

**COMPETENCIES
EMPLOYEE SELF-ASSESSMENT**

BCF 205 - CONTRACTOR FINANCE FOR ACQUISITION MANAGERS

BCF 205	Competency	Yes	No	Work Description/Justification
1	<p>Contractor Financing.</p> <ul style="list-style-type: none"> • Identify three categories of cash inflows. • Identify four categories of cash outflows. • Describe the cash flow cycle. • Explain time value of money concept. 			
2	<p>Financial Reporting of DoD Contractors .</p> <ul style="list-style-type: none"> • Describe the format and managerial considerations affecting financial statements. • Identify the fundamental accounting concepts used to determine appropriate financial statement values. • Identify the purpose and main elements of the balance sheet, statement, and statement of cash flows. • Differentiate between (1) expenses versus cash expenditures, and (2) revenue versus cash receipts. • Explain the purpose of cash flow analysis and difference between and uses of cash. 			

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3	<p>Financial Analysis of DoD Contractors .</p> <ul style="list-style-type: none"> • Explain the role of financial capability analysis in the DoD acquisition process. • Identify various sources of financial data. • Explain how ratios are used to assess activity, liquidity, leverage, and profitability. • Explain the interrelationships among profit margin, return on investment, and return on equity. 			
4	<p>Contractor Finance for Acquisition Managers .</p> <ul style="list-style-type: none"> • Contrast the interrelationship of profitability, efficiency of asset utilization, and other financial ratios. • Compare the relationship of profit margin, turnover, and leverage. • Derive the availability of information -- sources and types. 			

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5	<p>Contract Types.</p> <ul style="list-style-type: none"> • Differentiate between fixed price and cost contracts with respect to the obligations of the parties. • Identify terms associated with each type of contract. • Identify factors that influence contract type selection. 			
6	<p>Contract Administration.</p> <ul style="list-style-type: none"> • Identify the primary organization that performs contract administration for Defense contracts. • Describe the primary contract administration functions performed by the Contract Administration Office (CAO). • Explain the purpose of a Memorandum of Agreement. • Explain the relationship between the Program Office and CAO. 			

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7	<p>Sales Forecasting and the Annual Operating Plan.</p> <ul style="list-style-type: none"> • Explain how Government contractors develop their sales forecasts. • Compare the importance of sales forecasting in relation to all other financial planning. • Identify the major components of annual operating plans and long-range plans. 			
8	<p>Cost/Managerial Accounting By Government Contractors .</p> <ul style="list-style-type: none"> • Explain how cost/managerial accounting differs from financial accounting. • Identify the major types of cost systems. • Distinguish between direct and indirect type costs and describe how overhead rates are calculated. • Discuss the common types of indirect cost pools. • Describe the major types of costs in each indirect cost pool. • Determine the significance of the Cost Accounting Standards Board (CASB) and CAS 401 and 402. 			

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9	<p>Cost Accounting for Government Contracts.</p> <ul style="list-style-type: none"> • Determine how: (1) forward pricing, (2) billing, and (3) actual indirect cost rates are used in Government contracting. • Explain allowability, allocability, and reasonableness of cost tests. • Identify Independent Research and Development/Bid and Proposal (IR&D/B&P) expenses as elements of contractor cost. • Determine Facilities Capital Cost of Money (FCCM) as an element of contractor cost. 			
10	<p>Cost-Volume-Profit.</p> <ul style="list-style-type: none"> • Explain the difference between fixed and variable costs. • Explain the meaning of break-even and the break-even chart. • Identify the concepts of contribution margin and marginal pricing. • Define the concept of operating leverage and how it may influence pricing strategy. 			

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11	<p>Contractor Use of Cost Estimating.</p> <ul style="list-style-type: none"> • Identify cost proposals. • Describe the estimating methodology for various elements of cost. 			
12	<p>Overhead Planning and Analysis.</p> <ul style="list-style-type: none"> • Analyze the impact which changes in business base have on a defense contractor's direct and indirect costs. • Analyze the impact of a reduction in the sales forecast on a defense contractor's business base. • Distinguish between variable and fixed costs and derive revised overhead pool costs. • Compute revised overhead rates to be used by a defense contractor for Government contracting purposes. • Appraise the equitability of the contractor's overhead pool structure to a Government program manager. • Compute the financial impact on a Government program as a result of changes in overhead rates. 			

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13	<p>Cost Proposals and Report Evaluations.</p> <ul style="list-style-type: none"> • Prepare requests for additional information or support from the DPRO Program Integrator. • Prepare requests for additional information or clarifications. • Prepare requests for information from other program office personnel. • Prepare recommended negotiation objective positions on proposal cost elements, along with supporting rationale to be used in pre-negotiation briefings and negotiations. 			
14	<p>Capital Investment for Cost Reduction.</p> <ul style="list-style-type: none"> • Demonstrate computation of (1) pay back (PB), (2) net present value (NPV), and (3) internal rate of return (IRR) methods for evaluating capital investment proposals. • Identify how risk and return affects a contractor's willingness to invest in capital (fixed) assets. • Identify Government disincentives and incentives to capital investment. 			

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15	<p>Proposal Pricing.</p> <ul style="list-style-type: none"> • Describe the considerations of a contractor in pricing competitive proposals to the DoD, and the importance of pricing decisions and its risk to the proposing contractor. • Determine the complexity of factors impacting the pricing decision. • Identify types of information relevant to the pricing decision. • Discuss the motivations underlying contractor pricing proposals. 			
16	<p>Contractor Profit in DoD Contracts.</p> <ul style="list-style-type: none"> • Describe the DoD profit policy. • Identify the weighted guidelines methodology. • Differentiate between the many different profit measurements. 			