

31.205-15 Fines, penalties, and mischarging costs.

(a) *Costs* of fines and *penalties* resulting from violations of, or failure of the contractor to comply with, Federal, State, local, or foreign laws and regulations, are unallowable except when incurred as a result of compliance with specific terms and conditions of the contract or written instructions from the *contracting officer*.

(b) *Costs* incurred in connection with, or related to, the mischarging of *costs* on Government contracts are unallowable when the *costs* are caused by, or result from, alteration or destruction of records, or other false or improper charging or recording of *costs*. Such *costs* include those incurred to measure or otherwise determine the magnitude of the improper charging, and *costs* incurred to remedy or correct the mischarging, such as *costs* to rescreen and reconstruct records.

Parent topic: [31.205 Selected costs.](#)