

not applicable to compliant cost accounting practice changes directly associated with external restructuring activities that are subject to and meet the requirements of 10 U.S.C. 2325.

[65 FR 37472, June 14, 2000]

9903.201-9 Treatment of certain compliant cost accounting practice changes related to conformance of CAS to GAAP.

(a) Conformance of CAS Operating Revenue to GAAP Revenue. The contract price and cost adjustment requirements of part 9903 are not applicable to changes directly associated with conformance of operating revenue to revenue reported in accordance with GAAP. This exemption only applies to current disclosed practices where a contractor is required to use the three-factor formula prescribed in CAS 403 for residual expenses, or where their current disclosed and compliant accounting practice includes revenue as a basis for allocating costs to cost objectives. Any change a contractor makes related to their current practice that would make a change to or from using revenue as a basis for allocation would be treated as a unilateral change and subject to the normal cost impact and resolution process.

(b) [Reserved]

EFFECTIVE DATE NOTE: At 90 FR 43946, Sept. 11, 2025, 9903.201-9 was added, effective Oct. 14, 2025.

9903.202 Disclosure requirements.

9903.202-1 General requirements.

(a) A Disclosure Statement is a written description of a contractor's cost accounting practices and procedures. The submission of a new or revised Disclosure Statement is not required for any non-CAS-covered contract or from any small business concern.

(b) Completed Disclosure Statements are required in the following circumstances:

(1) Any business unit that is selected to receive a CAS-covered contract or subcontract of \$50 million or more shall submit a Disclosure Statement before award.

(2) Any company which, together with its segments, received net awards of negotiated prime contracts and sub-

contracts subject to CAS totaling \$50 million or more in its most recent cost accounting period, must submit a Disclosure Statement before award of its first CAS-covered contract in the immediately following cost accounting period. However, if the first CAS-covered contract is received within 90 days of the start of the cost accounting period, the contractor is not required to file until the end of 90 days.

(c) When a Disclosure Statement is required, a separate Disclosure Statement must be submitted for each segment whose costs included in the total price of any CAS-covered contract or subcontract exceed 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)) unless

(i) The contract or subcontract is of the type or value exempted by 9903.201-1 or

(ii) In the most recently completed cost accounting period the segment's CAS-covered awards are less than 30 percent of total segment sales for the period and less than \$10 million.

(d) Each corporate or other home office that allocates costs to one or more disclosing segments performing CAS-covered contracts must submit a Part VIII of the Disclosure Statement.

(e) Foreign contractors and subcontractors who are required to submit a Disclosure Statement may, in lieu of filing a Form No CASB-DS-1, make disclosure by using a disclosure form prescribed by an agency of its Government, provided that the Cost Accounting Standards Board determines that the information disclosed by that means will satisfy the objectives of Public Law 100-679. The use of alternative forms has been approved for the contractors of the following countries:

- (1) Canada.
- (2) Federal Republic of Germany.
- (3) United Kingdom.

(f) *Educational institutions—disclosure requirements.* (1) Educational institutions receiving contracts subject to the CAS specified in part 9905 are subject to the requirements of 9903.202, except that completed Disclosure Statements are required in the following circumstances.