



Take the Self-Assessment

Managing your operating budgets and indirect rates effectively is crucial for government contractors to ensure compliance, competitiveness, and profitability. The following checklist is designed to help businesses assess whether they have issues with their indirect rate management process. Addressing these questions can identify potential gaps in their accounting systems and practices that may lead to adverse consequences.

This assessment is a proactive step towards achieving DCAA compliance and enhancing financial performance.

	Assessment Question	Consequence
	Do you lack adequate budgeting practices and procedures to support developing an annual operating budget and target indirect rates?	Difficulty with establishing annual operating budget and indirect rate management may lead to non-competitive pricing or failure to cover all your costs, losing contracts or incurring losses on projects.
	Are you missing an accounting system chart of accounts and general ledger organized to provide a clear separation between direct and indirect costs by contract?	Failure to separate costs can lead to inaccurate bidding and cost overruns, affecting profitability.

	Are you missing an accounting system that accumulates costs in your general ledger so that direct cost can be reported, and indirect cost can be allocated in a consistent manner?	An inefficient accounting processes for record transactions can complicate financial reporting and decision-making due to lack of clarity and consistency in how indirect cost is allocated ... which can also lead to adverse audit findings.
	Do you lack common cost pools to allocate indirect costs such as Fringe, Overhead, and G&A consistently across contracts and projects?	Without proper cost pools, indirect costs might not be allocated fairly, causing some contracts or projects to bear more costs than they should, affecting margins and potentially creating compliance problems.
	Do your accounting procedures and practices lack the ability to segregate unallowable costs effectively in your financial management system?	Not segregating unallowable costs might cause disallowed expenses during audits, requiring reimbursement to the government.
	Are you missing an adequate timekeeping system to accurately capture labor costs by contract?	Inadequate timekeeping could result in non-compliance fines and jeopardize future government contracting opportunities.
	Does your timekeeping system lack the ability to provide accurate and timely labor distribution reports showing how labor costs are distributed among accounts and jobs to ensure the proper allocation of direct and indirect expenses?	Improper distribution of labor costs can skew project cost analysis, leading to misinformed management decisions.
	Are you missing an accounting system that issues financial and job cost reports periodically and on-demand for scrutiny by the government?	Lack of timely reporting could delay project reviews and adjustments, impacting contract performance and financial health.
	Does your project cost accounting system lack the ability to generate job cost reports using Bid, Target, Actual, and Forecast indirect rates at each stage of contract execution?	Inadequate cost accounting usage can result in inaccurate project costing and forecasting, undermining strategic planning efforts.
	Are you missing procedures and practices for monitoring indirect cost to avoid exposing your business to compliance risks or erosions in profitability due to inefficiency in cost recovery and allocation?	Compliance risks from caused by inadequately monitoring indirect cost could lead to reduced profitability, damaged reputation, and loss of government contracting privileges.
Score		

Understanding Your Results

Your score out of 100, illustrates how much risk you are taking on. The higher the score, the more urgent the need to address your Indirect Rate issues. Thoroughly assessing your company's approach to managing indirect rates through this checklist can illuminate areas for improvement, ensure regulatory compliance, and safeguard your competitive edge in government contracting.

Addressing the identified issues promptly can prevent adverse financial repercussions and set a foundation for sustained business growth. By prioritizing transparency, accuracy, and efficiency in indirect rate management, your business can optimize profitability and maintain strong governmental relationships.

How AtWork Systems Can Help

AtWork Systems offers a transformative approach to managed services, specifically tailored for businesses dealing with government contracts. By partnering with AtWork, businesses can leverage deep expertise in government contract management and compliance, ensuring operations align with strict government guidelines.

Our cost-efficient service model eliminates the need for extensive in-house staff and infrastructure, providing scalability and risk mitigation to adapt to business needs dynamically.

AtWork empowers businesses to focus on their core activities by handling back-office functions, from financial & accounting services to human resources and project management, all underpinned by robust cybersecurity measures.

With predictable pricing starting at \$1500/mo, AtWork Systems presents a comprehensive, secure, and compliance-focused managed services solution that streamlines operations and fosters business growth.

Visit AtWorkSys.com to learn more about transitioning to a solution that better aligns with government contracting requirements and reduces the risk of audit findings, consider exploring AtWork Managed Services and their OneLynk platform.

Outsource Your Business Operations, Or Do It Yourself

Outsource	Do It Yourself
Your Finance, Operations, HR, And Compliance For GovCons who need back-office services & expertise, but don't want to staff up.	With OneLynk Subscriptions Services (SaaS) For GovCons who need integrated and compliant tools for do-it-yourself.
How Outsourcing Helps You	How OneLynk Helps You
<ul style="list-style-type: none">• Outsource: All your business operations such as Finance & Accounting, Billing, Human Resources, Contracts & Projects, Time & Expense, and Payroll.• Save Money: Avoid costs associated with hiring and training in-house staff and building infrastructure.• Save Time: Concentrate on your core functions, such as product development and program execution.	<ul style="list-style-type: none">• Integrated: Your Finance & Accounting systems are completely integrated with Billing, HR, Contract & Project management, Time & Expense, Vendor Management, Payroll, & Cybersecurity.• Efficient: Analyze costs using Bid, Target, Actual and Forecast indirect rates without manual processes or spreadsheets.• Automated: You define workflows and policies that reduce cost and improve compliance. Employees and managers submit transactions, then defined polices you process these transactions automatically.

- **Manage Cost:** We provide detailed cost accounting, and indirect rate analysis, which is essential for government contracting.
- **Stay Compliant:** We keep you compliant by identifying and mitigating risks related to government contracting.

[Learn More About Outsourcing](#)

- **Compliant:** OneLynk is DCAA compliant, so you never have to worry about the complex rules and regulations of running your GovCon business.

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