



**DEFENSE CONTRACT AUDIT AGENCY**  
8725 JOHN J. KINGMAN ROAD, SUITE 2135  
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:

| <b>BBA Contractor Compensation Cap for Contracts Awarded after June 24, 2014 (FAR 31.205-6(p)(4))</b> |                   |
|---|-------------------|
| <b>For Costs Incurred</b>   | <b>Cap Amount</b> |
| 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 Jo Lynn Holmes, Program Manager, Policy Pricing and Special Projects (PSP) Division via e-mail at [DCAA-PSP@dcaa.mil](mailto:DCAA-PSP@dcaa.mil).

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

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