



DCAA COMPLIANCE SuiteBundle

QUICK SOLUTIONS

“Caravel helps clients make the most out of every dollar spent. Our team has spent two decades building an efficient, templated model letting our clients arrive at the right answers quickly and in the most cost effective manner so they can spend most of their time adopting the actual solution versus over analyzing a problem that has already been solved for other companies.”

Scott P. Curry
Managing Partner, Caravel



Timekeeping



Cost Accounting
(Indirect vs. Direct Costing)



Reporting

Overview

The government contracting industry is one of the largest in the world. It is currently worth 600-700 billion dollars and is growing each and every day. The Defense Contract Audit Agency (DCAA), is responsible for monitoring and auditing such government contracts to ensure that taxpayer money is spent properly and ethically.

The base NetSuite product is a GAAP compliant accounting system and has the capability to record project-specific GL transactions for timekeeping and accounts payable. However, there are key regulations where NetSuite does not comply. Our DCAA Compliance SuiteBundle is built directly into NetSuite to supplement the functionality needed to remain DCAA compliant. Implementation of our DCAA SuiteBundle can occur during or post NetSuite base implementation.

Variable Control

It is to be expected that each company conducts business in a different fashion often with their own unique policies. Our DCAA Compliance SuiteBundle functions to control common variables across businesses.

During application implementation, company-specific preferences and details will be configured and retained. Doing so will allow for the application to handle multiple compliant practices without a need for restructuring accounts or reimplementing projects for a simpler implementation.



Timekeeping

Timekeeping is one of the most prominent requirement areas for DCAA compliance and best practice would be a fully integrated time and accounting system, cue NetSuite. The following data elements are important to be available for tracking:

- Project Code
- Task
- Expense Account (Cost Pool)
- Hours per Task

The native NetSuite timesheet contains the above information, but the base time tracking module does not support all time tracking DCAA requirements. The below additional requirements are supported in our DCAA SuiteBundle.

Time tracking is essential for DCAA compliance, as the data entered on timesheets will be the base for DCAA-compliant reporting.

REQUIREMENT	NetSuite SOLUTION
TIME REPORTING	NetSuite native reporting features will be utilized to list delinquent time entries that violate DCAA policy. The frequency and recipients are flexible and will be configured during implementation.
DAILY TIME ENTRY	Restrictions will be applied to the timesheet records to prevent invalid time entries that violate DCAA user entry and timesheet date policies.
TIME APPROVAL	The application will include a timesheet approval workflow that will route timesheets in a DCAA compliant manner.
TIME ENTRY UPDATES	When a time entry is updated: 1. The time entry will be re-routed through the approval process. 2. The user will be required to enter details to be compliant with audit regulations.
COST POOL ASSOCIATION	Base SuiteBundle setup will associate tasks, items, and accounts to cost pools. This information will trickle down to timesheets for simplified reporting.
EMPLOYEE TRAINING	Time entry training materials will be stored within the NetSuite file cabinet and will be easily accessible on relevant time pages.



Cost Pools

To qualify as DCAA compliant, a company must classify their costs as direct or indirect. The direct costs will be grouped into a Direct Cost Pool and the indirect costs will be grouped into multiple Indirect Cost Pools. The standard indirect cost pool types are:

- Fringe
- Overhead
- G&A

A majority of the DCAA compliant reports include organization and grouping by cost pool. To accommodate this need, our DCAA Compliance SuiteBundle creates cost pool linkage for accounts in NetSuite. Doing so allows for proper segmentation when generating reports.



Labor Distribution

The Labor Distribution report will display the hours worked and the cost for each employee. The information is segmented by project and by cost pool, as shown in the sample below. government accounting system requirements and with DCAA audit expectations.

To comply with historical report policies, we have configured employee payroll details in a manner to support back dating the Labor Distribution report.

Executed on: Wed Mar 18 2020 16:56:53 PDT								
Criteria								
Start: Sun Mar 01 2020 00:00:00 PDT								
End: Tue Mar 31 2020 00:00:00 PDT								
Labor Distribution Report								
Direct Labor								
	Account	Type	Date	Item	Labor Cost	Hours	Amount	
32 DCAA Direct Labor								
	6112 Direct Labor DCAA	Paycheck	3/15/20	Engineer	21.77	48	1045.15	
	6113 Employee Overtime	Paycheck	3/31/20	Engineer	21.77	36	783.86	
32 DCAA Direct Labor Total							84	1829.02
34 Financial Installment								
	6112 Direct Labor DCAA	Paycheck	3/1/20	Business Analyst	12.5	40	500	
	6112 Direct Labor DCAA	Paycheck	3/15/20	Business Analyst	12.5	40	500	
	6112 Direct Labor DCAA	Paycheck	3/15/20	Engineer	25	30	750	
	6112 Direct Labor DCAA	Paycheck	3/31/20	Engineer	25	10	250	
34 Financial Installment Total							120	2000
Total Direct Labor							204	3829.02
Fringe								
	Account	Type	Date	Item	Labor Cost	Hours	Amount	
33 Internal Fringe								
	6130 Sick and Vacation	Paycheck	3/15/20	Engineer	125	8	1000	
	6130 Sick and Vacation	Paycheck	3/15/20	Engineer	21.77	32	696.77	
	6130 Sick and Vacation	Paycheck	3/31/20	Engineer	21.77	8	174.19	
33 Internal Fringe Total							48	1870.96
Fringe Total							48	2045.55
Total							252	5874.17



On-Demand Reporting

Our DCAA Compliance SuiteBundle contains an on-demand reporting tool, which provides flexibility to produce reports with specified criteria. The user will be able to meet prompt reporting deadlines during audits on standard and non-standard date ranges.

INSTRUCTIONS
Navigate to a lab, select criteria and then click the submission button to retrieve a report with your desired criteria

Indirect Cost	Labor Distribution
Labor Distribution Criteria	
START DATE: 3/1/2020	END DATE: 3/14/2020
GROUP BY: Project	

Reports will be generated in either CSV or PDF format and the type will be restricted based on DCAA compliance rules.

The following report types will be available in Version 1 of our DCAA Compliance SuiteBundle:

- Labor Distribution
- Indirect Cost Rate (incl. of Cost Pool Rates & Allocations)
- Contract Costs
- Contract Status Report

Our cost reporting is fully compliant with both the government accounting system requirements and with DCAA audit expectations.