

PART 1830

COST ACCOUNTING STANDARDS ADMINISTRATION

(September 2015)

TABLE OF CONTENTS

SUBPART [1830.2](#) CAS PROGRAM REQUIREMENTS

1830.201-5 Waiver.

SUBPART [1830.70](#) FACILITIES CAPITAL EMPLOYED FOR FACILITIES

IN USE OR FOR FACILITIES UNDER CONSTRUCTION

1830.7001 Facilities capital employed for facilities in use.

1830.7001-1 Contract facilities capital estimates.

1830.7001-2 DD Form 1861 completion instructions.

1830.7001-3 Preaward FCCOM applications.

1830.7001-4 Postaward FCCOM applications.

1830.7002 Facilities capital employed for facilities under construction.

1830.7002-1 Definitions.

1830.7002-2 Cost of money calculations.

1830.7002-3 Representative investment calculations.

1830.7002-4 Determining imputed cost of money.

PART 1830

COST ACCOUNTING STANDARDS ADMINISTRATION

Subpart 1830.2—CAS Program Requirements

See [PCD 18-04](#) for further guidance related to FAR 30.201-4.

1830.201-5 Waiver.

(a)(2) The Senior Procurement Executive is the only individual authorized to approve CAS waivers.

Requests for waivers that meet the conditions in FAR 30.201-5(b) must be submitted to the Headquarters Office of Procurement, Policy, Training, and Pricing Division, at least 30 days before the anticipated contract award date.

(e) The Senior Procurement Executive will submit NASA's report to the CAS Board.

Subpart 1830.70—Facilities Capital Employed for
Facilities in Use and for Facilities Under Construction

1830.7001 Facilities capital employed for facilities in use.

1830.7001-1 Contract facilities capital estimates.

To estimate facilities capital cost of money (FCCOM), the contracting officer shall use DD Form 1861, Contract Facilities Capital Cost of Money, after evaluating the contractor's cost proposal, establishing cost of money factors, and developing a prenegotiation cost objective.

1830.7001-2 DD Form 1861 completion instructions.

(a) List overhead pools and direct-charging services centers (if used) in the same structure as they appear on the contractor's cost proposal and Form CASB-CMF. The structure and allocation base units-of-measure must be compatible on all three displays.

(b) Extract appropriate contract overhead allocation base data, by year, from the evaluated cost breakdown or prenegotiation cost objective, and list them against each overhead pool and direct-charging service center.

(c) Multiply each allocation base by its corresponding cost of money factor to compute the FCCOM estimated to be incurred each year. The sum of these products represents the estimated contract FCCOM for that year's effort.

(d) Add the yearly estimates to calculate the total contract FCCOM.

1830.7001-3 Preaward FCCOM applications.

Apply FCCOM in establishing cost and price objectives as follows:

(a) Cost objective. Use the FCCOM with normal, booked costs in establishing a cost objective or the target cost of an incentive type contract. Do not subsequently adjust these target costs when actual cost of money rates become available during the contract performance period.

(b) Profit/fee objective. Do not include FCCOM in the cost base when establishing a prenegotiation

profit/fee objective. Use only normal, booked costs in this cost base.

1830.7001-4 Postaward FCCOM applications.

(a) Interim billings based on costs incurred.

(1) The contractor may include FCCOM in cost reimbursement and progress payment invoices. To determine the amount that qualifies as cost incurred, multiply the incurred portions of the overhead pool allocation bases by the latest available cost of money factors. These FCCOM calculations are interim estimates subject to adjustment.

(2) As actual cost of money factors are finalized, use the new factors to calculate FCCOM for the next accounting period.

(b) Final settlements.

(1) Contract FCCOM for final cost determination or repricing is based on each year's final cost of money factors determined under CAS 414 and supported by separate Forms CASB-CMF.

(2) Separately compute contract FCCOM in a manner similar to yearly final overhead rates. As in overhead rates, include in the final settlement an adjustment from interim to final contract FCCOM. Do not adjust the contract estimated or target cost.

1830.7002 Facilities capital employed for facilities under construction.

1830.7002-1 Definitions.

(a) "Cost of money rate" is either—

(1) The interest rate determined by the Secretary of the Treasury under Public Law 92-41 (85 Stat 97); or

(2) The time-weighted average of such rates for each cost accounting period during which the capital asset is being constructed, fabricated, or developed.

(b) "Representative investment" is the calculated amount considered invested by the contractor during the cost accounting period to construct, fabricate, or develop the capital asset.

1830.7002-2 Cost of money calculations.

(a) The interest rate referenced in 1830.7002-1(a)(1) is established semi-annually and published in the Federal Register during the fourth week of December and June.

(b) To calculate the time-weighted average interest rate referenced in 1830.7002-1(a)(2), multiply the rates in effect during the months of construction by the number of months each rate was in effect, and then divide the sum of the products by the total number of months.

1830.7002-3 Representative investment calculations.

(a) The calculation of the representative investment requires consideration of the rate or expenditure pattern of the costs to construct, fabricate, or develop a capital asset.

(b) If the majority of the costs were incurred toward the beginning, middle, or end of the cost accounting period, the contractor shall either—

(1) Determine a representative investment for the cost accounting period by calculating the average of the month-end balances for that cost accounting period; or

(2) Treat month-end balances as individual representative investments.

(c) If the costs were incurred in a fairly uniform expenditure pattern throughout the construction, fabrication, or development period, the contractor may either—

(1) Determine a representative investment for the cost accounting period by averaging the beginning and ending balances of the construction, fabrication, or development cost account for the cost accounting period; or

(2) Treat month-end balances as individual representative investments.

(d) The method chosen by the contractor to determine the representative investment amount may be different for each capital asset being constructed, fabricated, or developed, provided the method fits the expenditure pattern of the costs incurred.

1830.7002-4 Determining imputed cost of money.

(a) Determine the imputed cost of money for an asset under construction, fabrication, or development by applying a cost of money rate (see 1830.7002-2) to the representative investment (see 1830.7002-3).

(1) When a representative investment is determined for a cost accounting period in accordance with 1830.7002-3(b)(1) or 1830.7002-3(c)(1), the cost of money rate shall be the time-weighted average rate.

(2) When a monthly representative investment is used in accordance with 1830.7002-3(b)(2) or 1830.7002-3(c)(2), the cost of money rate shall be that in effect each month. Under this method, the FCCOM is determined monthly, and the total for the cost accounting period is the sum of the monthly calculations.

(b) The imputed cost of money will be capitalized only once in any cost accounting period, either at the end of the accounting period or the end of the construction, fabrication, or development period, whichever comes first.

(c) When the construction, fabrication, or development of an asset takes more than one accounting

period, the cost of money capitalized for the first accounting period will be included in determining the representative investment for any future cost accounting periods.