

# CAS OVERVIEW

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# What is CAS???

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- Cost Accounting Standards (CAS) are a set of standards that were designed "to achieve uniformity and consistency in cost accounting practices."

# What Contracts are CAS Covered???

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Any negotiated government contract/subcontract for over \$500,000 or more, as long as the Business Unit is currently performing a CAS covered contract/subcontract valued at \$7.5 million or more.

# Advantages of CAS

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- Consistency
- Comparability
- More accurate cost allocations
- Higher degree of reliance on accounting systems reduces risk of incorrect charging or misallocations

# Organization Structure

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- Home Office
- Intermediate Home Office or Corporate Cost Center
- Segment/Business Unit

# What is a Disclosure Statement???

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- A Disclosure Statement describes your accounting practices.
  - The Business Units organizational structure
  - How costs are accounted for:
    - Direct vs. Indirect Cost
    - Indirect Cost Allocations

# Who is Required to Submit a Disclosure Statement???

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When any Business Unit has a single CAS covered award of \$50 million or more, or where the Business Unit together with the other segments have net CAS covered awards of \$50 million or greater.

# When is a Disclosure Statement Required???

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- For a single CAS covered award of \$50 million or more, submitted at the time of contract award.
- For net CAS covered awards including all segments of \$50 million or more in the preceding cost accounting period.

# Who is Your Cognizant Official for CAS Administration???

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The federal agency with the largest amount of cost type work will be responsible for appointing your cognizant federal official for CAS. This official will be responsible for administering all CAS requirements.

# How to Handle Accounting Changes???

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- Accounting changes are required to be submitted to the cognizant federal official for the administration of CAS 60 days **prior** to the effective date of the proposed change.
- The change will then be reviewed for adequacy and compliance by the designated federal audit agency.

# What is Adequacy and Compliance In a CAS World???

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- Adequacy just simply means is the accounting practice that you are describing is adequately described.
- Compliance a two part approach:
  - Is the accounting practice compliant with CAS regulations?
  - Are you actually performing the accounting practice as described?