

## DCAA EVALUATION CHECKLIST

<i>MARK "X" IN THE APPROPRIATE COLUMN</i>	YES	NO	NOT APPLI-CABLE
<b>1. IS THE ACCOUNTING SYSTEM IN ACCORD WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES APPLICABLE IN THE CIRCUMSTANCES?</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>2. ACCOUNTING SYSTEM PROVIDES FOR:</b>			
a. Proper segregation of direct costs from indirect costs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Identification and accumulation of direct costs by contract.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. A logical and consistent method for the allocation of indirects costs to intermediate and final cost objectives (A contract is final cost objective.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Accumulation of costs under general ledger control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. A timekeeping system that identifies employees' labor by intermediate or final cost objectives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. A labor distribution system that charges direct and indirect labor to the appropriate cost objectives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Interim (at least monthly) determination of costs charged to a contract through routine posting of books of account.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. Exclusion from costs charged to government contracts of amounts which are not allowable in terms of FAR 31, Contract Cost Principles and Procedures, or other contract provisions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i. Identification of costs by contract line item and by units (as if each unit or line item were a separate contract) if required by the proposed contract.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
j. Segregation of preproduction costs from productions costs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>3. ACCOUNTING SYSTEM PROVIDES FINANCIAL INFORMATION:</b>			
a. Required by contract clauses concerning limitation of cost (FAR 52.232-20 and 21) or limitation on payments (FAR 52.216-16).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Identification and accumulation of direct costs by contract.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>4. IS THE 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?</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>5. IS THE ACCOUNTING SYSTEM IN FULL OPERATION?</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Ready to evaluate your accounting system?**

Contact CPA Department to help with this DCAA checklist.

