31.205-40 Special tooling and special test equipment costs.

(a) The terms “ *special tooling*” and “ *special test equipment*” are defined in 2.101.

(b) The cost of *special tooling* and *special test equipment* used in performing one or more Government contracts is allowable and *shall* be allocated to the specific Government contract or contracts for which acquired, except that the cost of-

(1) Items acquired by the contractor before the effective date of the contract (or replacement of such items), whether or not altered or adapted for use in performing the contract, and

(2) Items which the contract schedule specifically excludes, *shall* be allowable only as *depreciation* or amortization.

(c) When items are disqualified as *special tooling* or *special test equipment* because with relatively minor expense they can be made suitable for general purpose use and have a value as such commensurate with their value as *special tooling* or *special test equipment*, the cost of adapting the items for use under the contract and the cost of returning them to their prior configuration are allowable.

Parent topic: 31.205 Selected costs.