

# DCAA Compliance

BillQuick offers DCAA-compliant time tracking as well as project management, expense tracking and billing capabilities. Numerous reports support DCAA compliance, effective project management and strong firm management. With BillQuick and its add-on modules, labor costs can be captured for employees as well as independent contractors (consultants) working on a project.

BillQuick customers have passed through multiple DCAA audits with flying colors. New customers receive the DCAA Compliance Setup Guide to assist them with setting up BillQuick to meet (and exceed) the DCAA requirements

## DCAA Requirements and BillQuick

A prime concern of the DCAA is the Labor Charging System or timekeeping procedures adopted by contractors. Detailed labor and cost tracking is required because, unlike other cost items, labor is not supported by external documentation or physical evidence (for example, invoice, purchase order, receipt, and so on).

The key link in an effective time charging system is the individual employee. ***It is critical that management educates employees on their independent responsibility for accurately recording time charges.*** This is required by the DCAA to guard against fraud and waste in the labor charging system.

The table below summarizes DCAA requirements and how BillQuick addresses them. The requirements are based on the DCAA publication, *Information for Contractors*.

Area	DCAA Requirements	BillQuick Solution
<b>Employee Awareness Program</b>	1. Make employees aware of their responsibilities and train them in accurate time card preparation.	1. BillQuick training programs, consulting and documentation for managers and employees.
<b>Separation of Responsibilities</b>	1. Supervisors responsible for project budgets and contracts cannot initiate employee time charges 2. Separate responsibilities - persons independent of timekeeping must prepare payrolls.	1. Set security profiles for employees to segregate responsibilities. 2. BillQuick integrates and exchanges data with payroll and accounting systems. Internal procedures enhance this natural separation.

Area	DCAA Requirements	BillQuick Solution
<b>Security</b>	<ol style="list-style-type: none"> <li>1. Monitor overall integrity of timekeeping system—password security, audit trail of logins or logouts, documentation and approval of labor transfers, adjustments of labor distribution, review and correction of labor errors, edits to time sheet, and so on.</li> </ol>	<ol style="list-style-type: none"> <li>1. Security monitors overall integrity of timekeeping system—secure login, strong password, role-based security permissions for screens and reports, confidentiality of sensitive information with Employee Control, audit trail by Log Viewer, documentation of actions or decisions using project journals, messages and memos, submission-approval workflow for time, authorized review and editing of time data, and adjustments to time sheets using negative hours.</li> </ol>
<b>Time Card Preparation</b>	<ol style="list-style-type: none"> <li>1. Detailed instructions for time card entry (manual, company procedure).</li> <li>2. Record time on a daily basis by the employee who performs the task</li> <li>3. Use remote entry for an automated timekeeping system, if appropriate</li> <li>4. Record all timekeeper hours, whether paid or not.</li> <li>5. If shared, split resource time charges across multiple projects.</li> </ol>	<ol style="list-style-type: none"> <li>1. Detailed reference information, tutorial and 'How Do Is' for time and expense entry.</li> <li>2. Daily record time entries while Agent monitors hours (email reminders).</li> <li>3. Web Suite, BillQuick Online, BillQuick Mobile app or BillQuick Outlook Add-In for time entry.</li> <li>4. Track all hours - billable, non-billable, overtime, extra time and personal.</li> <li>5. Charge daily time to one or multiple projects or phases.</li> </ol>
<b>Labor Authorization and Approval</b>	<ol style="list-style-type: none"> <li>1. Supervisory approval of employee time sheets. Multi-level approval process. Reportable audit trail of changes and approvals.</li> <li>2. Corrections to time sheets by employees only, then documented, authorized, and approved by supervisor.</li> </ol>	<ol style="list-style-type: none"> <li>1. Requires approval of time sheets for billing. Support for multi-level and automated submission-approval workflow. Actions tracked in the Log Viewer screen.</li> <li>2. Option to set disclaimer for employees, which they have to certify before submitting time and expenses for approval.</li> <li>3. Security controls who can add or edit entries. Employees record or edit hours; supervisors approve or reject them. Approved, entries cannot be changed.</li> </ol>

Area	DCAA Requirements	BillQuick Solution
<b>Labor Distribution</b>	<ol style="list-style-type: none"> <li>1. Charge direct and indirect labor to appropriate cost objectives. Allocate costs to appropriate cost objectives.</li> <li>2. Track employee time by work activity. Correct distribution of time by project or contract number or name, labor hours, rates and cost by category, or other identifiers.</li> <li>3. Provide a list of projects and their descriptions to employees for accurate time tracking.</li> </ol>	<ol style="list-style-type: none"> <li>1. Charge hours to specific tasks, projects and clients with direct allocation of costs to projects, contract and expense types</li> <li>2. Track employee time by activity. Includes date, Project ID and name, activity description, hours worked, cost and bill rates, cost and bill amount, billable or non-billable status, and detailed memos</li> <li>3. Drop-downs with Project and Activity IDs and descriptions. Project list reports available. Project and Employee Control assigns projects, activities, and expenses to employees to ensure accurate and faster time entry.</li> </ol>
<b>Rates</b>	<ol style="list-style-type: none"> <li>1. Define rates for employees and override with specific task-based rates. Capture changes in an audit trail.</li> </ol>	<ol style="list-style-type: none"> <li>1. Standard bill and cost rates for employees and activity codes. Special rates defined in service fee schedule. Actions tracked in Log Viewer.</li> </ol>
<b>Cost Accounting</b>	<ol style="list-style-type: none"> <li>1. Comply with Cost Accounting Standards, accounting principles and contract terms and clauses.</li> <li>2. Segregate direct project costs from indirect overhead costs.</li> <li>3. Substantiate costs by retaining records for 3 years after final contract billing.</li> </ol>	<ol style="list-style-type: none"> <li>1. Captures required cost accounting details, tracks actions in an audit trail. Define administrative settings at company, project and individual level</li> <li>2. Segregates project and overhead costs based on billable and non-billable expense types.</li> <li>3. Data stored in secure, central database. Archive and restore data.</li> </ol>

## World Headquarters

### North & South America

3825 Del Amo Boulevard, Torrance, CA 90503  
United States of America

Tel: (866) 945-1595 (toll-free)  
+1 (310) 602-4010

Email: [sales@bqe.com](mailto:sales@bqe.com)  
[support@bqe.com](mailto:support@bqe.com)

For more information, visit  
[www.bqe.com](http://www.bqe.com) or call  
(866) 945-1595.

[www.bqe.com](http://www.bqe.com)  
[www.twitter.com/BillQuick](https://www.twitter.com/BillQuick)  
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## Regional Offices

### Australia, New Zealand & Asia

Level 40 North Point Towers, 100 Miller Street, North Sydney NSW 2060  
Australia

Tel: 1300 245 566 (toll-free)  
+61 (02) 9657 1355

Email: [aus-sales@bqe.com](mailto:aus-sales@bqe.com)  
[aus-support@bqe.com](mailto:aus-support@bqe.com)

### Europe, Middle East & Africa

Crosshaven Co. Cork  
Ireland

Tel: +44 2034119852

Email: [uk-sales@bqe.com](mailto:uk-sales@bqe.com)  
[uk-support@bqe.com](mailto:uk-support@bqe.com)