

Certificate of Accounting, Billing and Property System Adequacy

This certifies that, to the best of my knowledge and belief, Contractor's Accounting, Billing and/or Property System and related internal control systems are considered adequate based on the following:

Section I

	DCAA Audit Report	DCMA Approval/Adequacy Letter	Other Government Agency Audit	Independent Audit by a CPA firm
Accounting	Report No.: Dated:	Report No.: Dated:	Report No.: Dated:	Report No.: Dated:
Billing	Report No.: Dated:	Report No.: Dated:	Report No.: Dated:	Report No.: Dated:
Property	Report No.: Dated:	Report No.: Dated:	Report No.: Dated:	Report No.: Dated:
<p>Incurred Cost Submission: Pursuant to FAR Part 42.705-1(b) and the requirements of this subcontract, provide the date of your last final indirect cost rate proposal.</p> <p>Dated:</p>				

Copies of all approval letters/reports shall be attached hereto.

If none of the above applies, or the approval letters are more than 10 years old, complete the following evaluation checklist.

Section II

EVALUATION CHECKLIST: Mark "X" in the appropriate column (If "N/A" or "No", explain in remarks section below)	Yes	No	N/A
<i>Accounting System</i>			
1. Is the accounting system in accord with generally accepted accounting principles applicable in the circumstances?			
2. Accounting system provides for:			
a. Proper segregation of direct costs from indirect costs.			
b. Identification and accumulation of direct costs by contract.			
c. A logical and consistent method for the allocation of indirect costs to intermediate and final cost objectives. (A contract is a final cost objective.)			
d. Accumulation of costs under general ledger control.			
e. A timekeeping system that identifies employees' labor by intermediate or final cost objectives.			
f. A labor distribution system that charges direct and indirect labor to appropriate cost objectives.			
g. Interim (at least monthly) determination of costs charged to a contract through routine posting of books of account.			
h. Exclusion from costs charged to government contracts of amounts which are not allowable in terms of FAR 31, Contract Cost Principles and Procedures, or other contract provisions.			
i. Identification of costs by contract line item and by units (as if each unit or line item were a separate contract) if required by the proposed contract.			
j. Segregation of preproduction costs from production costs.			
3. Accounting system provides financial information:			
a. Required by contract clauses concerning limitation of cost (FAR 52.232-20 and 21) or limitation on payments (FAR 52.216-16).			

EVALUATION CHECKLIST: Mark "X" in the appropriate column (If "N/A" or "No", explain in remarks section below)	Yes	No	N/A
b. Required to support requests for progress payments.			
4. Is the accounting system designed, and are the records maintained in such a manner that adequate, reliable data are developed for use in pricing follow-on acquisitions?			
5. Is the accounting system currently in full operation? (If not, describe in the narrative which portions are (1) in operation, (2) set up, but not yet in operation, (3) anticipated, or (4) nonexistent.)			
<i>Billing System</i>			
6. Billing system allows for:			
a. Segregation and exclusion of unallowable costs as required by FAR or DFARS			
b. Timely notification to prime contractor of overpayments/underpayments.			
c. Segregation of incurred costs that may be non-billable because the costs may not meet specified criteria			
d. Adjusting submissions for final rates or indirect billing rates that differ from the billed rates			
e. Identifies costs that require specific approvals (special purchases, overtime authorizations, etc.).			
f. Identifying contract overpayments, making refunds in a timely manner, and offsetting contract overpayments against contract underpayments.			
<i>Property System</i>			
7. Property system allows for:			
a. Maintenance of records containing description, model number, serial number, manufacturer, subcontract number, quantities, location, value, date received and disposition			
b. Marking of property to identify ownership.			

EVALUATION CHECKLIST: Mark "X" in the appropriate column (If "N/A" or "No", explain in remarks section below)	Yes	No	N/A
c. Annual property inventory			
d. Reporting capabilities			
e. Ensuring property is only utilized, consumed, moved and stored as authorized under this contract			
f. Disposing of property only as authorized			

Section III

SELLER REMARKS:

THE UNDERSIGNED ATTESTS TO THE ACCURACY OF THE FOREGOING AND AGREES TO PROMPTLY NOTIFY THE JOHNS HOPKINS UNIVERSITY APPLIED PHYSICS LABORATORY OF ANY CHANGES TO ITS ACCOUNTING, BILLING OR PROPERTY SYSTEM(S) AND/OR RELATED INTERNAL CONTROL STRUCTURE THAT WOULD AFFECT ITS ABILITY TO REPORT HOURS DELIVERED ACCURATELY AND COMPLETELY, BILL COSTS ACCORDING TO FAR PART 31, (CONTRACT COST PRINCIPLES AND PROCEDURES) OR PROPERLY ACCOUNT FOR GOVERNMENT OWNED PROPERTY UNDER ITS CONTROL.

CONSENT TO USE OF ELECTRONIC SIGNATURES

BY CHECKING HERE, I AGREE TO THE USE OF ELECTRONIC SIGNATURES AS VALID, LEGALLY BINDING SUBSTITUTES FOR ORIGINAL, HANDWRITTEN SIGNATURES ON THIS DOCUMENT.

Company _____

Name (signature) _____

Name (printed) _____

Title _____ **Date of execution** _____

THIS SECTION TO BE COMPLETED BY JHU/APL

Section IV

Contracts Representative Review and/or Approval:

Name: _____

Title: _____

Date: _____

Recommendation:

Section V

Internal Audit/Asset Management Review and Approval (required if evaluation is based on questionnaire responses above or audit)

Internal Audit Review

Name: _____

Title: _____

Date: _____

Asset Mgmt. Review

Name: _____

Title: _____

Date: _____

Recommendation:

Corrective Action Plan received? Yes No N/A

Audit Conducted? Yes No N/A