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KL CONTRACT CONSULTING LLP

Cost Accounting Standards Compliance Review

Many U.S. Government contractors (except qualified small businesses) are subject to the promulgated Cost Accounting Standards (CAS). Contractors are required to follow disclosed or established cost accounting practices consistently and to comply with individual standards.

Objective Determine whether CAS applies, and identify significant areas of actual or potential non-compliance. Determine the requirements and timing for filing the Disclosure Statement, and evaluate alternative accounting practices allowed by CAS.

Approach Evaluate information on organization structure, contract awards, sales, headcount, pricing and cost collection procedures, etc. to determine CAS and Disclosure Statement applicability.

Review accounting manuals, policies, procedures, and system support software.

Evaluate third-party audit reports on estimating and cost accounting practices.

Analyze above and discuss with appropriate personnel to identify compliance issues and to assess alternative courses of action.

Output Report on non-compliance matters, and recommend enhancement.

Benefits Select allocation methods that enhance allowable cost recovery.

Achieve consistency in estimating, collecting, and reporting costs.

Limit potential financial risks by acceptance of inappropriate CAS clauses in proposals and contracts.

Reduce exposure to price adjustments and related interest for “voluntary” cost accounting changes and non-compliance with CAS.

Effect compliance with the Disclosure Statement filing requirement.

Identify areas of potential CAS non-compliance.

Provide alternative CAS interpretations.

Reduce implementation cost of conformance with CAS while enhancing the benefits of compliance.

Avoid defective pricing allegations and potential false claims indictments related to CAS 401 non-compliance.

John L. Kreideweis, CPCM
Partner
4508 Bentley Drive
Plano, TX 75073

Tel/Fax: 972-985-5556
Cell: 214-649-3698
E-mail: jlkreideweis@klcctx.com

Tel: 972-221-2069
E-mail: jloving@klcctx.com

John T. Loving
Partner
2340 FM 407, Suite 102
Highland Village, TX 75077

Visit our web site @ www.klcctx.com