



# MAY THE CLAUSE BE WITH YOU<sup>SM</sup>

The CAS Clauses

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# Your Instructor



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# 7 Clauses for Cost Accounting Standards – “CAS”

- 30.201-3 -- Solicitation Provisions.

- 52.230-1, Cost Accounting Standards Notices and Certification
- 52.230-7, Proposal Disclosure--Cost Accounting Practice Changes

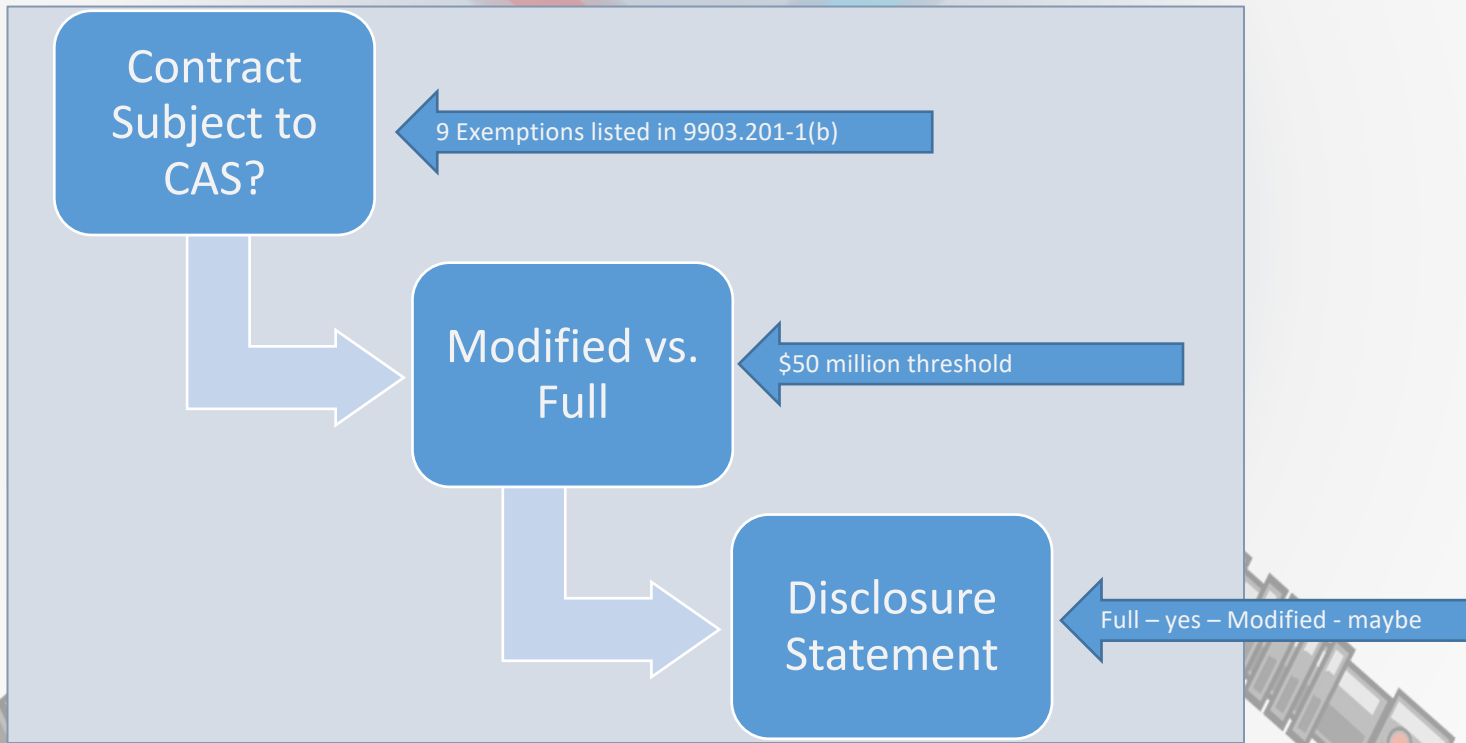
- 30.201-4 -- Contract Clauses

- 52.230-2, Cost Accounting Standards
- 52.230-3, Disclosure and Consistency of Cost Accounting Practices
- 52.230-4, Disclosure and Consistency of Cost Accounting Practices--Foreign Concerns
- 52.230-6, Administration of Cost Accounting Standards
- 52.230-5, Cost Accounting Standards -- Educational Institution



# CAS in a minute!

- Contracts are subject to CAS – not contractors!



# The Cost Accounting Standards

- **BASIC Standards**

- CAS 401: Consistency
- CAS 402: Direct v. Indirect Costs
- CAS 405: Unallowable Costs
- CAS 406: Cost Accounting Period

- **The Cost Allocation Standards**

- CAS 407: Standard Costs
- CAS 414: Cost of Money
- CAS 410: General & Administrative
- CAS 403: Home Office expenses
- CAS 418: Direct & Indirect
- CAS 420: B&P and IR&D

- **Asset Accounting Standards**

- CAS 404: Capitalization
- CAS 409: Depreciation
- CAS 417: Self Constructed Assets

- **Compensation Standards**

- CAS 408: Compensated Assets
- CAS 412 & 413: Pensions
- CAS 415: Deferred Compensation

- **Other Standards**

- CAS 411: Material Costs
- CAS 416: Insurance Costs



# 52.230-1, CAS Notices and Certification

- Disclosure Statement -- Cost Accounting Practices and Certification
  - Any contract in excess of \$2,000,000\* resulting from this solicitation will be subject to CAS except for those contracts which are exempt!
  - When a Disclosure Statement must be submitted:
    - Certificate of Concurrent Submission of Disclosure Statement.
    - Certificate of Previously Submitted Disclosure Statement.
    - Certificate of Monetary Exemption.
    - Certificate of Interim Exemption.
    - Certificate of Disclosure Statement Due Date by Educational Institution.
- Cost Accounting Standards -- Eligibility for Modified Contract Coverage
- Additional Cost Accounting Standards Applicable to Existing Contracts

# 52.230-2, Cost Accounting Standards

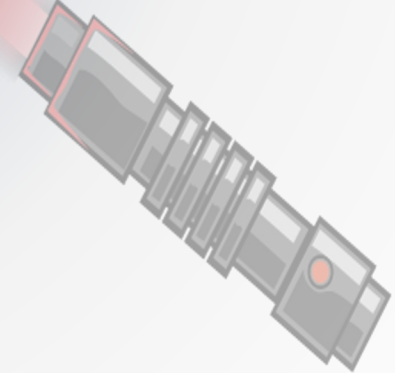
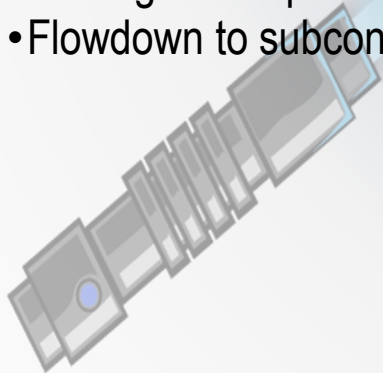
## Full CAS Coverage . . . Unless the contract is exempt:

- Disclosure Statement
- Follow consistently cost accounting practices in accumulating and reporting cost
- Comply with all Standards:
  - In effect on the date of award of this contract (or if TINA applies, the date of final agreement on price)
  - Any new Standards that become applicable
- Agree to an equitable adjustment for changes to a cost accounting practice
- Agree to an adjustment when fail to comply with an applicable Standard, or to follow any cost accounting practice that results in increased costs paid with interest
- Permit government to examine and make copies of any documents, papers, or records relating to compliance with the requirements of this clause.
- Flowdown to subcontracts when applicable.

# 52.230-3, Disclosure and Consistency of Cost Accounting Practices

## Modified CAS Coverage . . . Unless the contract is exempt:

- Comply with CAS 401, 402, 405 and 406
- Disclosure Statement if required
- Consistently follow cost accounting practices.
  - A change may be proposed and the parties agree to a change
  - Desirable changes - negotiate an equitable adjustment - no increase costs
- Agree to an adjustment fail to comply with applicable Standard to follow any cost accounting practice resulting in increased costs paid with interest
- Permit government to examine and make copies of any documents, papers, or records relating to compliance with the requirements of this clause.
- Flowdown to subcontracts when applicable.

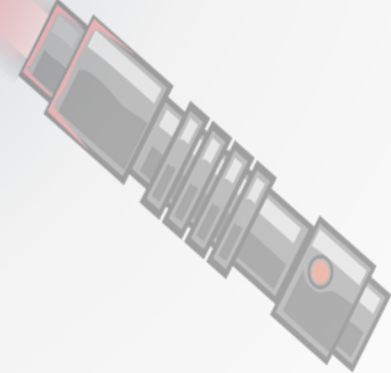
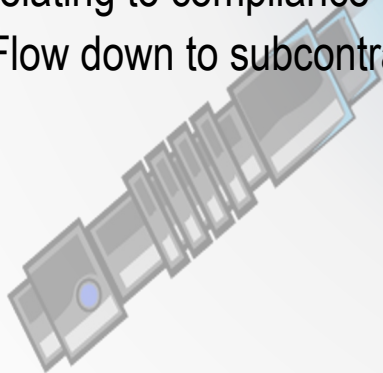




# 52.230-4, Disclosure and Consistency of Cost Accounting Practices--Foreign Concerns

## Unless the contract is exempt:

- Comply with CAS 401 and 402
- Disclosure Statement if required
- Consistently follow cost accounting practices.
  - A change may be proposed and the parties agree to a change
  - Desirable changes - negotiate an equitable adjustment - no increase costs
- Agree to an adjustment fail to comply with applicable Standard to follow any cost accounting practice resulting in increased costs paid with interest
- Permit government to examine and make copies of any documents, papers, or records relating to compliance with the requirements of this clause.
- Flow down to subcontracts when applicable.



# 52.230-5, CAS - Educational Institution

## OMB Uniform Guidance at 2 CFR part 200, subpart A and 20 U.S.C. 1001

- Disclosure Statement (DS-2)
- Follow consistently cost accounting practices in accumulating and reporting cost
- Comply with all Standards at 48 CFR 9905:
  - In effect on the date of award of this contract (or if TINA applies, the date of final agreement on price)
  - Any new Standards that become applicable
- Agree to an equitable adjustment for changes to a cost accounting practice
- Agree to an adjustment when fail to comply with an applicable Standard, or to follow any cost accounting practice that results in increased costs paid with interest
- Permit government to examine and make copies of any documents, papers, or records relating to compliance with the requirements of this clause.
- Flowdown to subcontracts when applicable.

# 52.230-6, Administration of CAS - 1 of 2

- Many definitions
- Submit a description of any cost accounting practice change
  - When submitted and dependent upon contract award – 15 days
  - Required or desirable change – 60 days
  - Voluntary change – 60 days
- Submit:
  - A general dollar magnitude (GDM) proposal
  - A detailed cost-impact (DCI) proposal
  - The data necessary to demonstrate the required cost savings
- Format includes:
  - The estimated increase or decrease by Executive agency
  - Fixed-price contracts and subcontracts
  - Flexibly-priced contracts and subcontracts.
- Noncompliances that involve cost estimates
- Noncompliances that involve accumulating costs

# 52.230-6, Administration of CAS - 2 of 2

- Failure to submit:
  - Withhold up to 10 percent of each subsequent payment
  - Issue a final decision in accordance with FAR 33.211 and unilaterally adjust by the estimated amount of the cost impact.
- Agree to—
  - Contract modifications to reflect adjustments required
  - Repay the Government for any aggregate increased cost paid to the Contractor.
- Subcontracts:
  - State in the body of the subcontract, in the letter of award, or in both (do not use self-deleting clauses);
  - Include the substance of this clause in all negotiated subcontracts; and
  - Within 30 days after award of the subcontract, submit information to CFAO
  - Notify the CFAO in writing of any adjustments required to subcontracts under this contract and agree to an adjustment to this contract price or estimated cost and fee.



# 52.230-7, Proposal Disclosure—Cost Accounting Practice Changes

- The offeror shall check “yes” below if the contract award will result in a required or unilateral change in cost accounting practice, including unilateral changes requested to be desirable changes.
- If the offeror checked “Yes” above, the offeror shall--
  - Prepare the price proposal in response to the solicitation using the changed practice for the period of performance for which the practice will be used; and
  - Submit a description of the changed cost accounting practice to the Contracting Officer and the Cognizant Federal Agency Official as pricing support for the proposal



# Thank you for your time!

- Call or reach out with any questions:

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