INDA
NRC Contract Mod
MWD

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

MAY 04 2000

Foxx and Company, CPAs
ATTN: Mr. Martin O'Neill, Partner
700 Goodall Complex, 324 West Ninth Street
Cincinnati, OH 45202-1908

Dear Mr. O'Neill:

SUBJECT: MODIFICATION NO. 2 TO TASK ORDER NO. 12 ENTITLED, "ACCOUNT RECONCILIATION" UNDER CONTRACT NO. NRC-09-97-205

In accordance with Section B.21(c) of the subject contract entitled, "Task Order Award," this letter definitizes Modification No. 2 to Task Order No. 12 which (1) extends the period of performance through September 30, 2000, and (2) increases the fixed price amount of the task order by $236,245 from $105,640 to $341,885. This effort shall be performed in accordance with the enclosed Statement of Work. Accordingly, the task order is hereby revised as follows:

The second paragraph of the definitization letter of the basic task order is deleted in its entirety and the following paragraph is substituted in lieu thereof.

> "The period of performance for Modification No. 2 to Task Order No. 12 shall be from October 1, 1999, through September 30, 2000, with a cost ceiling of $341,885."

This task order obligates funds in the amount of $236,245. The accounting data for Modification No. 2 to Task Order No. 12 is as follows:

B&R No.:	07N-15-532-105
FIN No.:	L1965
Appropriation No.:	31X0200.07N
BOC No.:	252A
Obligated Amount:	$236,245

The following individuals are considered to be essential to the successful performance of the work hereunder: [redacted]

The Contractor agrees that such personnel shall not be removed from the effort under the task order without compliance with contract clause, NRCAR 2052.215-70 entitled, "KEY PERSONNEL."

Template = ADM-001

ADM02

Your contacts during the course of this task order are:

Technical Matters: Robert Rakowski, Project Officer
(301) 415-7340

Contractual Matters: Paulette Smith, Contract Specialist
(301) 415-6594

The issuance of this task order does not amend any terms or conditions of the subject contract.

Please indicate your acceptance of this task order by having an official, authorized to bind your organization, execute three (3) copies of this document in the space provided and return two (2) copies to the U.S. Nuclear Regulatory Commission, ATTN: Paulette Smith, Division of Contracts and Property Management, Mail Stop T-7-I-2, ADM/DCPM/CMB1, Washington, DC 20555. You should retain the third copy for your records.

Sincerely,

Mary Mace, Contracting Officer
Contract Management Branch 1
Division of Contracts and
Property Management
Office of Administration

Enclosures:
As stated

ACCEPTED:

Name

Partner

Title

5/10/2000

Date

STATEMENT OF WORK
Modification No. 2 to Task Order No. 12 Under Job Code L1965
Contract No. NRC-09-97-205

Title: Account Reconciliation

Technical Monitor:	Robert E. Rakowski, OCFO - (301) 415-7340
Designated Alternates:	Anthony C. Rossi, OCFO - (301) 415-7379
	Barbara K. Gusack, OCFO - (301) 415-6054

Background

Since the passage of the Chief Financial Officers Act of 1990, the Nuclear Regulatory Commission (NRC) must comply with new Federal financial accounting standards and reporting requirements. The Office of the Chief Financial Officer (OCFO) of the NRC requires financial management advice and guidance concerning accounting and audit issues that affect the NRC's annual financial statements, accounting policy, and operations. The OCFO also seeks assistance in the preparation of the annual financial statements and compilation documentation, account reconciliations, and other general financial and accounting support tasks.

Objective

The objective of this task order is to obtain accounting support to reconcile various general ledger accounts and to provide complete detailed capitalized property inventory listings.

Work Requirements

The contractor shall provide the qualified personnel to complete the following tasks:

1. Equipment Inventory (includes capital leases and contractor-held equipment)

   a) Review and analyze payment documents (invoices) for leased and contractor-held equipment to identify each piece of equipment's property value. Maintain detailed accounting data (e.g., contract invoices, receiving reports) to sufficiently support the property value. (This data is to be entered into the general ledger property account balances.)

   b) Prepare adjustments (e.g., excess equipment) to the general ledger property accounts as necessary and reconcile the ledger with the Division of Contracts and Property Management's (DCPM) property management equipment inventory system.

c) Develop a depreciation schedule based on invoices and the useful life of the equipment to reflect the amounts to be charged on a monthly basis.

2. ADP Software Inventory

Determine the value of ADP contractor-developed and off-the-shelf software by direct review and analysis of payment documents (invoices) and maintain detailed accounting data sufficiently to support the general ledger ADP capitalized software account balances and the associated monthly amortization expense.

3. Leasehold Improvements Inventory

Determine the value of leasehold improvements by direct review and analysis of payment documents and maintain detailed accounting data sufficient for support of the general ledger capitalized leasehold improvement account balances and the associated monthly amortization expense.

4. Payroll

Review payroll data maintained in the payroll system for each pay period and reconcile with the payroll data recorded in the general ledger by account and object class.

5. Cash Reconciliation Review

Review the cash reconciliation report each month to ensure that balances are accurate and all payments are recorded.

6. Deposit Clearing Account Review

Review the deposit and clearing account reconciliation report each month to ensure that balances are accurate and all payments are recorded.

7. Travel Accounts

Perform a monthly review of the three general ledger travel accounts to ensure that the accounts are accurately stated. Review should be thorough enough to ensure the year-end compilation work papers can be accomplished without major adjustments.

8. Other General Ledger Accounts

   a) Perform a review and oversight of all general ledger accounts to ensure accuracy.

   b) Perform reviews of selected general ledger accounts that contain material account balances.

   c) Reviews should be thorough enough to ensure that year-end compilation work papers can be accomplished without major adjustments.

9. Task Order Management

   The Contractor shall provide supervision of junior and senior accountants and review the general ledger account reconciliations and detailed financial inventory listings. Provide appropriate partner oversight of managers, work products, and deliverables.

Period of Performance

Modification No. 2 to Task Order No. 12 extends the period of performance through September 30, 2000.

Deliverables

1. Equipment Inventory

   Within 30 days after the close of the monthly accounting period, provide the following:

   a) A list of discrepancies identified between the DCPM system and the detailed accounting property system;

   b) A list of adjustments for the general ledger and the DCPM system;

   c) A summary of the effect on the general ledger account balances (i.e., beginning balance, adjustments, ending balance);

d) An analysis of chronic problems and recommended solutions.

Within 30 days after the close of the quarterly accounting period, provide the following:

e) A detailed financial equipment inventory, including the current period depreciation schedule.

2. ADP Software Inventory

Within 30 days after the close of the monthly accounting period, provide the following:

a) A list of adjustment to the general ledger ADP property accounts as necessary;

b) A summary of the effect on the general ledger account balances;

c) An analysis of chronic problems and recommended solutions.

Within 30 days after the close of the quarterly accounting period, provide the following:

d) A detailed financial ADP software inventory, including the current period amortization schedule.

3. Leasehold Inventory

Within 30 days after the close of the monthly accounting period, provide the following:

a) A list of adjustments to the general ledger leasehold improvement accounts as necessary;

b) A summary of the effect on the general ledger account balances;

c) An analysis of chronic problems and recommended solutions.

Within 30 days after the close of the quarterly accounting period, provide the following:

d) A detailed financial leasehold improvement inventory, including the current period amortization schedule.

4. Payroll

Within 30 days after the close of the monthly accounting period, provide the following:

a) A list of adjustments necessary for the general ledger;

b) A summary of the effect on general ledger account balances;

c) An analysis of chronic problems and recommended solutions.

5. Cash Reconciliation Review

Within 30 days after the close of the monthly accounting period, provide the following:

A summary of any problems encountered and suggested corrective action.

6. Deposit Clearing Account Review

Within 30 days after the close of the monthly accounting period, provide the following:

A summary of any problems encountered and suggested corrective action.

7. Travel Accounts

Within 30 days after the close of the monthly accounting period, provide the following:

a) A list of adjustments necessary for the general ledger;

b) A summary of the effect on general ledger account balances;

c) An analysis of chronic problems and recommended solutions.

8. Other General Ledger Accounts

Within 30 days after the close of the monthly accounting period, provide the following:

a) A list of adjustments necessary for the general ledger;

b) A summary of the effect on general ledger account balances;

c) An analysis of chronic problems and recommended solutions.

9. Effective supervision and training of senior and junior accountants assigned to this task. Review of work products to help assure material accuracy of deliverables.

Meetings

The contractor shall be required to attend approximately ten (10) status meetings at the Two White Flint North Building located at 11545 Rockville Pike, Rockville, Maryland. The date and time of each meeting will be coordinated between the contractor and the NRC Project Officer or designated alternates.

NRC Furnished Materials/Equipment

The NRC shall provide the contractor with the following items for support of this task order:

- Computer reports of general ledger account balances for property, ADP capitalized software, capitalized leasehold improvement, and other general ledger accounts, and financial and accounting documents relevant to the tasks.

- Certain contractor staff will be provided with a personal computer, calculator, telephone, copy and facsimile machine.

Progress Payments

Payments under this task order shall be made in accordance with contract clause B.24 entitled, "Progress Payments - Commercial Items."