



After the Award: Organize or Die Why your new company needs a strong backbone.

In a strong organization “responsibility” is not meant to be a way to point fingers. Instead, it is used to identify areas that need improvement. That’s the secret to a company’s future — organization that leads to continuous improvement that leads to better work that leads to success.

Without an organization structure, you have very low probability of success. Companies that lack strong, well-thought-out organizational structures wither and die before they even have a chance to succeed.

No matter how small your company, it will perform at its best when it is organized to achieve goals. This is the backbone of your company — and it generally includes the rules to be followed along with roles and responsibilities of everyone in the company. And that same need for a strong backbone exists in your accounting system.

In an accounting system, the chart of accounts manages and communicates to the company the status of assets, liabilities, equity, revenue and expenses. In other words, it keeps everything and everyone on track.

The chart of accounts organizes the company finances and allows management and investors or shareholders to have a view of the company’s financial status for any time period. These accounts are organized by account types: assets, liabilities, equity, revenue, and expenses.

The better organized the accounts, the more information you can gather to make the most informed decisions. Financial insights enable management to know when it is time to raise capital, the cost of doing a project, when to hire employees, and what salary can be afforded.

In fact, companies that receive government funds *must have a chart of accounts* organized to separate the Direct costs, Indirect Costs and unallowable Costs, per Federal Acquisition Regulation. Organizing your chart of accounts by account type, (direct, indirect and unallowable) allows you to produce reports that provide enough details to calculate your current indirect rate, understand the cost of taking on projects

or new research and clearly see the costs of employees. This is powerful information for leading a strong successful organization.

BBCetc offers a full suite of post-award support and services to help you organize and manage your SBIR/STTR awards. To learn more, contact [BBCetc](#) to talk with a consultant.