



DEFENSE CONTRACT AUDIT AGENCY
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 FORT BELVOIR, VA 22060-6219

IN REPLY REFER TO

PSP 730.5.04

November 15, 2021
 21-PSP-008(R)

MEMORANDUM FOR REGIONAL DIRECTORS, DCAA
 CORPORATE AUDIT DIRECTORS, DCAA
 ASSISTANT DIRECTORS, HQ, DCAA

SUBJECT: Audit Alert on Contractor Compensation Cap – Statutory Fiscal Year (FY) 2022

What You Need to Know

As prescribed in Section 702 of the Bipartisan Budget Act of 2013 (BBA; Pub. L. 113-67, December 26, 2013), the Office of Federal Procurement Policy (OFPP) published the compensation cap amount for FY 2022. CAM 6-414.7 was updated to include the BBA compensation cap amount for FY 2022.

What Auditors Need to Do

Auditors should use the following cap amount in evaluating all contractor employee compensation costs proposed during FY 2022 applicable to contracts awarded on or after June 24, 2014:

BBA Contractor Compensation Cap for Contracts Awarded after June 24, 2014 (FAR 31.205-6(p)(4))	
For Costs Incurred	Cap Amount
1/1/2022 – 12/31/2022	\$589,000

Questions and Further Information

FAO personnel with questions regarding this audit alert should contact their regional or CAD offices. Regional/CAD personnel with questions regarding this audit alert should contact Policy Pricing and Special Projects (PSP) Division via e-mail at DCAA-PSP@dcaa.mil.

/Signed/
 Martha E. McKune
 Assistant Director, Policy and Quality

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