



DCAA

DEFENSE CONTRACT AUDIT AGENCY

The Importance of Contract Briefs

Objective of a Contract Brief

- Contract brief generally includes a synopsis of all pertinent contract provisions
- Contract clauses are reviewed to determine the specific requirements for each contract and the allowability, allocability, and reasonableness of costs to be billed to the government
- Proforma contract brief is included as part of ICE Model

Proforma Contract Brief

ICE Model Supplemental Schedule O



ICE SuppSch O

Why Should Contracts be Briefed?

- Can enhance Cash Flow through timely processing of billings i.e., billings not rejected for contract noncompliances.
- Once the contract is signed, the contractor is expected to fully comply with all terms and conditions of the contract.
- Without fully understanding what was agreed to in the contract, contractual issues can occur throughout the life of the contract.

Useful Information to Include

Useful Information for the Contractor:

- Identification and Location of ACO and/or PCO
- Identification of Cognizant DCAA Office
- Where progress payments and vouchers should be submitted
- Billing instructions e.g., CLIN level, period of performance, etc.

Terms and Conditions

- Understand the terms and conditions agreed to by the parties
- The criteria used to evaluate allowability include regulatory cost principles, reasonableness, allocability, Cost Accounting Standards (CAS), Generally Accepted Accounting Principles (GAAP), and special provisions included in the contract.

Why Brief Contracts?

- FAR and DFARS (or other Agency) contract clauses incorporated into the contracts
- Special Contract Requirements – Overtime, Travel, Labor – Education/Experience Requirements, etc.
- Waivers to specific regulations for the specific contract

Contract Administration

- Contract Funding, including any limitations
- Contract Ceilings on Rates, Costs, etc.,
- Contract Fees

What to Include

- Statement of Work
- Reporting Requirements
- Contract Modifications
- Prime or Subcontract Information

DCAA Internet Resources

- **Guidance**

- Audit Process Overview – Information for Contractors Manual
- Directory of Audit Programs
- Contract Audit Manual
- Select Area of Cost Guidebook (FAR 31.205 Cost Principles)
- Links to Acquisition Regulations



- **Checklists and Tools**

- Cost of Money Rates
- Incurred Cost Electronically (ICE) Model
- Contractor Submission Portal
- Adequacy Checklists - Preaward Accounting System, Contract Pricing Proposal, Forward Pricing Rate Proposal, Incurred Cost Submission, Termination Settlement Proposal.

- **Frequently Asked Questions For Contracting Officers, Contractors and COVID-19**

Small Business Outreach Survey

We would love to hear about your recent experience with the DCAA Small Business Program, as we are committed to providing the best guidance possible and strengthening our nation's Defense Industrial Base. By participating in our survey, you will help us improve our courses, content and provide you with even better support as we continue to grow our program.



Questions/Comments



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