



The Case for ICAT Systems

ICAT Systems provides DCAA compliant, easy-to-use QuickBooks® compatible software, training, and support that helps growing businesses confidently compete for and manage government contracts.

Government contracts provide unique opportunities for small businesses to experience profit and growth. But government contracts can also mean confusing reports, complex budgeting and additional paperwork for small business contractors.

Contractors need systems in place that affirm their compliance with employment rules and ethical standards across the spectrum of business activities. At the same time, customers providing these contract opportunities, whether government agencies or prime contractors, want assurance that contractors will demonstrate effective performance, and comply with requirements and regulations.

Accounting system compliance is a top priority for government contractors and contracting officers alike. A compliant cost accounting system offers contractors more opportunities to develop new business. Those awarding contract work often express a preference for contractors who demonstrate they operate an accounting system deemed compliant.

Regulatory Compliance

Contracting officers must ensure that DCAA has reviewed a prospective contractor's accounting system for compliance with Defense Federal Acquisition Regulation Supplement (DFARS) 252.242.7006 and Federal Acquisition Regulation (FAR) Part 31.2 for any cost-reimbursement, incentive type, time and materials, and labor hour contracts, or contracts with progress payments based on costs or stage of completion.

Contractors failing to implement a compliant cost accounting system miss out on business opportunities. Small business government contractors find most prime contractors are at least as stringent as a Federal government contracting officer in requiring compliant systems of their subcontractors.

For small business government contractors, keeping your house in order with compliant systems is a business development necessity.

In reality, this is a daunting administrative task for many small business government contractors. It has little to do with the talent and expertise needed to fulfill the goods and services demanded by the contract. Frequently, therefore, the task of implementing and maintaining a compliant cost accounting system requires businesses to outsource for this accounting expertise.

QuickBooks® for Government Contractors

What if you could manage your business' contract accounting with QuickBooks?

Many small businesses grow and manage successful operations with QuickBooks as their accounting system backbone. Alternative enterprise accounting systems can be costly and complicated to implement and operate. QuickBooks is powerful and scalable, and provides the functionality that enables small businesses to manage their finances effectively.

As the government contractor grows, however, so do the requirements for functionality and compliance in their accounting system. For government contractors, QuickBooks on its own does not offer the functions required of a government contractor subject to FAR 52.216-7 and thus also subject to DFARS 252.242.7006. ICAT is a perfect fit in this circumstance.

Get Compliant using ICAT with QuickBooks

ICAT is an intuitive tool made specifically for government contractors. ICAT seamlessly integrates with QuickBooks, adding the functionality needed for compliance, as well as business development, contract management and Incurred Cost Reporting. For small business government contractors, ICAT offers all of this added functionality more affordably than alternative solutions.

ICAT Systems fills the gap for DCAA compliance.

ICAT enhances QuickBooks with

- Automated indirect cost allocation across one or more contracts
- Enhanced reporting for direct costs, allocated indirect costs, and costs vs. project budgets
- Streamlined Incurred Cost Reporting
- Billing tracking by labor category and in total against funding limitations
- Budget development with cost allocation and personnel cost projections

Cost Allocation

While QuickBooks allows for segregation of direct costs from indirect costs, and allows for the accumulation of direct costs by contract, QuickBooks is incapable of allocating indirect costs amongst contracts. Contractors must perform this function outside of QuickBooks. ICAT solves this challenge, saving you time and money.

ICAT automates the task of indirect cost allocation across contracts. ICAT reads data directly from QuickBooks and enables the user to map the cost pool and allocation base relationships. The result is calculated indirect rates and allocated indirect costs across one or more contracts, quickly and easily. ICAT also supports project management through a variety of cost and funding management reports using this cost data.

Incurred Cost Reporting

When it comes to required incurred cost reporting, ICAT saves the contractor days of work and provides a well-organized, easy to manage approach to completing the Incurred Cost Report. ICAT generates all schedules of the Incurred Cost Report, including those optional schedules sometimes requested by DCAA auditors.

ICAT automatically populates all cost data, and the Incurred Cost Report workbook file can be exported to Excel. Once in Excel, the contractor can populate the billing data required on Schedules I & K, the subcontractor data required on Schedule J, and the payroll data required on Schedule L to reconcile payroll records to the labor cost data automatically populated from QuickBooks.

Business Development & Project Management

To thrive in the government contract market, a business' accounting system must also serve management and business development functions. ICAT can help.

Business development relies on quality information and comparative analysis to develop forward pricing rate proposals and establish provisional indirect rates. ICAT helps growing businesses project the impact that adding new contracts will have on reducing indirect rates, so businesses can propose more competitive pricing.

For more effective project management, ICAT enables the accounting system to generate contract cost reports and track actual project activity against project budgets. ICAT also makes it easier to track indirect rate variances on cost-reimbursement type contracts. For contractors, this helps ensure you are not in the position of owing large sums back to the government for over-billing of indirect costs, or vice-versa, needing to submit a claim for under-billing of indirect costs.

Budget Development

One of the standout capabilities of ICAT is its Budget Development feature. ICAT provides for a granular budget development process, enabling the contractor to build a detailed budget for future periods, then generate a variety of supporting reports, including the Provisional Indirect Rates report.

With the ICAT Budget Development feature, contractors can build a very detailed financial road map for future periods, providing contractors an unmatched level of command and control over the financial management of the business.

Full Accounting System Compliance & Business Management for Contractors

ICAT enables a government contractor using QuickBooks to not only have a DCAA compliant system, but also the functionality necessary to effectively manage their growing business in ways that no other cost accounting system can deliver. Not even the most expensive and elaborate enterprise systems provide the entire package of compliance, incurred cost reporting and budget development as effectively as ICAT.



Learn more about how ICAT Systems can help your business. Visit www.ICATsystems.com to download a free 30-day trial, watch video demonstrations of ICAT features, and see our upcoming training schedule. Questions? info@icatsystems.com

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