The rules for determining the applicable type of CAS coverage are in 9903.201–2.

(b) The following categories of contracts and subcontracts are exempt from all CAS requirements:

(1) Sealed bid contracts.

(2) Negotiated contracts and subcontracts not in excess of the Truth in Negotiations Act (TINA) threshold, as adjusted for inflation (41 U.S.C. 1908 and 41 U.S.C. 1502(b)(1)(B)). For purposes of this paragraph (b)(2), an order issued by one segment to another segment shall be treated as a subcontract.

(3) Contracts and subcontracts with small businesses.

(4) Contracts and subcontracts with foreign governments or their agents or instrumentalities or, insofar as the requirements of CAS other than 9904.401 and 9904.402 are concerned, any contract or subcontract awarded to a foreign concern.

(5) Contracts and subcontracts in which the price is set by law or regulation.

(6) Firm fixed-priced, fixed-priced with economic price adjustment (provided that price adjustment is not based on actual costs incurred), time-and-materials, and labor-hour contracts and subcontracts for the acquisition of commercial items.

(7) Contracts or subcontracts of less than $7.5 million, provided that, at the time of award, the business unit of the contractor or subcontractor is not currently performing any CAS-covered contracts or subcontracts valued at $7.5 million or greater.

(8)–(12) [Reserved]

(13) Subcontractors under the NATO PHM Ship program to be performed outside the United States by a foreign concern.

(14) [Reserved]

(15) Firm-fixed-price contracts or subcontracts awarded on the basis of adequate price competition without submission of cost or pricing data.

(a) Full coverage. Full coverage requires that the business unit comply with all of the CAS specified in part 9904 that are in effect on the date of the contract award and with any CAS that become applicable because of later award of a CAS-covered contract. Full coverage applies to contractor business units that—

(1) Receive a single CAS-covered contract award of $50 million or more; or

(2) Received $50 million or more in net CAS-covered awards during its preceding cost accounting period.

(b) Modified coverage. (1) Modified CAS coverage requires only that the contractor comply with Standard 9904.401, Consistency in Estimating, Accumulating, and Reporting Costs, Standard 9904.402, Consistency in Allocating Costs Incurred for the Same Purpose, Standard 9904.405, Accounting for Unallowable Costs and Standard 9904.406, Cost Accounting Standard—Cost Accounting Period. Modified, rather than full, CAS coverage may be applied to a covered contract of less than $50 million awarded to a business unit that received less than $50 million in net CAS-covered awards in the immediately preceding cost accounting period.

(2) If any one contract is awarded with modified CAS coverage, all CAS-covered contracts awarded to that business unit during that cost accounting period must also have modified coverage with the following exception: if the business unit receives a single CAS-covered contract award of $50 million or more, that contract must be subject to full CAS coverage. Thereafter, any covered contract awarded in the same cost accounting period must also be subject to full CAS coverage.

(3) A contract awarded with modified CAS coverage shall remain subject to such coverage throughout its life regardless of changes in the business unit’s CAS status during subsequent cost accounting periods.

(c) Coverage for educational institutions—(1) Regulatory requirements. Parts 9903 and 9905 apply to educational institutions except as otherwise provided in this paragraph (c) and at 9903.202–1(f).

(2) Definitions. (i) The following term is prominent in parts 9903 and 9905.

Other terms defined elsewhere in this chapter 99 shall have the meanings ascribed to them in those definitions unless paragraph (c)(2)(ii) of this subsection below requires otherwise.

Educational institution means a public or nonprofit institution of higher education, e.g., an accredited college or university, as defined in section 1201(a) of Public Law 89–329, November 8, 1965, Higher Education Act of 1965; (20 U.S.C. 1141(a)).

(ii) The following modifications of terms defined elsewhere in this chapter 99 are applicable to educational institutions:

Business unit means any segment of an educational institution, or an entire educational institution which is not divided into segments.

Segment means one of two or more divisions, campus locations, or other subdivisions of an educational institution that operate as independent organizational entities under the auspices of the parent educational institution and report directly to an intermediary group office or the governing central system office of the parent educational institution. Two schools of instruction operating under one division, campus location or other subdivision would not be separate segments unless they follow different cost accounting practices, for example, the School of Engineering should not be treated as a separate segment from the School of Humanities if they both are part of the same division’s cost accounting system and are subject to the same cost accounting practices. The term includes Government-owned contractor-operated (GOCO) facilities, Federally Funded Research and Developments Centers (FFRDCs), and joint ventures and subsidiaries (domestic and foreign) in which the institution has a majority ownership. The term also includes those joint ventures and subsidiaries (domestic and foreign) in which the institution has less than a majority of ownership, but over which it exercises control.

(3) Applicable standards. Coverage for educational institutions requires that the business unit comply with all of the CAS specified in part 9905 that are in effect on the date of the contract award and with any CAS that become applicable because of later award of a CAS-covered contract. This coverage applies to business units that receive negotiated contracts in excess of the Truth in Negotiations Act (TINA) threshold, as adjusted for inflation (41 U.S.C. 1908 and 41 U.S.C. 1502(b)(1)(B)), except for CAS-covered contracts awarded to FFRDCs operated by an educational institution.

(4) FFRDCs. Negotiated contracts awarded to an FFRDC operated by an educational institution are subject to the full or modified CAS coverage prescribed in paragraphs (a) and (b) of this subsection. CAS-covered FFRDC contracts shall be excluded from the institution’s universe of contracts when determining CAS applicability and disclosure requirements for contracts other than those to be performed by the FFRDC.

(5) Contract clauses. The contract clause at 9903.201–4(e) shall be incorporated in each negotiated contract and subcontract awarded to an educational institution when the negotiated contract or subcontract price exceeds the Truth in Negotiations Act (TINA) threshold, as adjusted for inflation (41 U.S.C. 1908 and 41 U.S.C. 1502(b)(1)(B)). For CAS-covered contracts awarded to an FFRDC operated by an educational institution, however, the full or modified CAS contract clause specified at 9903.201–4(a) or (c), as applicable, shall be incorporated.

(6) Continuity in fully CAS-covered contracts. Where existing contracts awarded to an educational institution incorporate full CAS coverage, the contracting officer may continue to apply full CAS coverage, as prescribed at 9903.201–2(a), in future awards made to that educational institution.

(d) Subcontracts. Subcontract awards subject to CAS require the same type of CAS coverage as would prime contracts awarded to the same business unit. In measuring total net CAS-covered awards for a year, a transfer by one segment to another shall be deemed to be a subcontract award by the transferor.

(e) Foreign concerns. Contracts with foreign concerns subject to CAS shall only be subject to Standard 9904.401,

(a) Any contract in excess of the Truth in Negotiations Act (TINA) threshold, as adjusted for inflation (41 U.S.C. 1908 and 41 U.S.C. 1502(b)(1)(B)), resulting from this so-

justed for inflation (41 U.S.C. 1908 and 41

Negotiations Act (TINA) threshold, as ad-

modified CAS-coverage pursuant to 9903.201–

Part II does not apply unless the con-

requirements applicable to any resultant

determine Cost Accounting Standards (CAS)

vide the requested information in order to

Roman numerals I through III.

businesses or foreign governments.

9903.201–3 Solicitation provisions.

(a) Cost Accounting Standards Notices and Certification. (1) The contracting of-

shall insert the provision set forth below, Cost Accounting Standards No-

tices and Certification, in solicitations for proposed contracts subject to CAS

as specified in 9903.201. The provision allows offerors to—

(i) Certify their Disclosure Statement status;

(ii) [Reserved]

(iii) Claim exemption from full CAS coverage and elect modified CAS cov-

ered when appropriate; and

(iv) Certify whether award of the con-

templated contract would require a change to existing cost accounting practices.

(2) If an award to an educational in-

stitution is contemplated prior to July

1, 1997, the contracting officer shall use

the basic provision set forth below with

its Alternate I, unless the contract is to be performed by an FFRDC (see

9903.201(c)(5)), or the provision at

9903.201(c)(6) applies.

COST ACCOUNTING STANDARDS NOTICES AND

Certification (JUL 2011)

NOTE: This notice does not apply to small

businesses or foreign governments.

This notice is in three parts, identified by

Roman numerals I through III.

Offerors shall examine each part and pro-

vide the requested information in order to
determine Cost Accounting Standards (CAS) requirements applicable to any resultant contract.

If the offeror is an educational institution, Part II does not apply unless the con-
templated contract will be subject to full or

modified CAS-coverage pursuant to 9903.201–

2(c)(5) or 9903.201–2(c)(6).

I. Disclosure Statement—Cost Accounting Practices and Certifications

(a) Any contract in excess of the Truth in

Negotiations Act (TINA) threshold, as ad-

justed for inflation (41 U.S.C. 1908 and 41

U.S.C. 1502(b)(1)(B)), resulting from this so-
lcitation, except for those contracts which

are exempt as specified in 9903.201–1.

(b) Any offeror submitting a proposal which, if accepted, will result in a contract

subject to the requirements of 48 CFR, chap-
ter 99 must, as a condition of contracting,

submit a Disclosure Statement as required by 9903.202. When required, the Disclosure

Statement must be submitted as a part of the

offeror’s proposal under this solicitation

unless the offeror has already submitted a
 Disclosure Statement disclosing the prac-
tices used in connection with the pricing of

this proposal. If an applicable Disclosure

Statement has already been submitted, the

offeror may satisfy the requirement for sub-
mision by providing the information re-
quested in paragraph (c) of Part I of this pro-

vision.

CAUTION: In the absence of specific regula-
tions or agreement, a practice disclosed in a

Disclosure Statement shall not, by virtue of

such disclosure, be deemed to be a proper,

approved, or agreed-to-practice for pricing

proposals or accumulating and reporting

contract performance cost data.

(c) Check the appropriate box below:

☐ (1) Certificate of Concurrent Submission of

Disclosure Statement.

The offeror hereby certifies that, as a part of

the offer, copies of the Disclosure State-

ment have been submitted as follows: (i)

Original and one copy to the cognizant Ad-

ministrative Contracting Officer (ACO) or
cognizant Federal agency official authorized to act in that capacity, as applicable, and (ii)

one copy to the cognizant Federal auditor.

Disclosures must be on Form No. CASB

DS–1 or CASB DS–2, as applicable. Forms

can be obtained from the cognizant ACO or
cognizant Federal agency official acting in

that capacity and/or from the looseleaf

version of the Federal Acquisition Regu-
lation.

Date of Disclosure Statement:

Name and Address of Cognizant ACO or Fed-

eral Official where filed:

The offeror further certifies that the prac-
tices used in estimating costs in pricing this

proposal are consistent with the cost ac-

accounting practices disclosed in the Disclo-
sure Statement.

☐ (2) Certificate of Previously Submitted

Disclosure Statement. The offeror hereby

certifies that the required Disclosure State-

ment was filed as follows:

Date of Disclosure Statement:

Name and Address of Cognizant ACO or Fed-

eral Official where filed:

The offeror further certifies that the prac-
tices used in estimating costs in pricing this

proposal are consistent with the cost ac-

accounting practices disclosed in the applica-

ble Disclosure Statement.

☐ (3) Certificate of Monetary Exemption.