



## **Report Summary**

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Social Security Administration  
Office of the Inspector General

### ***Cherry Engineering Support Services, Inc., Indirect Cost Rate Proposal for Fiscal Year 2006 (Limited Distribution) (A-15-08-18086)***

Our objective was to evaluate the indirect cost rates as reported in the Cherry Engineering Support Services, Inc's. (CESSI) Fiscal Year (FY) 2006 indirect cost rate proposal. Specifically, we determined whether the direct and indirect costs used to develop these rates were: reasonable, allowable, and allocable in accordance with the contract terms and applicable Government acquisition regulations.

Our audit resulted in no change to the actual indirect cost rates submitted by CESSI for FY 2006. However, contract number SS00-06-60017 contains negotiated indirect cost ceiling rates. Therefore, the Office of Acquisition and Grants should adjust the allowable costs for this contract by deducting the indirect costs in excess of the contractual ceiling rates.

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