

APPENDIX A

Table of Contents

<i>Paragraph</i>	<i>Page</i>
A-000 Contract Cost Principles And Procedures	
A-001 Scope of Appendix	
A-100 Section 1 --- RESERVED	
A-200 Section 2 --- RESERVED	
A-300 Section 3 --- Federal Acquisition Regulation (FAR) --- Part 31 --- Contract Cost Principles and Procedures	
A-301 Scope of Section	
A-300 Part 31 --- Contract Cost Principles and Procedures	
31.000 Scope of part	
31.001 Definitions	
31.002 Availability of accounting guide	
A-300 Subpart 31.1 --- Applicability	
31.100 Scope of subpart	
31.101 Objectives	
31.102 Fixed-price contracts	
31.103 Contracts with commercial organizations	
31.104 Contracts with educational institutions	
31.105 Construction and architect-engineer contracts	
31.106 [Reserved]	
31.107 Contracts with State, local, and federally recognized Indian Tribal Governments	
31.108 Contracts with nonprofit organizations	
31.109 Advance agreements	
31.110 Indirect cost rate certification and penalties on unallowable costs	
A-300 Subpart 31.2 --- Contracts with Commercial Organizations	
31.201 General	
31.201-1 Composition of total cost	
31.201-2 Determining allowability	
31.201-3 Determining reasonableness	
31.201-4 Determining allocability	

- 31.201-5 Credits
- 31.201-6 Accounting for unallowable costs
- 31.201-7 Construction and architect-engineer contracts
- 31.202 Direct costs
- 31.203 Indirect costs
- 31.204 Application of principles and procedures
- 31.205 Selected costs
 - 31.205-1 Public relations and advertising costs
 - 31.205-2 Reserved
 - 31.205-3 Bad debts
 - 31.205-4 Bonding costs
 - 31.205-5 Reserved
 - 31.205-6 Compensation for personal services
 - 31.205-7 Contingencies
 - 31.205-8 Contributions or donations
 - 31.205-9 Reserved
 - 31.205-10 Cost of money
 - 31.205-11 Depreciation
 - 31.205-12 Economic planning costs
 - 31.205-13 Employee morale, health, welfare, food service, and dormitory costs and credits
 - 31.205-14 Entertainment costs
 - 31.205-15 Fines, penalties, and mischarging costs
 - 31.205-16 Gains and losses on disposition or impairment of depreciable property or other capital assets
 - 31.205-17 Idle facilities and idle capacity costs
 - 31.205-18 Independent research and development and bid and proposal costs
 - 31.205-19 Insurance and indemnification
 - 31.205-20 Interest and other financial costs
 - 31.205-21 Labor relations costs
 - 31.205-22 Lobbying and Political Activity Costs
 - 31.205-23 Losses on other contracts
 - 31.205-24 Reserved
 - 31.205-25 Manufacturing and production engineering costs
 - 31.205-26 Material costs

- 31.205-27 Organization costs
- 31.205-28 Other business expenses
- 31.205-29 Plant protection costs
- 31.205-30 Patent costs
- 31.205-31 Plant reconversion costs
- 31.205-32 Precontract costs
- 31.205-33 Professional and consultant service costs
- 31.205-34 Recruitment costs
- 31.205-35 Relocation costs
- 31.205-36 Rental costs
- 31.205-37 Royalties and other costs for use of patents
- 31.205-38 Selling costs
- 31.205-39 Service and warranty costs
- 31.205-40 Special tooling and special test equipment costs
- 31.205-41 Taxes
- 31.205-42 Termination costs
- 31.205-43 Trade, business, technical and professional activity costs
- 31.205-44 Training and education costs
- 31.205-45 [Reserved]
- 31.205-46 Travel costs
- 31.205-47 Costs related to legal and other proceedings
- 31.205-48 Research and development costs
- 31.205-49 Goodwill
- 31.205-50 [Reserved]
- 31.205-51 Costs of alcoholic beverages
- 31.205-52 Asset valuations resulting from business combinations

A-300 Subpart 31.3 --- Contracts with Educational Institutions

- 31.301 Purpose
- 31.302 General
- 31.303 Requirements

A-300 Subpart 31.4 --- Reserved

A-300 Subpart 31.5 --- Reserved

A-300 Subpart 31.6 --- Contracts with State, Local, and Federally Recognized Indian Tribal Governments

- 31.601 Purpose

31.602 General

31.603 Requirements

A-300 Subpart 31.7 --- Contracts with Nonprofit Organizations

31.701 Purpose

31.702 General

31.703 Requirements

A-400 Section 4 --- Defense Federal Acquisition Regulation Supplement (DFARS) Part 231 - Contract Cost Principles and Procedures

A-401 Scope of Section

A-400 Subpart 231.1 --- Applicability

231.100 Scope of Subpart

231.100-70 Contract clause

A-400 Subpart 231.2 --- Contracts With Commercial Organizations

231.201-2 Determining allowability

(a) In addition to the requirements at FAR 31.201-2(a), a cost is allowable only when it complies with the clause at 252.215-7004, Excessive Pass-Through Charges

231.203 Indirect costs

(d) Excessive pass-through charges, as defined in the clause at 252.215-7004, are unallowable

231.205 Selected costs

231.205-6 Compensation for Personal Services

231.205-18 Independent Research and Development and Bid and Proposal Costs

231.205-22 Legislative Lobbying Costs

231.205-70 External Restructuring Costs

A-400 Subpart 231.3 --- Contracts With Educational Institutions

231.303 Requirements

A-400 Subpart 231.6 --- Contracts With State, Local, and Federally Recognized Indian Tribal Governments

231.603 Requirements

A-400 Subpart 231.7 --- Contracts With Nonprofit Organizations

231.703 Requirements

APPENDIX A**A-000 Contract Cost Principles And Procedures****A-001 Scope of Appendix**

The Federal Acquisition Regulation (FAR) Part 31 and the DoD FAR Supplement (DFARS) Part 231 in the printed version of this appendix is current as of the date of the printed CAM. The electronic version, located on the Agency intranet web site, is linked to the Hill Air Force base web site. The Hill Air Force base web site is continuously updated with Federal Acquisition Circulars (FAC) and is current through the FAC identified on that web site. Auditors should consult the intranet edition prior to finalizing reports with significant or complex findings.

A-100 Section 1 --- RESERVED**A-200 Section 2 --- RESERVED****A-300 Section 3 --- Federal Acquisition Regulation (FAR) --- Part 31 --- Contract Cost Principles and Procedures****A-301 Scope of Section**

The Federal Acquisition Regulation Part 31, Contract Cost Principles and Procedures, is reprinted on the following pages. The transcript reproduces the initial 1984 edition of FAR Part 31 updated through Federal Acquisition Circular (FAC) 2005-68 dated June 26, 2013. A chronological history of changes, listed by FAC number, is available on the Defense Acquisition Portal web site. In addition, the information about the FACs is available in the FAR Cost Principles Guide maintained on the DCAA Intranet under CAM and under the Pamphlets, Manuals, Instructions & Regulations in the Resources section. To ensure the application of the appropriate cost principles, auditors must consider the dates the contracts were awarded. The FAR Cost Principles Guide (available on the DCAA intranet, under Library) provides a history of each cost principle from the inception of the FAR and enables the auditor to determine the applicable cost principle at a particular point in time.

For DCAA Intranet users, direct links to FAR Part 31 and DFARS Part 231 are provided in the electronic version of CAM under Appendix A. Auditors are encouraged to consult that site for the most current changes to FAR and DFARS. Internet users can access the ARNet (GSA) or the AP Hill (FARSite) FAR and DFARS at the Defense Acquisition Portal web site at <https://dap.dau.mil>.

A-400 Section 4 --- Defense Federal Acquisition Regulation Supplement (DFARS) Part 231 - Contract Cost Principles and Procedures**A-401 Scope of Section**

The Defense Federal Acquisition Regulation Supplement Part 231, Contract Cost Principles and Procedures, is transcribed on the subsequent pages. The transcript reproduces DFARS Part 231 updated through January 30, 2012. The full text of the DFARS is available on the Defense Acquisition Portal web site at <https://dap.dau.mil>.