

## 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](#).