31.205-39 Service and warranty costs.

Service and *warranty costs* include those arising from fulfillment of any contractual obligation of a contractor to provide services such as installation, training, correcting defects in the *products*, replacing defective parts, and making refunds in the case of inadequate performance. When not inconsistent with the terms of the contract, service and *warranty costs* are allowable. However, care *should* be exercised to avoid duplication of the allowance as an element of both estimated product cost and risk.

Parent topic: 31.205 Selected costs.