BARDA Industry Day Boston

Audits

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• Review of the Business Proposal: 3 Concerns
  – Costs, Financial Capability, Accounting system

• Direct Costs + Indirect Costs = Total Costs
  – Direct costs- Specific for the Proposal
    • Labor, Materials, Consulting, Travel, Subcontracts

• Indirect costs-Costs to maintain the company
  – Rent, utilities, insurance, admin., corp. mgmt. etc.
• Determination of Direct Costs verses Indirect Costs:
  1. Establish an accounting system
  2. Chart of accounts
  3. Develop a time-keeping system
  4. Develop written policies
• Establish an Indirect Rate
  – Pool costs and Base costs
  – One rate or multiple rates
  – Negotiation Agreement with a cognizant audit Agency
  – Rates subject to annual adjustments
  – Economies of scale
  – Budget versus Historical costing
• Allowable costs:
  – Generally Accepted Accounting Principles (GAAP)
  – Federal Acquisition Regulations Part 31 (FAR)

• Health and Human Services Acquisition Regulation (HHSAR)
  – Allowable costs
  – Reasonable costs
  – Allocable costs