

CAS	Description	Modified	Full	Requirement (Summarized)	Considerations
401	Consistency in Estimating, Accumulating and Reporting Costs	✓	✓	The contractor's practices used in estimating costs in pricing a proposal shall be consistent with its cost accounting practices used in accumulating and reporting costs.	<ul style="list-style-type: none"> <li>• Core Standard</li> <li>• Ensure Pricing/Acctg Coordination</li> </ul>
402	Consistency in Allocating Costs Incurred for the Same Purpose	✓	✓	No final cost objective shall have any cost allocated as an indirect cost, if other costs incurred for the same purpose, in like circumstances, have been included as a direct cost of that or any other final cost objective, and vice versa.	<ul style="list-style-type: none"> <li>• Core Standard</li> <li>• RFP cannot force contractor to violate this</li> </ul>
403	Allocation of Home Office Expenses to Segments		✓	Home office expense shall be allocated on the basis of the beneficial or causal relationship between supporting and receiving activities.	<ul style="list-style-type: none"> <li>• Not always \$ based (could be FTE, Sq Ft, etc)</li> <li>• Can vary by expense</li> <li>• Document basis</li> </ul>
404	Capitalization of Tangible Assets		✓	Contractor must establish reasonable and consistently followed policy. The policy shall designate economic and physical characteristics for capitalization of tangible assets.	<ul style="list-style-type: none"> <li>• Should match GAAP/IASB</li> </ul>
405	Accounting for Unallowable Costs	✓	✓	Costs expressly unallowable, or mutually agreed to be unallowable, shall be identified and excluded from any billing, claim, or proposal to the Government.	<ul style="list-style-type: none"> <li>• Core Standard</li> <li>• Separate Accounts</li> <li>• Can be voluntary</li> <li>• Items can change!</li> </ul>
406	Cost Accounting Period	✓	✓	Contractor shall use its fiscal year as cost accounting period.	
407	Use of Standard Costs for Direct Material and Direct Labor		✓	Standard costs may be used for estimating, accumulating, and reporting costs of direct material and direct labor if standard costing is utilized by the contractor.	<ul style="list-style-type: none"> <li>• Only applicable if the company uses standard costing</li> </ul>

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408	Accounting for Costs of Compensated Personal Absence		✓	The costs of compensated personal absence shall be assigned to the cost accounting period or periods in which the entitlement was earned.	<ul style="list-style-type: none"> <li>• Earned – NOT taken</li> <li>• Monthly Accruals</li> <li>• Annual Validation</li> </ul>
409	Depreciation of Tangible Capital Assets		✓	Depreciable cost shall be assigned to cost accounting periods and annual depreciation cost shall be allocated to cost objectives.	<ul style="list-style-type: none"> <li>• Must depreciate monthly</li> </ul>
410	Allocation of Business Unit General and Administrative Expenses to Final Cost Objectives		✓	Business unit G&A expenses shall be grouped in a separate indirect cost pool which shall be allocated only to final cost objectives.	<ul style="list-style-type: none"> <li>• Total Cost vs Value-Add must be consistent</li> </ul>
411	Accounting for Acquisition Costs of Material		✓	Contractor shall have, and consistently apply, written accounting policies for accumulating and allocating costs of material.	
412	Composition and Measurement of Pension Costs		✓	Four components of defined-benefit plan costs: normal cost, part of any unfunded actuarial liability, interest equivalent on unamortized portion of liability, and adjustment for actuarial loss or gains. For defined-contribution plans, the cost is the net contribution required.	<ul style="list-style-type: none"> <li>• Defined benefit plans under greater scrutiny</li> <li>• Ensure all plans fully documented</li> <li>• Minimize year-end changes</li> </ul>
413	Adjustment and Allocation of Pension Cost		✓	Actuarial gains and losses shall be calculated annually and shall be assigned to the cost accounting period for which the valuation is made and to subsequent periods.	<ul style="list-style-type: none"> <li>• Only applies to defined benefit plans</li> </ul>
414	Cost of Money as an Element of the Cost of Facilities Capital		✓	The investment base used in computing the cost of money for facilities capital shall be computed from accounting data used for contract cost purposes.	<ul style="list-style-type: none"> <li>• Not often utilized by services companies.</li> <li>• Only valuable with significant investments</li> </ul>

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415	Accounting for the Cost of Deferred Compensation		✓	The cost of deferred compensation shall be assigned to the cost accounting period in which the contractor incurs an obligation to compensate the employee.	<ul style="list-style-type: none"> <li>Requires contractor to manage deferred compensation monthly</li> </ul>
416	Accounting for Insurance Cost		✓	The amount of insurance cost to be assigned to a cost accounting period is the projected average loss for the period plus insurance administration expenses.	<ul style="list-style-type: none"> <li>Accrue/defer as appropriate.</li> <li>Must consider potential losses</li> </ul>
417	Cost of Money as an Element of the Cost of Capital Assets Under Construction		✓	The cost of money applicable to the investment in tangible and intangible capital assets being constructed, fabricated, or developed for a contractor's own use shall be included in the capitalized acquisition cost of such assets.	<ul style="list-style-type: none"> <li>Contractor must consider internal-use in Cost of Money calculations.</li> </ul>
418	Allocation of Direct and Indirect Costs		✓	Written and consistently followed accounting policies required. Indirect costs shall be accumulated in homogeneous cost pools. Pooled costs shall be allocated to cost objectives in reasonable proportion to the beneficial or causal relationship.	<ul style="list-style-type: none"> <li>RFP cannot force contractor to violate this.</li> <li>Consistency is key</li> <li>Costs may be allocated on a basis other than \$</li> </ul>
419	Reserved				
420	Accounting for Independent Research and Development Costs and Bid and Proposal Costs		✓	The basic unit for identification and accumulation of IR&D and B&P costs shall be the individual IR&D or B&P project.	<ul style="list-style-type: none"> <li>Clearly delineate IR&amp;D, B&amp;P, and contract R&amp;D in separate accounts.</li> <li>Requires robust time capture</li> </ul>