

05/31/12

POLICY ALERT
No. 12-33
Revision to Cost Accounting Standards Threshold

REFERENCE: Federal Register: May 10, 2012 (Volume 77, Number 91)
Federal Acquisition Circular 2005-59, Federal Acquisition Regulation
[Case 2012-012, Revision of Cost Accounting Standards Threshold](#)
Policy Alert 11-94 Rev. 001 (hereby rescinded)

TYPE OF ACTION: Final Rule

EFFECTIVE DATE: May 10, 2012

SUMMARY: The Office of Federal Procurement Policy, Cost Accounting Standards (CAS) Board issued a final rule in the Federal Register: [December 22, 2011 \(Volume 76, Number 246\)](#), revising the threshold for the application of CAS from “\$650,000” to \$700,000, the “the Truth in Negotiations Act (TINA) threshold, as adjusted for inflation.” This aligns with \$700,000 threshold in Federal Acquisition Regulation (FAR) 15.403-4(a)(1) for TINA for the submission of cost or pricing data. The change was made because the CAS applicability threshold is statutorily tied to the TINA threshold.

On May 10 2012, a final FAR rule was issued that revises the CAS applicability threshold from \$650,000 to \$700,000 at FAR 30.201–4 and in the CAS clauses:

- 52.230-1 Cost Accounting Standard Notices and Certification (May 2012)
- 52.230-2 Cost Accounting Standards (May 2012)
- 52.230-3 Disclosure and Consistency of Cost Accounting Practices (MAY 2012)
- 52.230-4 Disclosure And Consistency of Cost Accounting Practices-Foreign Concerns (MAY 2012)
- 52.230-5 Cost Accounting Standards-Educational Institution (MAY 2012)

The FAR replaced “\$650,000” with “\$700,000” rather than the phrase “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))” (the phrase used by the CAS Board in its rule) as applicable. The FAR made this change from the CAS Board’s rule for improved clarity.

ACTION REQUIRED: Contracting Officers shall use new provisions and clauses in new solicitations and resultant contracts in accordance with the prescriptions at FAR 30.201 and 30.201-4.

This Policy Alert is effective on the date indicated above, and remains in effect until incorporated into a policy document(s) or until otherwise rescinded.

You may direct comments/questions on this Policy Alert to the Contract Policy and Pricing Branch at 303-676-3985.

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