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Government Contractors

Governments, at the state level or federally in the USA and abroad, annually spend hundreds of billions of dollars on procurement. Given the nearly unlimited nature of these contracting opportunities, almost any company can obtain government contracts. However, contracting with the government can introduce special problems that require proven expertise.

The government requires approval of your accounting system. They will want you to provide assurance that your system is consistent with government regulated accounting procedures (FAR, DFARS, CFR, DCAA, GAAP). Here is the simple fact: If your company has won a government contract you will have to be able to remain compliant with the Defense Contract Audit Agency (DCAA).

The opportunities are not limited to major corporations, nor only local firms. Many international, small and midsize companies also regularly contract with government agencies. To successfully market to government agencies especially in multiple countries, you need a strong partner. JS Morlu can help you remain compliant with regulations of US Government, Canada, United Kingdom, the European Union and select international governments such those in Africa, the Caribbean and Southeast Asia.

DCAA, a Government Auditor (GAO, Inspector General, EU Court of Audits) or a multilateral institution auditor/investigator (World Bank, African Development Bank, Inter-American Development, Asian Development Bank, UN), is likely to come knocking at your doors to give full accounting of the bills you sent the government. If you do not, you face the following risks:

- Mischarging could result in criminal penalties
- Costs being disallowed and your firm losing a lot of money
- Being prevented (debarred/suspended) from bidding for future government contracts
- Reputation damaged by being charged with fraudulent billings to government.

DCAA reported this to US Congress:

- “In FY 2011, DCAA audited \$19 billion of costs incurred on contracts and reviewed 2,681 forward pricing proposals amounting to \$103 billion. Approximately \$3.5 billion in net savings were reported as a result of audit findings. When compared to the \$600 million expended for the Agency's operations, the return on taxpayers' investment in DCAA was approximately \$5.80 for each dollar invested.”

Your firm does not want to be a part of the \$3.5 billion in net savings to the government because of audit findings by DCAA. Avoid the mistakes and pitfalls by turning to experienced experts.

JS Morlu's Government Contractors Outsourcing Group has the experience and power to help companies just like yours address the challenges in today's competitive government contracting market. Whether you are a prime contractor or subcontractor, a small start-up, an established government contractor, a company

experiencing the pain of downsizing, or even just temporarily short-staffed, JS Morlu can help support your accounting group with skilled professional consultants who know their way around your business.

We offer a unique solution – Deltek GCS Premier Rent-a-License. For companies who aren't ready to adopt the cost or work associated with instituting an accounting system, we bring you the opportunity to enjoy all the benefits of Deltek GCS Premier, the leading software package for government contractors, without the investment. Our experts will help you process transactions using your inception-to-date data and, when you are ready to bring the functions in-house, your data is clean and ready.

Create the infrastructure and support services you need to become a successful government contractor. Or, if you're already an established government contractor, take your business to the next level.

The infrastructure and professional expertise necessary to deliver world-class service to the federal government can sometimes be a daunting requirement. We believe that you will find JS Morlu's services can bolster your business throughout the life cycle of your relationships with the government, providing you with the critical resources to respond with agility and confidence.

Unlike other firms, we have experienced accountants, auditors, compliance professionals, and accounting system professionals to give your firm a holistic approach. We take a bird's eye view of your operations to ensure you remain compliant in all aspects.

Rely on us for:

Accounting Outsourcing and Accounting System Solutions

Outsourcing your complete accounting and compliance reporting to JS Morlu ensures you can deliver rigorous results without the necessity of hiring and training new accountants unfamiliar with government accounting standards. Our outsourcing fee structure allows first-time and existing contractors a cost-effective solution to satisfy all DCAA/multilateral institutions and foreign governments accounting requirements associated with your government contracts.

Our Accounting Outsourcing services include:

- Chart of Accounts Architecture
- Accounting Policies and Procedures Manual
- Accounts Payable Processing
- Timesheets
- Payroll Preparation
- Financial Reporting, including:
 - Balance Sheets
 - Income Statements
 - Job Summary Reports
 - Labor Utilization
 - Detail Incurred Cost Submissions
 - Billings including 1034 and 1035
 - Perform Contract Close-outs

The Incurred Cost Submission is the most important deliverable under a flexibly priced contract as it is the end result. Often small government contractors get behind on these submissions causing significant challenges. We provide contractors with a solution that meets compliance expectations and maximizes cost recovery under the circumstances.

Small Operations

We provide the following Accounting System Solutions for Contractors with Less than US\$10 Million in Annual Revenues:

- QuickBooks Desktop (All Versions)
- QuickBooks Online (All Versions)
- QuickBooks Point of Sale
- Sage 50 (All Versions)
- Sage 50cloud
- Sage 100
- Sage 100cloud
- Sage 300 Construction and Real Estate
- Sage 300cloud
- Deltek GCS
- Workiva

If you are currently using QuickBooks to handle your accounting functions, our accounting experts can help you with your preparation for migration to a more complex accounting system when you are ready to take the next step.

Medium Operations

We provide the following Accounting System Solutions for contractors with between US\$10 to US\$100 Million in annual revenues:

- SAGE INTACT
- NETSUITE
- Microsoft Dynamics
- Foundation Software
- Acumatica
- Deltek Cost Point
- QuickBooks Enterprise
- SAP Business One
- JDEdwards

Internal Auditing

Confidently vouch for the integrity of your own systems and reporting. Increasing demands for financial and operational accountability means added demands on your internal accounting and auditing resources.

JS Morlu specialists provide thorough internal control reviews to streamline reporting, identify areas of risk and eliminate exposure. Internal auditing is even more important for contractors who have operations in foreign countries, as internal auditing will serve as a deterrence and increased confidence in your operations.

Compliance

In addition to Deltek Rent-a-License, our government contracting specialists can help you navigate the complexities of compliance issues. Our extensive experience with DCAA allows us to help you become compliant with:

- Relevant Provisions of the Federal Acquisitions Regulations (FAR)
- Relevant Provisions of the Code of Federal Regulations (CFR)
- DCAA Audit Manual
- Specific Agency Regulations such as AIDAR, DFARS
- Generally Accepted Accounting Principles (GAAP)
- Relevant OMB Circulars
- Contractual Provisions

Audit Readiness

We assist contractors with DCAA audits to providing advice regarding DCAA audits of all types. We can provide the following services:

- Perform Audit Readiness Assessment
- Serve as audit liaison, allowing management to focus on service delivery

This is all a matter of practicality and client preference. The bottom line is that we want you to pass DCAA and other audits. We provide clients a road map to avoid the pitfalls of the DCAA and their audits. Success with DCAA or any government requested audit is an important factor for government contractors. By following our advice, you will ensure that you have the system and controls in place and working to pass your DCAA audits/Government audits.

Indirect Rates and Incurred Cost Submissions (ICE)

Indirect costing is the greatest challenge for government contractors. It is both complex and always a hot button for DCAA and contractors alike. Based on our experience, we offer contractors solutions to developing sound indirect cost pools, indirect rates and Incurred Cost Submissions that meet compliance expectations and maximize cost recovery.

DCAA Compliant Systems

We know what it takes to implement DCAA compliant systems and processes. A compliant system is more than the software. DCAA auditors are not just looking to see if a contractor's accounting system meets a checklist! The DCAA auditor takes into consideration the Generally Accepted Accounting Principles, or GAAP, and will perform various tests to make sure that the accounting system is in accordance.

The system also must be customized to meet the unique needs of the client. We have solutions to both small and medium size businesses. This is not just software but the whole package.

Our package will pass any DCAA audit with minimal cost, time and effort and it will be tailored to meet your needs given your size and contract mix. Read our guide for government contractors by [clicking here](#).

Tax Services

- FASB 109 Analysis and Preparation
- FIN 48 Analysis and Documentation
- 1099 Compliance