ted Kessel Marketing Manager (714) 998-2000 X12	\$152,500.00	\$7,888.00	CPIF
P.O. #XYZ1213R	N00060-95-C-0913	DSK Corporation 3559 Vaulting Road York, PA 17405	Ms. Jane Matthews Marketing (717)992-7800	\$236,135.00	\$49,732.00	CPFF
P.O. #XYZ0822R	N00060-95-C-0913	Aristeo Associates 546 Arroyo Drive Carlsbad, MN 87112	Mr. Vince Aristeo President (504)535-1600	\$100,000.00	\$40,000.00	CPFF
					(Schedule H)	

NOTE: Subject schedule is to provide identification of subcontracts you have awarded to companies for which you are the prime or upper-tier contractor. This information is required for all cost type, flexibly priced, T&M, and labor hour subcontract awards/agreements and may include significant intracompany work orders if they are subject to the requirements of the Allowable Cost and Payment clause (52.216-7).

XYZ CORPORATION ANYWHERE, USA							SCHEDULE K		
SUMMARY OF HOURS AND AMOUNTS ON TIME AND MATERIAL/LABOR HOUR CONTRACTS FISCAL YEAR ENDED 3/31/2000									
	CONTRACT #N00022-96-D-0111						CONTRACT #F66777-97-D-0112		
CONTRACT LABOR CATEGORY (NOTE 1)	TASK 01			TASK 02			TASK 01		
	RATE (2)	HOURS	AMOUNT	RATE (2)	HOURS	AMOUNT	RATE (2)	HOURS	AMOUNT
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	<u>50</u>	<u>350</u>	7.00	<u>100</u>	<u>700</u>		—	—
TOTAL		<u>550</u>	<u>\$9,100</u>		<u>350</u>	<u>\$4,950</u>		<u>270</u>	<u>\$5,000</u>
Material Costs (Note 3)			\$1,000			\$500			\$750
Travel (Note 3)			382			421			171
G&A @ 8.6% (Note 4)			<u>118</u>			<u>79</u>			<u>79</u>
TOTAL			<u>\$10,600</u>			<u>\$5,950</u>			<u>\$6,000</u>
TASK CEILING			\$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 and Travel Costs.

XYZ CORPORATION ANYWHERE, USA		SCHEDULE L
RECONCILIATION OF TOTAL PAYROLL TO TOTAL LABOR DISTRIBUTION FISCAL YEAR ENDED 3/31/2000		
DESCRIPTION	EXPENSES PER G/L	
Direct Labor	\$656,824	Schedule H
<u>General and Administrative:</u>		
Wages	90,007	Schedule B
Holiday Wages	2,321	Schedule B
Vacation Wages	5,812	Schedule B
Sick Leave	987	Schedule B
Personal Absence	1,082	Schedule B
<u>Overhead:</u>		
Wages	33,060	Schedule C
Holiday Wages	20,181	Schedule C
Vacation	25,440	Schedule C
Sick Leave	14,318	Schedule C
Severance Pay (in full)	32,419	Schedule C
Occupancy Wages	23,280	Schedule D
Overtime Premium (included in ODCs)	<u>270</u>	
TOTAL LABOR DISTRIBUTION	<u>\$906,001</u>	
	PER IRS FROM 941	
1 st Quarter	\$228,479	
2 nd Quarter	228,236	
3 rd Quarter	237,206	
4 th Quarter	220,167	
Plus: Current Year Accrual	15,128	Journal Entry #62
Less: Prior Year's Accrual	(33,214)	Journal Entry #62
Other Adjustments	<u>9,999</u>	*
TOTAL PAYROLL	<u>\$906,001</u>	
*Reference the source for any items used in this reconciliation.		

XYZ
CORPORATION
ANYWHERE, USA

SCHEDULE M

LISTING OF DECISIONS, AGREEMENTS OR APPROVALS AFFECTING
DIRECT/INDIRECT COST AND DESCRIPTION OF ACCOUNTING OR
ORGANIZATIONAL CHANGES
FISCAL YEAR ENDED 3/31/2000

A. Decisions/Agreements or Approvals

1. Pension Plan. (Schedules B&C) reference ACO memorandum of negotiations (1999 Overhead) of August 10, 1999 which sets forth pension plan rates, vacation approvals, and certain other matters.
2. Billing Rates. ACO letter of March 3, 1999 setting forth approved billing rates for FY 2000.
3. Salary Approval. See ACO letter of June 19, 1999 approving salaries to top management.
4. Ceiling Rates. Contract N00039-96-C-0873 provides for a ceiling on overhead and G&A rates of 80% and 10%, respectively. Our claimed rates for FY 2000 are less than the ceiling rates.

B. Accounting or Organization Changes.

1. During the period of January 1999, a redirection of contract N00060-95-C-0913 occurred. The PCO directed us to stretch this program into the future. This action necessitated a significant reduction in our staff. From a total of 25 full-time employees on January 1, 1999, the staff was reduced to a total of 13 full-time employees by May 30, 1999.
2. Effective April 1, 1999, we deleted our secondary overhead pool for fringe benefit expenses. We elected to charge the fringe benefits expenses directly to the benefiting overhead pool. This change was made so that we could be more precise in our fringe costs related to the wages and salaries of each pool. All fringe costs of direct personnel are charged to the overhead expense – Schedule C. We have made a study for the year under audit which reflects that there is no adverse cost impact on Government contracts. That study is available for your review.
3. Other than 1 and 2 above, we have no other major accounting or organizational changes during the period. However, we are currently considering adding a material handling pool effective April 1, 2000. Our material and subcontract effort has increased significantly during the last year and we feel that a pool of this nature is appropriate. DCAA will be kept advised of our status and we will discuss this matter with you during the audit of this claim.

XYZ CORPORATION
ANYWHERE, USA

SCHEDULE N

CERTIFICATE OF FINAL INDIRECT COSTS
FISCAL YEAR ENDED 3/31/2000

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 this 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:_____

NOTE: The Certificate of Final Indirect Costs is contained in FAR 52.242-4.

XYZ CORPORATION
ANYWHERE,
USA

SCHEDULE O

SCHEDULE OF CONTRACT CLOSING INFORMATION FOR THOSE CONTRACTS
FOR WHICH WORK EFFORT WAS COMPLETED
DURING FISCAL YEAR ENDED 3/31/2000

CON-TRACT NO.	Order No.	Performance Period		Ready To Close (1)	Contract Ceiling Amount (2)	Contract Fee (3)	Level of Effort Cumulative Hours		Notes
		From	To				Required	Actual	
Cost Type:									
Subcontract -Clark Inc.		2/16/93	2/28/00	Yes	\$1,000,000	\$60,000	15,000	14,558	
N00060-95-C-0913		10/16/94	12/28/99	Yes	\$1,750,000	\$112,000	27,500	28,950	
Time & Material:									
N00022-96-D-0111	0001	7/1/96	12/31/99	Yes	\$25,000				

Explanatory 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, waiting for subcontract final billing), 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.

GENERAL ORGANIZATION AND EXECUTIVE COMPENSATION INFORMATION
DCAA

FAO:				CONTRACTOR:								
				CFYE:								
				PRIVATE or PUBLIC (circle one)								
NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (NAICS) CODES				CONTRACTOR DATA:			%	%				
	CODE	DESCRIPTION		YEAR	SALES	ADV	GOVT	NIAT*	#			
PRIMARY				19								
SECONDARY				20								
SECONDARY				20								
EXECUTIVE DATA												
CFY	EXEC POSITION	DIRECT CHARGES	OWNER-SHIP %	BASE SALARY	BONUS	PENSION	HEALTH/LIFE INS.	AUTO	DEFERRED COMP.	LTI/OTHER **	VOL. DELS.	CLAIMED COMP.
19	1											
	2											
	3											
	4											
	5											
20	1											
	2											
	3											
	4											
	5											
20	1											
	2											
	3											
	4											
	5											
* NIAT (Net Income After Taxes) ** LTI (Long Term Insurance or Key Man Life Insurance)												

Contract Brief

A. General Information

1. Contractor Name:		_____	
2. Contract Number	_____	Date of Award:	_____
Contractor Job No.	_____	FY Funds:	_____
3. Briefed through Mod.No.	_____	Dated:	_____
4. Contract Type	CPFF ☐	CPIF ☐	CPAF ☐
	CS ☐	CR ☐	
	T&M ☐	FPI ☐	FFP ☐
	IDIQ ☐	Other (Specify)	_____
5. Estimated Cost	\$ _____	Estimated Fee	\$ _____
		Total Price	\$ _____
6. Period of Performance	_____	to	_____
7. Is this a Subcontract?	Yes (Go to Item 8) ☐		No (Go to Item 9) ☐
8. Prime Contractor	_____		
Prime Contract No.	_____	Contract Type	_____
Address	_____		

Point of Contact	_____	Phone	_____
Cognizant DCAA Office	_____		

Contract Brief9. Acquisition
Agency

Address:

Point of
Contact:

Phone

10. Administrative
Contract Office

Address

Point of Contact:

Phone

11. Procurement Regulations:

Check All that Apply.

FAR ☐DFARS ☐NASA ☐Other ☐

(Specify) _____

12. Cost Accounting Standards
(CAS)

Identify the CAS clauses contained in the contract.

FAR 52.230-1 ☐FAR 52.230-2 ☐FAR 52.230-3 ☐FAR 52.230-4 ☐FAR 52.230-5 ☐FAR 52.230-6 ☐13. Truth In Negotiation Act
(TINA)

Identify the TINA clauses contained in the contract.

FAR 52.215-22 (FAR 52.215-10, effective 10/10/97) ☐FAR 52.215-23 (FAR 52.215-11, effective 10/10/97) ☐FAR 52.215-24 (FAR 52.215-12, effective 10/10/97) ☐FAR 52.215-25 (FAR 52.215-13, effective 10/10/97) ☐

14. Brief Statement of Scope of Work:

Contract Brief**B. Contract Clauses and Special Provisions**

15. Identify the contract clauses incorporated by reference.

16. If this is a Time and Material (T&M) or fixed unit price contract, attach the schedule of negotiated rates.

17. If this is a cost sharing contract, identify the terms of the cost sharing arrangement.

- | | <u>Yes</u> | <u>No</u> |
|--|--------------------------|--------------------------|
| 18. Does the contract contain a level of effort clause?
If yes, identify the limitations specified in the contract. | ☐ | ☐ |

- | | | |
|---|--------------------------|--------------------------|
| 19. Does the contract contain ceilings on the indirect rates?
If yes, identify the ceiling rates (attach relevant portions of the contract). | ☐ | ☐ |
|---|--------------------------|--------------------------|

- | | | |
|--|--------------------------|--------------------------|
| 20. Is Facilities Capital Cost of Money (FCCM) allowable on this contract?
(FAR 52.215-30) (FAR 52.215-16 effective 10/10/97) | ☐ | ☐ |
|--|--------------------------|--------------------------|

- | | | |
|--|--------------------------|--------------------------|
| 21. Does the contract contain the FAR Penalty Clause (52.242-3)? | ☐ | ☐ |
|--|--------------------------|--------------------------|

- | | | |
|---|--------------------------|--------------------------|
| 22. Does the contract contain precontract or cost allowability restrictions?
If yes, identify the relevant portions of the contract. | ☐ | ☐ |
|---|--------------------------|--------------------------|

- | | | |
|--|--------------------------|--------------------------|
| 23. Does the contract contain restrictions on overtime (FAR 52.222-2)? | ☐ | ☐ |
|--|--------------------------|--------------------------|

- | | | |
|--|--------------------------|--------------------------|
| 24. Does the contract contain restrictions or special requirements for subcontracts? If yes, identify the relevant portions of the contract. | ☐ | ☐ |
|--|--------------------------|--------------------------|

25. Identify any costs made specifically unallowable by the terms of the contract.

26. Identify any profit or fee provisions in the contract.

27. Identify other special provisions/limitations specified in the contract. _____

Contract Number: _____

[illegible]