

PART IV- REPRESENTATIONS AND INSTRUCTIONS
SECTION L- INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS OR
RESPONDENTS

Appendix L8
Offeror's Proposed Accounting System Information

1. Is the proposed accounting system in accord with generally accepted accounting principles applicable in the circumstances? Explain.
2. Does the proposed accounting system provide for:
 - a. Proper segregation of direct costs from indirect costs? Explain.
 - b. Identification and accumulation of direct costs by contract? Explain.
 - c. A logical and consistent method for the allocation of indirect costs to intermediate and final cost objectives? (A contract is a final cost objective) Explain.
 - d. Accumulation of costs under general ledger control? Explain.
 - e. A timekeeping system that identifies employees' labor by intermediate or final cost objectives? Explain.
 - f. A labor distribution system that charges direct and indirect labor to the appropriate cost objectives? Explain.
 - g. Interim (at least monthly) determination of costs charged to a contract through routine posting of books of account? Explain.
 - 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? Explain.
 - 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? Explain.
 - j. Segregation of preproduction costs from production costs? Explain.
3. Does the proposed Accounting System provide financial information:
 - a. Required by contract clauses concerning limitation of costs (FAR 52.232-20 and 21) or limitation on payments (FAR 52.216-16)? Explain.
 - b. Required to support requests for progress payments? 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? 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.