

# TOP 10 PRE AWARD ACCOUNTING SYSTEM Q&A

**Q1** Are small businesses required to have an adequate accounting system?

**A1** It depends not on the size of the business but rather the contract or subcontract type that will be awarded.

**Q2** Who is responsible for determining and monitoring adequacy of my accounting system for prime contracts?

**A2** The Contracting Officer (CO) or Administrative Contracting Officer (ACO) is responsible for determining if the contractor has an adequate accounting system.

**Q3** What is the difference between the Pre-Award and Post Award Accounting System Review?

**A3** The Pre-Award review requires the contractor to demonstrate the capability to meet the requirements outlined in the SF 1408. The Post Award review requires detailed testing of transaction.

**Q4** As a subcontractor am I required to have an adequate accounting system?

**A4** It will ultimately depend on the type of subcontract awarded. The Prime contractor should "flow down" the requirement for an accounting system if awarding a subcontract based on cost.

**Q5** Who is responsible for monitoring the adequacy of my accounting system if I am a subcontractor?

**A5** The prime contractor is responsible for managing its subcontracts, per FAR 42.202(e)(2).

**Q6** How can a contractor request DCAA review the organization's accounting system?

**A6** A Contractor cannot request that DCAA perform a service. Only a CO or ACO can make the request.

**Q7** Can I have a 3rd party review the system in lieu of DCAA or another cognizant audit agency to satisfy the requirement in a solicitation?

**A7** The federal government has not recognized third party reviews for the purpose of awarding prime contracts.

**Q8** If an RFP states an adequate accounting system as a requirement and DCAA has not yet reviewed my system, am I limited from the competition?

**A8** The government should not limit competition due to the lack of a system review. The selection committee typically triggers pre-award accounting system review on contractors that are down-selected.

**Q9** Does the contractor have access to the results of DCAA audits?

**A9** The CO will make the report available to the contractor to enable either corrective actions or future use of the adequacy determination.

**Q10** How long is the adequacy determination valid?

**A10** Typically three years or until there is a material change in the system.

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 <p>We are at the <b>forefront</b> of chosen specialties.</p>	 <p>We <b>offer</b> a complete business solution to our clients.</p>	 <p>We <b>distinguish</b> ourselves through client services.</p>
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