

**Office of Personnel Management**

**2131.205-1**

52.229-4 shall not be inserted into FEGLI Program contracts.

**PART 2131—CONTRACT COST PRINCIPLES AND PROCEDURES**

**Subpart 2131.2—Contracts With Commercial Organizations**

**Subpart 2131.1—Applicability**

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**Subpart 2131.2—Contracts With Commercial Organizations**

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- 2131.205-70 Major subcontractor service charge.
- 2131.205-71 Reinsurer administrative expense costs.
- 2131.270 Contract clauses.

AUTHORITY: 5 U.S.C. 8716; 40 U.S.C. 486(c); 48 CFR 1.301.

SOURCE: 58 FR 40378, July 28, 1993, unless otherwise noted.

**Subpart 2131.1—Applicability**

**2131.103 Contracts with commercial organizations.**

The contracting officer shall incorporate the cost principles and procedures of FAR subpart 31.2 and this part by reference in all FEGLI Program contracts because of the nature of a fixed price with limited cost redetermination plus fixed fee contract.

**2131.109 Advance agreements.**

FAR 31.109 is applicable to FEGLI Program contracts, except that precontract costs and nonrecurring costs that exceed \$100,000 will not be allowed in the absence of an advance agreement between OPM and any potential FEGLI Contractor.

[70 FR 41152, July 18, 2005]

**2131.201 General.**

**2131.201-5 Credits.**

The provisions of FAR 31.201-5 shall apply to income, rebates and other credits resulting from benefit payments that include, but are not limited to—

- (a) Uncashed and returned checks.
- (b) Refunds attributable to litigation with regard to payments of FEGLI Program life insurance monies.
- (c) Erroneous benefit payment, refunds, overpayment, and duplicate payment recoveries.
- (d) Escheatments.

**2131.203 Indirect costs.**

The provisions of FAR 31.203 apply to the allocation of indirect costs.

[70 FR 41152, July 18, 2005]

**2131.205 Selected costs.**

**2131.205-1 Public relations and advertising costs.**

The provisions of FAR 31.205-1 shall be modified to include the following:

- (a) Costs of media messages are allowable if approved by the contracting officer and all of the following criteria are met:

(1) The primary objective of the message is to disseminate information on general health and fitness or encouraging healthful lifestyles;

(2) The costs of the contractor's messages are allocated to all underwritten and non-underwritten lines of business; and

(3) The contracting officer approves the total dollar amount of the contractor's messages to be charged to the FEGLI Program in advance of the policy year.

(b) Costs of media messages that inform enrollees about the FEGLI Program are allowable if approved by the contracting officer.

(c) In those instances where contracting officer approval of the total dollar amount is not solicited in advance, it is incumbent upon the contractor to show the contracting officer, for subsequent approval, that the costs