

## 30.602 Materiality.

(a) In determining materiality, the CFAO *shall* use the criteria in 48 CFR 9903.305.

(b) A CFAO determination of materiality-

(1) *May* be made before or after a general dollar magnitude proposal has been submitted, depending on the particular facts and circumstances; and

(2) *Shall* be based on adequate documentation.

(c) When the CFAO determines the cost impact is immaterial, the CFAO *shall*-

(1) Make no contract adjustments and conclude the cost impact process;

(2) Document the rationale for the determination; and

(3) In the case of *noncompliance* issues, inform the contractor that-

(i) The *noncompliance* *should* be corrected; and

(ii) If the *noncompliance* is not corrected, the Government reserves the right to make appropriate contract adjustments *should* the cost impact become material in the future.

(d) For required, unilateral, and *desirable changes*, and CAS *noncompliances*, when the amount involved is material, the CFAO *shall* follow the applicable provisions in [30.603](#), [30.604](#), [30.605](#), and [30.606](#).

**Parent topic:** [Subpart 30.6 - CAS Administration](#)