list of such business units is main-
tained by the Office of Procurement 
and Assistance Policy, within the 
Headquarters procurement organiza-
tion.

(b)(1) Pursuant to 48 CFR 52.216–7, Al-
lowable Cost and Payment, contractors 
shall be requested to submit their final 
indirect cost rate proposals reflecting 
actual cost experience during the cov-
ered period to the cognizant con-
tracting officer responsible for negoti-
ating their final rates.

The DOE negotiating official shall 
request all needed audit service in ac-
cordance with internal procedures.

[61 FR 41710, Aug. 9, 1996, as amended at 74 
FR 36368, July 22, 2009; 75 FR 29459, May 26, 
2010]

942.705–3 Educational institutions.

(a)(2) The negotiated rates estab-
lished for the institutions cited in OMB 
Circular No. A–88 are distributed to the 
Cognizant DOE Office (CDO) assigned 
lead office responsibility for all DOE 
indirect cost matters relating to a par-
ticular contractor by the Office of Pro-
curement and Assistance Policy, with-
in the Headquarters procurement orga-
nization.

[61 FR 41710, Aug. 9, 1996, as amended at 74 
FR 36368, July 22, 2009]

942.705–4 State and local governments.

A list of cognizant agencies for State/ 
local government organizations is peri-
odically published in the FEDERAL REG- 
ISTER by the Office of Management and 
Budget (OMB). The responsible agen-
cies are notified of such assignments. 
The current negotiated rates for State/ 
local government activities is distrib-
uted to each CDO by the Office of Pro-
curement and Assistance Policy, with-
in the Headquarters procurement orga-
nization.

[61 FR 41710, Aug. 9, 1996, as amended at 74 
FR 36368, July 22, 2009]

942.705–5 Nonprofit organizations 
other than educational and state 
and local governments.

OMB Circular A–122 establishes the 
rules for assigning cognizant agencies 
for the negotiation and approval of in-
direct cost rates. The Federal agency 
with the largest dollar value of awards 
(contracts plus federal financial assist-
ance dollars) will be designated as the 
cognizant agency. There is no pub-
lished list of assigned agencies. The Of-
lice of Procurement and Assistance 
Policy, within the Headquarters pro-
curement organization, distributes to 
each CDO the rates established by the 
cognizant agency.

[61 FR 41710, Aug. 9, 1996, as amended at 74 
FR 36368, July 22, 2009]

Subpart 942.8—Disallowance of 
Costs

942.803 Disallowing costs after incur-
rence.

(a) Contracting officer receipt of vouch-
ers. Vouchers and invoices submitted to 
DOE shall be submitted to the con-
tracting officer or designee for review 
and approval for payment. If the exam-
ination of a voucher or invoice raises a 
question regarding the allowability of 
a cost submitted therein, the con-
tracting officer, shall:

(1) Hold informal discussion with the 
contractor as appropriate.

(2) Issue a notice (letter, memo, etc.) 
to the contractor advising of cost dis-
allowed or to be disallowed and advis-
ing the contractor that it may:

(i) Submit a written claim as to why 
the cost should be reimbursed—if in 
disagreement with the disallowance.

(ii) File a claim under the disputes 
clause, which will be processed in ac-
cordance with disputes procedures in 
the event disagreements cannot be set-
tied.

(3) Process the voucher or invoice for 
payment and advise the finance office 
to deduct the disallowed cost when 
scheduling the voucher for payment.

(c) Auditor reports and other sources of 
questioned costs. (1) From time to time 
reports are received from professional auditors that may question the allow-
ability of an incurred cost. Such re-
ports are received as the result of audi-
tors, in their independent role under OMB Circular A–73 or their own char-
ters, scheduling and conducting finan-
cial or compliance audits of govern-
ment contracts or as the result of an 
independent request for auditor serv-
de.

(2) When auditor reports or other no-
tifications question cost or consider