

## Overview

Selling to the government is risky business. Contractors are faced with complex cost accounting and pricing regulations. The government has unilateral rights not found in commercial relationships. Contractors are subject to frequent government scrutiny and audits. Even honest errors and omissions can result in disputes or litigation. This places heavy demands on contractors in all industries. If you are found to have violated government regulations, the penalties can be significant – even if relatively small dollar amounts are at issue.

At the same time, the federal government is the largest purchaser of goods and services. Proper interpretation of complex regulations can help maximize your profitability in selling to this market. To succeed, you need experienced, professional assistance to improve your policies, systems, and procedures – and rethink the methodologies behind them. This support will help you achieve or maintain compliance with government regulations.

Chess Consulting's practice encompasses counseling contractors on a wide range of government contract cost and pricing matters, as well as supporting them in disputes and litigation. Our clients include companies of all sizes in virtually every industry. The breadth and depth of our experience enables us to work effectively with government contractors (and their legal counsel) on a wide range of matters, as well as supporting them in connection with disputes and litigation. The following are the principal consulting services we provide to government contractors:

### Consultation on cost allowability matters

- Consultation on compliance with Federal Acquisition Regulation ("FAR") Cost Principles
- Incurred cost submissions preparation and review
- Response to government audit reports

### Consultation on Cost Accounting Standards ("CAS")

- CAS disclosure statement preparation
- CAS compliance assessments
- Cost impact statement preparation
- Evaluation of revised accounting structures

### Regulatory compliance

- Business systems review and assessment:

- Accounting Systems
- Purchasing Systems
- Estimating Systems
- Material Management and Accounting Systems ("MMAS")
- Earned Value Management Systems ("EVMS")
- Property Management Systems
- Ethics and compliance reviews:
  - Organizational conflicts of interest
  - Personal conflicts of interest
  - Post-government employment
  - Mandatory disclosure
- Indirect rate structure evaluations
- Billing
- Contractor purchasing system reviews ("CPSR")
- Labor charging
- Truth in Negotiations Act ("TINA") compliance
- Foreign Corrupt Practices Act ("FCPA") compliance
- False Claims Act ("FCA") compliance

### Change order and termination claim preparation

- Claim theory development
- Claim pricing, including delay, disruption, unabsorbed overhead, and extended overhead
- Claim drafting and documentation development
- Audit and settlement negotiations
- Dispute resolution

### Commercial pricing and General Services

#### Administration ("GSA") multiple award schedule contracting

- Analysis of pricing and discount data prior to submission
- Assessment of accounting system capabilities to accurately accumulate and track sales and discount data
- Dispute resolution (e.g., compliance with Price Reduction Clause)

### Special investigations

- Financial reporting irregularities and SEC compliance
- Cost mischarging
- FCA violations
- TINA compliance
- FCPA violations

### **Emerging contractor services**

- Accounting system evaluation (e.g., Deltek, JAMIS, SAP, NetSuite, Oracle, etc.)
- Establishing compliant indirect rate structures
- Policy and procedure development

### **Expert testimony**

- Claims/damages analysis
- Cost and pricing disputes
- FCA matters
- Bid protests
- Post-acquisition disputes

### **Mergers, acquisitions, and restructuring**

- Due diligence assistance
- Regulatory impact assessments
- Compliance and business risk assessments

### **Financial accounting and reporting consultation**

- Complex financial accounting and reporting issues
- Revenue recognition guidance
- Securities and Exchange Commission regulatory compliance
- Process and internal control assessments
- Sarbanes-Oxley Act (“SOX”) compliance
- Internal audit outsourcing/co-sourcing

### **Corporate governance**

- Internal control development, testing, and evaluation
- Enterprise risk management
- Management and board advisory services

## **The Chess Consulting Advantage**

Our government contract specialists understand the complex business and regulatory climate in which government contractors operate and are committed to finding practical, cost-effective solutions to the problems facing contractors today and in the years ahead.

Our government contractor services practice is one of the largest and most successful such practices of any accounting or consulting firm in the world. We have approximately 30 professionals in the Washington, D.C., area devoted to serving government contractors. Furthermore, unlike other firms, our professionals bring to each engagement a unique combination of government contracting regulatory expertise, technical financial accounting and reporting knowledge, and forensic accounting and investigative skills as well as an adept understanding of our clients’ business risks and challenges.

## **Chess Consulting Differentiators**

**Deep industry knowledge** and technical expertise which helps each client deal effectively with the complexities of the processes and issues facing its business.

**Profitability focus** concentrating on actions and solutions that create a competitive business advantage while fully complying with regulatory requirements.

**Practical and creative solutions** that effectively address difficult compliance and business issues.

**Supportable positions** that have been proven to withstand scrutiny from regulatory agencies such as the SEC, DCAA, DOJ, and GAO.