52.230-2 Cost Accounting Standards.

As prescribed in 30.201-4(a)(1), insert the following clause:

Cost Accounting Standards (Jun 2020)

(a) Unless the contract is exempt under 48 CFR 9903.201-1 and 9903.201-2, the provisions of 48 CFR Part 9903 are incorporated herein by reference and the Contractor, in connection with this contract, *shall*-

(1) *(CAS-covered Contracts Only)* By submission of a Disclosure Statement, disclose *in writing* the Contractor's cost accounting practices as required by 48 CFR 9903.202-1 through 9903.202-5, including methods of distinguishing *direct costs* from *indirect costs* and the basis used for allocating *indirect costs*. The practices disclosed for this contract *shall* be the same as the practices currently disclosed and applied on all other contracts and subcontracts being performed by the Contractor and which contain a Cost Accounting Standards (CAS) clause. If the Contractor has notified the *Contracting Officer* that the Disclosure Statement contains trade secrets and commercial or financial information which is privileged and confidential, the Disclosure Statement *shall* be protected and *shall* not be released outside of the Government.

(2) Follow consistently the Contractor's cost accounting practices in accumulating and reporting contract performance cost data concerning this contract. If any change in cost accounting practices is made for the purposes of any contract or subcontract subject to CAS requirements, the change *must* be applied prospectively to this contract and the Disclosure Statement *must* be amended accordingly. If the contract price or cost allowance of this contract is affected by such changes, adjustment *shall* be made in accordance with paragraph (a)(4) or (a)(5) of this clause, as appropriate.

(3) Comply with all CAS, including any modifications and interpretations indicated thereto contained in 48 CFR Part 9904, in effect on the date of award of this contract or, if the Contractor has submitted *certified cost or pricing data*, on the date of final agreement on price as shown on the Contractor's signed certificate of current *cost or pricing data*. The Contractor *shall* also comply with any CAS (or modifications to CAS) which hereafter become applicable to a contract or subcontract of the Contractor. Such compliance *shall* be required prospectively from the date of applicability to such contract or subcontract.

(4)

(i) (Agree to an equitable adjustment as provided in the Changes clause of this contract if the contract cost is affected by a change which, pursuant to paragraph (a)(3) of this clause, the Contractor is required to make to the Contractor's established cost accounting practices.

(ii) Negotiate with the *Contracting Officer* to determine the terms and conditions under which a change *may* be made to a cost accounting practice, other than a change made under other provisions of paragraph (a)(4) of this clause; provided that no agreement *may* be made under this provision that will increase costs paid by the *United States*.

(iii) When the parties agree to a change to a cost accounting practice, other than a change under subdivision (a)(4)(i) of this clause, negotiate an equitable adjustment as provided in the Changes clause of this contract.

(5) Agree to an adjustment of the contract price or cost allowance, as appropriate, if the Contractor or a subcontractor fails to comply with an applicable Cost Accounting Standard, or to follow any cost accounting practice consistently and such failure results in any increased costs paid by the *United States*. Such adjustment *shall* provide for recovery of the increased costs to the *United States*, together with interest thereon computed at the annual rate established under section 6621(a)(2) of the Internal Revenue Code of 1986 (26 U.S.C. 6621(a)(2)) for such period, from the time the payment by the *United States* was made to the time the adjustment is effected. In no case *shall* the Government recover costs greater than the increased cost to the Government, in the aggregate, on the relevant contracts subject to the price adjustment, unless the Contractor made a change in its cost accounting practices of which it was aware or *should* have been aware at the time of price negotiations and which it failed to disclose to the Government.

(b) If the parties fail to agree whether the Contractor or a subcontractor has complied with an applicable CAS in 48 CFR 9904 or a CAS rule or regulation in 48 CFR 9903 and as to any cost adjustment demanded by the *United States*, such failure to agree will constitute a dispute under 41 U.S.C. chapter 71, Contract Disputes.

(c) The Contractor *shall* permit any authorized representatives of the Government to examine and make copies of any documents, papers, or records relating to compliance with the requirements of this clause.

(d) The Contractor *shall* include in all negotiated subcontracts which the Contractor enters into, the substance of this clause, except paragraph (b), and *shall* require such inclusion in all other subcontracts, of any tier, including the obligation to comply with all CAS in effect on the subcontractor's award date or if the subcontractor has submitted *certified cost or pricing data*, on the date of final agreement on price as shown on the subcontractor's signed Certificate of Current *Cost or Pricing Data*. If the subcontract is awarded to a *business unit* which pursuant to 48 CFR 9903.201-2 is subject to other types of CAS coverage, the substance of the applicable clause set forth in subsection 30.201-4 of the Federal *Acquisition* Regulation (FAR) *shall* be inserted. This requirement *shall* apply only to negotiated subcontracts in excess of the lower CAS threshold specified in FAR 30.201-4(b) on the date of subcontract award, except that the requirement *shall* not apply to negotiated subcontracts otherwise exempt from the requirement to include a CAS clause as specified in 48 CFR 9903.201-1.

(End of clause)

Parent topic: 52.230 [Reserved]