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## 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