31.205-10 Cost of money.

(a) General. Cost of money-

(1) Is an imputed cost that is not a form of interest on borrowings (see 31.205-20);

(2) Is an "incurred cost" for cost-reimbursement purposes under applicable cost-reimbursement contracts and for progress payment purposes under fixed-price contracts; and

(3) Refers to-

(i) Facilities capital cost of money (48 CFR9904.414); and

(ii) Cost of money as an element of the cost of capital assets under construction (48 CFR9904.417).

(b) Cost of money is allowable, provided-

(1) It is measured, assigned, and allocated to contracts in accordance with 48 CFR9904.414 or measured and added to the cost of capital assets under construction in accordance with 48 CFR9904.417, as applicable;

(2) The requirements of 31.205-52, which limit the allowability of cost of money, are followed; and

(3) The estimated facilities capital cost of money is specifically identified and proposed in cost proposals relating to the contract under which the cost is to be claimed.

(c) Actual interest cost in lieu of the calculated imputed cost of money is unallowable.

Parent topic: 31.205 Selected costs.