



## How can I Reduce my Financial Risk in a Termination for Convenience?

Contractors, the unfortunate reality of these economic times is that the rate of Terminations for Convenience (T4C) will likely rise. Sadly, the fact is that if the Government is going to terminate your contract, there is nothing you can do to avoid it. *However*, there are steps you can take to mitigate the financial costs and risk of a contract termination! Below is a checklist that ReliAscent, LLC created for our Clients and Friends, as a follow-up to our "What to do when your Contract has been Terminated for Convenience" whitepaper. We encourage you to pass this valuable document on to your Clients and Friends in the government contracting industry, and call us today if you would like our assistance following through on any of these recommendations.

<b>1. Make absolutely sure your accounting system is: current, accurate, and compliant.</b>
<b>2. Verify billings are current and no overdue A/R from the government or your clients.</b>
<b>3. Verify all subcontractors are not working ahead of schedule.</b>
<b>4. Make sure your contract documents (changes, delivery records, terms and conditions) are up to date.</b>
<b>5. Keep current any pricing models you use.</b>
<b>6. For all of your Subcontractors and subcontracts:</b> <ul style="list-style-type: none"><li>• Address T4C Clause in the sub agreement</li><li>• Add your flowdowns to your sub so you are on a level playing field</li><li>• Add status reports to be a requirement from your subs</li><li>• Keep close tabs on the performance and deliveries of your subcontractors.</li></ul>
<b>7. Explore EVMS to ensure your subs and you are on target</b>
<b>8. Communication with the Project Group is Crucial-</b> <ul style="list-style-type: none"><li>• Increase contact frequency with your Contracting Officer (CO)</li><li>• Establish project directions from your CO and constantly update them</li><li>• Increase contact frequency with your Technical Point of Contact (if applicable). This will enable you to learn more about program direction and viability.</li><li>• Increase contact frequency with your subcontractors</li></ul>
<b>9. Keep abreast of what's happening-</b> <ul style="list-style-type: none"><li>• Identify web news sources for the department you're contracting with (examples below)<ul style="list-style-type: none"><li>➤ DoD- <a href="http://www.defenseindustrydaily.com/">http://www.defenseindustrydaily.com/</a></li><li>➤ DoE- <a href="http://energy.gov/news-blog">http://energy.gov/news-blog</a></li><li>➤ NIH- <a href="http://www.nih.gov/news/">http://www.nih.gov/news/</a></li><li>➤ DHS- <a href="http://www.dhs.gov/vnews/">http://www.dhs.gov/vnews/</a></li></ul></li></ul>
<b>10. Keep up with general government news.</b> <ul style="list-style-type: none"><li>• Tech Biz recommends you use Govcon Daily, a news site on government contracting. Use the link below to: <a href="http://www.govconwire.com/">http://www.govconwire.com/</a></li><li>• Make frequent visits to the Tech Biz Website's "<a href="#">Industry Updates</a>" page</li><li>• Be sure to follow Tech Bizolutions on Twitter</li></ul>
<b>11. Have a complete inventory and make sure you're up to date with location and ID of all government property.</b>
<b>12. Make sure you are current on any intellectual rights obligations.</b>



ReliAscent, LLC, is a new company formed by the merger of Tech BizSolutions and PBC Inc.; two industry leaders in supporting government contractors. Together, we have helped hundreds of companies get their accounting systems in compliance with government requirements. We provide outsourced accounting and contract management services for small businesses in the government contracting industry

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