GovCon Synergies

SF1408 READINESS
Quick Reference

SF1408 Readiness Scorecard

A quick self-check for government contractors pursuing cost-reimbursable work

Use this scorecard to identify potential accounting system gaps before a DCAA review, proposal deadline, or contract opportunity.

How to Use This Scorecard

Check each item that is already documented, operating consistently, and supportable if questioned.

20–24	14–19	0–13
Strong Position	Needs Attention	Higher Risk

1 Accounting System Foundation

- ☐ Accounting system is operational and consistently used
- ☐ System follows GAAP principles
- ☐ Chart of accounts supports direct, indirect, and unallowable costs
- ☐ All costs accumulated under general ledger control

2 Cost Segregation & Accumulation

- ☐ Direct costs are separated from indirect costs
- ☐ Costs are accumulated by contract or project
- ☐ Indirect cost pools are logical and consistently applied
- ☐ Unallowable costs are excluded from billing and cost pools

3 Timekeeping & Labor Distribution

- ☐ Employees record time daily
- ☐ Labor is charged to the correct contract, project, or cost objective
- ☐ Labor distribution reconciles to payroll and the general ledger
- ☐ Overtime and premium pay treatment is documented

4 Billing & Contract Controls

- ☐ Billing is supported by accurate cost and hours data
- ☐ Costs can be tracked by contract line item when required
- ☐ Limitation of cost/funds requirements are monitored
- ☐ Progress payment support is available when applicable

5 Policies & Documentation

- ☐ Accounting policies and procedures are documented
- ☐ Timekeeping, billing, labor, purchasing, and retention policies exist
- ☐ Internal controls and segregation of duties are defined
- ☐ CAS applicability has been reviewed, if relevant

6 Audit Readiness

- ☐ Records are organized with supporting documentation for transactions
- ☐ General Ledger reconciles to Project Ledger
- ☐ Prior audits or third-party reviews are documented
- ☐ Leadership can explain how the system works in practice

Common SF1408 Trouble Spots

- Informal timekeeping procedures
- Direct and indirect costs not clearly separated
- Unallowable costs not consistently excluded
- Labor distribution not tying to payroll and the general ledger
- Policies that exist informally but are not documented

Not Sure Where Your Gaps Are?

GovCon Synergies helps government contractors evaluate SF1408 readiness, strengthen accounting policies, improve labor and cost tracking, and prepare for DCAA review.

Gap Assessment | Policy Development | Mock DCAA Prep

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This checklist is intended as a general informational tool and does not constitute legal advice.