



United States Department of

Health & Human Services

Office of the Assistant Secretary for Preparedness and Response



INCURRED COST SUBMISSION (ICS)

AYHAN AKBEL - AUDITOR



Ayhan Akbel



- Certified Government Auditor (CGAP)
- Certified Fraud Examiner (CFE)
- Certified Internal Control Auditor (CICA)
- 25+ years of auditing and accounting experience
- Federal and State government auditor
- Worked 11 years for Federal Government contractors as Contract Compliance Specialist and Accounting Manager



AGENDA



- Due dates of submissions,
- Delinquent submissions,
- Audit Requirements,
- DCAA ICS Model
- Required ICS Schedules
- Sample Schedule A
- Questions?



Due Dates of ICS



- Incurred Costs Claims are due within the six (6) month period following the expiration of each of contractor's fiscal years
- Example: FY End: 12/31/14 and Due: 6/30/15
—FY End: 9/30/14 and Due: 3/31/15
- Per the Allowable Cost and Payment Clause (FAR Part 52.216-7(d)(2))
- Allowable Cost and Payment Clause applies to cost reimbursement type contracts (FAR 16.307)



Delinquent ICS



- If the submissions are delinquent, we will recommend a decrement factor for the CO to make a unilateral determination.
- FAR Part 42.703-2 (c)(2)
- FAR Part 42.705-1 (b)(ii)



Audit Requirements



- FAR Part 31.201-2 (d) requires contractors to maintain records and supporting documentation to demonstrate allowability and allocability of costs
- FAR Part 31.205 also requires specific documentation to demonstrate allowability of certain cost elements (Selected Costs)
- We check the ICS Schedules listed on FAR 52.216-7 (d)(2)(iii)



DCAA ICS Model



- DCAA's ICS Model is an EXCEL spreadsheet that provides contractors with a standard user-friendly electronic package to assist in preparing timely and adequate ICS.
- This should result in less time being spent in;
 - Submission preparation, and
 - Supporting the audit
- Any missing or unreconcilable schedule could cause us to report the ICS as inadequate.
 - Only complete applicable schedules



Required ICS Schedules



- Schedule A Summary of Indirect Expense Rates
- Schedule B, C, D Indirect Cost Pools
- Schedule E Claimed Allocation Bases
- Schedule F Cost of Money
- Schedule G Booked and Claimed Direct Costs
- Schedule H Direct Costs by Contract at Claimed Rates
- Schedule H-1 Government Participation by Pool
- Schedule I Cumulative Allowable Cost Worksheet
- Schedule J Subcontract Information
- Schedule K Hours and Amounts on T&M Contracts
- Schedule L Payroll Reconciliation
- Schedule M Accounting/Organization Changes
- Schedule N Certificate of Indirect Costs
- Schedule O Contract Closing Information



Sample Schedule A



Total Cost Input Base		SCHEDULE A		
XYZ Company, Inc. - Government Division				
Anywhere, USA				
Summary of Claimed Indirect Rates				
Fiscal Year Ended December 31, 2013				
COST ELEMENT	CLAIMED	REFERENCE	Cross Ref.	
G & A				
POOL	14,499,343	SCHED B		B1
BASE	79,341,357	SCHED E		E1
G&A Rate	18.27%			
FRINGE BENEFITS				
POOL	14,794,999	SCHED D		D7
BASE	50,224,000	SCHED E		E2
Fringe Rate	29.46%			
CUSTOMER SITE OH				
POOL	2,561,370	SCHED C		C1
BASE	36,118,789	SCHED E		E3
Customer Site OH Rate	7.09%			

QUESTIONS?

Please email your questions to:

- Kwame Fosu, Auditor
 - Kwame.Fosu@hhs.gov
- Mark Kim, Auditor
 - Mark.Kim@hhs.gov
- Ayhan Akbel, Auditor
 - Ayhan.Akbel@hhs.gov

