OFFICE OF MANAGEMENT AND BUDGET

Office of Federal Procurement Policy

48 CFR Part 9903

Cost Accounting Standards Board; Revisions to the Cost Accounting Standards Board Disclosure Statement Form (CASB DS–1)

AGENCY: Cost Accounting Standards Board, Office of Federal Procurement Policy, OMB.

ACTION: Final rule.

SUMMARY: The Office of Federal Procurement Policy, Cost Accounting Standards Board (CASB), is revising its Disclosure Statement Form (CASB DS–1). Section 26(g)(1) of the Office of Federal Procurement Policy Act, 41 U.S.C. 422(g)(1), requires that the Board, when promulgating any new or revised Cost Accounting Standard, publish a final rule. This final rule incorporates an updated and revised CASB Disclosure Statement developed by the Board.

EFFECTIVE DATE: February 28, 1996.

FOR FURTHER INFORMATION CONTACT: Rein Abel, Director of Research, Cost Accounting Standards Board (telephone: 202–395–3254).

SUPPLEMENTARY INFORMATION:

A. Regulatory Process

The CASB's rules, regulations and Standards are codified at 48 CFR Chapter 99. Section 26(g)(1) of the Office of Federal Procurement Policy Act, 41 U.S.C. 422(g)(1), requires that the Board, prior to the establishment of any new or revised CAS, complete a prescribed rulemaking process. The process generally consists of the following four steps:

1. Consult with interested persons concerning the advantages, disadvantages and improvements anticipated in the pricing and administration of Government contracts as a result of the adoption of a proposed Standard.
2. Promulgate an Advance Notice of Proposed Rulemaking (ANPRM).
3. Promulgate a Notice of Proposed Rulemaking (NPRM).
4. Promulgate a final rule.

This promulgation completes the four step process.

B. Background

Prior Promulgations

The original Disclosure Statement Form (CASB DS–1) was developed and promulgated in the early 1970s. No revisions to the document were made until the Board was reestablished in 1990. In 1992, some minor revisions were made. 57 FR 14148, 14159 (April 17, 1992). Subsequently, a project was initiated to revise and update the Disclosure Statement (CASB DS–1).

On April 2, 1993, a Staff Discussion Paper incorporating a revised Disclosure Statement was distributed to certain interested parties who generally possessed actual field experience in submitting and auditing these Statements. On the basis of the comments received in response to this Staff Discussion Paper, an Advance Notice of Proposed Rulemaking (ANPRM) was developed and published in the Federal Register on April 4, 1994 (59 FR 15695).

The majority of the comments received in response to the ANPRM were generally supportive of the proposed approach, but at the same time, numerous revisions were suggested that were intended to improve and streamline the document. Many of these suggested revisions were incorporated in the Notice of Proposed Rulemaking (NPRM) that was published in the Federal Register on November 29, 1994 (59 FR 60948).

Public Comments

Nine sets of public comments were received in response to the NPRM from government contractors, industry associations and Federal agencies.

Most commenters acknowledged that the NPRM version of the DS–1 was a significant improvement as compared with the earlier versions of the Disclosure Statement. Nevertheless, numerous additional revisions were suggested by commenters in order to further simplify and streamline the DS–1. Of particular concern to several commenters was the amount and type of information needed to respond adequately to questions in Part VII of the Statement.

In general, the Board has tried to be responsive to the suggestions made by commenters. In particular, a careful reevaluation of Part VII has been undertaken. In reevaluating this Part, the instructions have been clarified to make clear that only relevant cost accounting practices and applicable identifying data need be disclosed. Therefore, numeric data representing accounting estimates is not required to be submitted. Also, in most sections of Part VII, the substantive questions have been limited to items that cover only 80-percent of the relevant cost groupings.

The commenters overall concerns and suggestions are addressed in greater detail under Section E., Public Comments.

The Board and the CASB staff express their appreciation for the constructive suggestions and criticisms provided by the commenters with regard to the content of the revised Disclosure Statement. Many of the commenters' suggested improvements have been incorporated into the final rule being promulgated today.

Benefits

After consideration of the public comments received, the Board believes that the revised Disclosure Statement, as set forth in this final rule, will improve the cost accounting practices followed by contractors when estimating, accumulating and reporting costs deemed allocable to Federal contracts. Adequate disclosure of cost accounting practices is essential in order to ensure consistency in cost measurement as costs are first estimated and then accumulated and reported. A Disclosure Statement that has not been updated for some two decades clearly cannot adequately reflect currently prevailing cost accounting practices and cost elements. Therefore, in order to ensure that the policies and Standards promulgated by the Board are implemented in an economical and effective manner, a revised and updated Disclosure Statement becomes essential. In addition, the Board has previously expressed the view that an updated Disclosure Statement should facilitate interaction between contractors and Government representatives when dealing with contract costing matters.

The introduction of the revised statement should not impose any new burden on contractors as it merely replaces an existing form which requires periodic updating of disclosed practices.

To further reduce the possibility of increased costs, the extended dates for submission of the new Disclosure Statement are designed to provide an opportunity to delay submission until such time as contractors would most likely have to file an updated disclosure form regardless of whether a new Disclosure Statement is introduced or not.

Summary of Amendments

The primary purpose of this revision of the Disclosure Statement is to bring it up to date and to improve it in light of two decades of field experience that the government procurement community has had with this document. The basic characteristics of the Disclosure Statement have not been changed. However, a multitude of specific changes are incorporated in the revised Statement. It would be impractical to list here all the specific

changes. However, most of these changes can be summarized as follows:

1. The current Disclosure Statement specifies that Parts I through VII be prepared at the segment or business unit level, while Part VIII should be prepared at the corporate or group headquarters level. This revised Statement provides that although Parts V, VI and VII still have to be submitted by segments, they may be completed either at the segment or headquarters level depending on where the applicable practices or procedures are established or where the cost is actually incurred.

2. In general, various legal references have been updated.

3. As the original Disclosure Statement was in essence prepared before any Cost Accounting Standards were issued, the revised format includes references to subsequently issued Standards where appropriate. In this context, some cost accounting practices described in the original Disclosure Statement may not be in compliance with the relevant provisions of a Cost Accounting Standard. The purpose of the Disclosure Statement is not to elicit noncompliant answers, and therefore, any references to potentially non-compliant practices have been eliminated.

4. Requests for certain statistical data have been eliminated as this information is no longer used.

5. Certain new topical areas have been added to the Disclosure Statement. These cover items that have become important from a cost measurement perspective over the last two decades. The topical areas include cost-of-money, post-retirement health benefits and employee stock ownership plans. Most of these new topical areas are incorporated in a significantly revised Part VII.

C. Paperwork Reduction Act

The information collection aspects of this rule have been approved by the Office of Management and Budget, and assigned Control Number 0348–0051.

D. Executive Order 12866 and the Regulatory Flexibility Act

The economic impact of this final rule on contractors and subcontractors is expected to be minor. As a result, the Board has determined that this final rule does not result in the promulgation of a ''major rule'' under the provisions of Executive Order 12866, and that a regulatory impact analysis will not be required. Furthermore, this final rule does not have a significant effect on a substantial number of small entities because small businesses are exempt from the application of the Cost Accounting Standards. Therefore, this rule does not require a regulatory flexibility analysis under the Regulatory Flexibility Act of 1980.

E. Public Comments

This final rule is based upon the NPRM published in the Federal Register on November 29, 1994 (59 FR 60948), wherein public comments were invited. Nine sets of comments were received from government contractors, industry associations and Federal agencies. The more significant comments received, and the Board's actions taken in response thereto, are summarized below. Many other comments that were more of an editorial nature have been incorporated in the document where appropriate.

Comment: Two commenters suggested that compliant as well as non-compliant cost accounting practices should be described in the Disclosure Statement.

Response: The Board agrees that the actual cost accounting practices being followed must be described. However, where the Disclosure Statement provides a list of alternative practices, only compliant alternatives will be listed. If the contractor's practice is not one of the listed alternatives, the actual practice must be described on a continuation sheet. This will not be tantamount to conceding that the practice is non-compliant since such a determination can only be made after appropriate analysis and review.

Comment: Several commenters indicated that although the NPRM has been significantly improved and streamlined, the draft still contains too many questions of a detailed nature that may, in the future, increase rather than decrease the opportunities for disputes.

Response: The Board has, once more, consulted with the respondents to the NPRM and all the concerns have been subjected to additional review. As a result, some changes have been made to the version incorporated in the NPRM that should contribute to further streamlining and clarification of the final document. This comment applies in particular to Part VII of the Disclosure Statement.

Comment: At least two commenters indicated that, in their opinion the revised document still contains too many pages.

Response: In the final format there is no substantial difference in the length of the original and the final Disclosure Statement.

Comment: One commenter stressed that whenever possible, existing CAS wording or definitions should be used.

Response: The Board agrees with this suggestion and, wherever appropriate, the Disclosure Statement has accordingly been changed.

Comment: Several contractors indicated that throughout the document the term ''CAS-covered contracts'' rather than ''Federal contracts'' should be used.

Response: The Disclosure Statement deals with the cost accounting practices of an entity such as a segment or home office and it is presumed that cost accounting practices are applied consistently to all the applicable final cost objectives. Although the dollar amount of CAS-covered contracts received is crucial in determining whether a Disclosure Statement has to be filed, once the requirement to file has been met, the disclosure will cover all of the entity's policies and practices as they affect cost measurement and allocation to all contracts. Therefore, a broader term, such as ''Federal contracts'', seems preferable to a narrower term such as ''CAS-covered contracts''.

Comment: Two commenters suggested a shorter implementation period than the one proposed in the NPRM.

Response: While the Board encourages early adoption of the new form, it does not believe that it can adequately envision all the circumstances that might arise necessitating a delay in the introduction of the new form. It believes that any deadline imposed for the introduction of the new form should make ample provision for any unexpected difficulties that may arise at the implementation stage. Therefore, the final filing date for existing contractors has not been changed, although the Board hopes that an earlier adoption is possible in most cases.

Comment: Several commenters expressed some criticism of the procedure outlined in *General Instructions* that allows parts of contractors' accounting manuals to be incorporated by reference in the Disclosure Statement.

Response: The wording in the Instructions has been changed to make it clear that the procedure in question is an optional one—particularly from the perspective of the contractor.

Comment: Several commenters suggested that the language be clarified to indicate the appropriate circumstances in which home offices may be able to complete Parts V, VI, or VII to be filed by segments reporting to the home office.

Response: The language in the *General Instructions* has been clarified. In particular, it has been made clear that where the home office establishes the applicable cost accounting policies and

procedures, it may also complete the relevant Parts of the Disclosure Statement to be submitted by its subordinate segments.

Comment: Several commenters offered suggestions for clarifying the layout and terminology used on the *Cover Sheet.*

Response: Certain changes have been made to the *Cover Sheet,* in particular to item 0.2, Reporting Unit Classification, in order to introduce standard CAS terminology and definitions whenever appropriate.

Comment: Several commenters pointed out that in Part I, General Information, the wording of several items could be improved in order to ensure that the questions are more clearly focused and take into account current practices.

Response: Some changes have been made to Part I to reflect the suggestions made by several commenters. In particular, the question dealing with unallowable costs has been reformatted so as to reflect the basic structure of CAS 9904.405, Accounting for Unallowable Costs.

Comment: A number of comments were received concerning the formulation of questions in Part II, Direct Costs, dealing with direct material, direct labor and other direct costs. Some commenters suggested that the questions included in this part might be more appropriate elsewhere, such as in Part III, Direct vs. Indirect Costs, of the Disclosure Statement.

Response: The basic characteristic of Part II, as a section dealing with direct material, direct labor and other direct costs has been retained. The purpose here is to obtain information on how certain elements of cost are treated once it has been determined that they represent direct costs for government contract costing purposes. Therefore, items such as the question dealing with employee travel expenses that are directly charged to contracts have been retained.

On the other hand, as suggested by several commenters, the question dealing with interorganizational transfers has been eliminated primarily because it requested information about the cost accounting practices of the transferor and not of the transferee who is preparing the Disclosure Statement. It cannot be assumed that such information is always readily available to the transferee. The transferee's practices in this area are covered in Part IV, Indirect Costs.

Comment: A few commenters suggested that Part III should be drastically recast—including a suggestion that instead of long lists of functions, elements of cost and transactions, the equivalent information should be described on a continuation sheet.

Response: The existing format has been retained as it seems to be the most effective way to obtain the relevant information on whether an item of cost is being treated as a direct cost, as an indirect cost or as a sometimes direct/sometimes indirect cost. The lists of functions, elements of cost and transactions have been somewhat modified on the basis of comments received.

Comment: In Part IV, several commenters pointed out that the subtitles used to describe various methods of allocating General and Administrative (G&A) expense did not properly reflect the requirements of CAS 9904.410, Allocation of Business Unit General and Administrative Expenses to Final Cost Objectives.

Response: The subtitles in question have been modified to conform more closely to the requirements of CAS 9904.410.

Comment: A number of commenters were concerned about the amount of detail required in Part IV dealing with modified allocations from indirect cost pools using a modified allocation base or a rate that is either more or less than the normal ''full rate''. Some commenters indicated that too much detail was requested regarding those modified allocations whereas others expressed the view that more information should be made available.

Response: Certain parts of Part IV, in particular the question dealing with the application of overhead and G&A rates to specified transactions or costs, have been restated in an attempt to present a more effective and balanced data gathering instrument. It should, once more, be remembered that the aim has been to provide a vehicle for a contractor to disclose its CAS compliant cost accounting practices. Therefore, the Disclosure Statement should not be regarded as a substitute for an audit check list. It is for this reason that non-compliant practices have been expressly excluded from the Disclosure Statement.

Comment: Several commenters suggested changes in the format in which questions regarding Independent Research and Development (IR&D) and Bid and Proposal (B&P) costs were presented in Part IV.

Response: The two questions that previously dealt separately with IR&D and B&P respectively have been combined to provide a more compact approach to the topic. In particular, the new approach, unlike the one in the NPRM, does not presuppose that every contractor who incurs B&P expense also has incurred IR&D expense—a supposition that does not necessarily hold for civilian agencies.

Comment: One commenter suggested that the headings in the question in Part VI, Other Costs and Credits, dealing with charging and crediting vacation, holiday and sick pay be rearranged.

Response: The column headings have been changed to reflect the fact that salaried exempt and non-exempt employees (as defined by the Fair Labor Standards Act) are generally treated differently in this area.

Comment: Regarding Part VII, Deferred Compensation and Insurance Costs, most commenters representing contractors expressed the view that too much detailed and possibly superfluous and ambiguous information was required with respect to the various pension, post-retirement health, deferred compensation and insurance plans. One commenter had actually tested the proposed NPRM requirements by using actual plan data in completing selected parts of the various sections in Part VII. The estimated time to complete these various sections were clearly significant and possibly burdensome when extrapolated to cover the whole of Part VII. Even though the data submitted was not verified on an overall basis, it did provide valuable insight into the relative amount of time required to complete the various individual questions. The data also distinguished between time required on a ''recurring'' basis to keep the Disclosure Statement current, as contrasted with the initial effort of ''non-recurring'' time required to prepare the original submission. The general comments regarding time required to complete Part VII were frequently supplemented by specific suggestions regarding individual sections or questions.

Response: The Board is grateful to those commenters who spent significant amounts of time to prepare constructive comments on this part of the Disclosure Statement. In particular, the Board would like to express its gratitude to the commenter who actually completed sections of Part VII and made the relevant data available to the Board.

As a result of the input received from commenters, Part VII has been substantially redesigned in order to make it more ''user friendly''. When dealing with pension plans, post-retirement health benefits, employee group insurance, deferred compensation, and worker's compensation and property insurance, the amount of detailed information related to various aspects of cost measurement has been substantially

reduced. The detailed data is required only for those plans or policies that account for 80-percent of the relevant category of costs—provided data on at least three plans is disclosed. Only a limited amount of general plan information is sought for all the other plans. By excluding the less significant plans from the more detailed disclosure requirements, it is anticipated that the paperwork burden will be significantly eased.

Some commenters also inferred that in certain instances actual numeric data was requested that would have to be updated annually. It has been made clear in the final document that when dealing with such items as actuarial assumptions, only the basis used to determine numeric values need be disclosed and not the actual values themselves. This clarification should ensure that no regular annual updates of the Disclosure Statement are prepared and submitted merely to reflect changes in the relevant numeric values.

Other, more specific changes to the various sections of Part VII are summarized below:

Pension Plans. The number of General Plan Information questions has been reduced from nine in the NPRM to six in the final document.

In the NPRM, the information requested for Defined Contribution Plans applied to all plans of this type. In the final version, if there are more than three plans, this information has to be supplied only for plans that account for 80-percent of the defined contribution plan costs.

Defined Benefit Plans. The number of questions asked in this area has not been changed. However, the topics covered and the manner of presentation have been somewhat changed. In particular, it has been made clear that regarding actuarial assumptions, no disclosure of actual numeric values is required. Only the basis for determining these numeric values need be described.

Post-Retirement Benefits (PRBs). This section has been rearranged to conform with the pattern established for pension plans in the previous section. In the NPRM, the questions posed were applicable to all PRB plans. In the final rule, questions dealing with general plan information have been separated from questions dealing with more specific aspects of PRB cost determination. The latter group consists of five questions and they have to be completed only for those plans that, in the aggregate, account for at least 80-percent of the total PRB costs. However, if there are three plans or less, then data on all the plans must be disclosed.

Employee Group Insurance Programs. Responses to this section of Part VII of the NPRM indicated that it was the most time consuming section to complete. Therefore, some significant changes have been made to the amount of information to be disclosed. First, if there are more than three policies or self-insurance plans, the applicable information should be provided only for those policies and self-insurance plans that, in the aggregate, account for at least 80-percent of the costs of the program for each category of insured risk. Second, the information previously requested under three separate questions has been recast as a single question in a tabular form. Third, a number of specific questions dealing with treatment of dividends, earned refunds, and employee contributions have been dropped as these items are largely covered by the provision of CAS 9904.416, Accounting for Insurance Costs. It is anticipated that the time needed to complete this section of Part VII will be significantly reduced as a result of the changes listed above.

Deferred Compensation Plans. This section has been recast to conform to the format used in the sections dealing with pension plans and PRBs. Therefore, the first five questions dealing with general plan information are applicable to all the plans. Two other questions, of a more substantive nature, should be completed for all the plans if there are no more than three plans. If there are more than three plans, the information should be provided for those plans that in the aggregate account for at least 80-percent of these deferred compensation costs.

Employee Stock Ownership Plans (ESOPs). Questions in this section have been reformulated, and, as a result, the total number of these general plan information questions has been increased by two as compared with the NPRM. These questions must be completed for all ESOPs.

Worker's Compensation Liability and Property Insurance. This section has been rearranged to conform to the format used in dealing with employee group insurance plans. In addition, the term ''line of insurance'' has been introduced in an attempt to clarify the nature of the aggregation of costs for which the relevant cost data has to be disclosed. In this context, for the purpose of guidance, ''line of insurance'' has the meaning attributed to it in Generally Accepted Auditing Standards (GAAS) literature (see *AICPA Audit and Accounting Guide, Audits of Property and Liability Insurance Companies*) and includes groupings such as fire and similar perils, general liability, marine perils, automobile liability and property damage, worker's compensation, theft, etc. If there are more than three policies or self-insurance plans, the applicable information should be provided only for those policies and plans that in the aggregate account for at least 80-percent of the applicable costs for a line of insurance. Also, two separate questions have been combined into a single question in a tabular form.

Comment: Several comments relating to Part VIII, Corporate or Group Expenses, dealt with the requirement in the NPRM to ''list all active segments and groups that are material in size reporting to the home . . . office''. Suggestions received included deletion of the words ''all'', ''active'', and ''that are material in size'' in the above quote from the first question in this part. At least one commenter suggested that if the term ''material'' is used, criteria for materiality should be developed.

Response: The suggestions regarding deletions have been accepted by the Board. The restated sentence reads: ''list segments and other intermediate level home offices reporting to this home office.''

The Board believes that this is an area where the individuals implementing the Standards and other regulations necessarily must exercise their own judgment in carrying out their tasks. The objective of this provision in the Disclosure Statement is to obtain a listing of segments and other entities to which home office expenses may be allocated. This allocation is part of the cost determination process for government contract costing purposes. Furthermore, this cost determination process, which includes all the relevant pronouncements of the Board, is subject to the materiality provisions of 9903.305. Specific reiteration of the materiality provision in each instance is not needed. Therefore, the requirement in the present instance is to list all the segments or other entities reporting to the home office that may have other than immaterial impact on the cost allocation process from the home office to its subordinate entities.

Comment: Several suggestions were received to improve and streamline the main section of Part VIII that deals with the pooling and allocation of home office expenses.

Response: Several of the suggestions received have been adopted. An addition has been made to the list of allocation base codes used and one question in the NPRM has been eliminated and its substance combined with another question.

List of Subjects in 48 CFR Part 9903

Cost accounting standards, Government procurement.

Richard C. Loeb,

Executive Secretary, Cost Accounting Standards Board.

For the reasons set forth in this preamble, chapter 99 of title 48 of the Code of Federal Regulations is amended as set forth below:

1. The authority citation for Part 9903 continues to read as follows:

Authority: Public Law 100–679, 102 Stat. 4056, 41 U.S.C. 422.

PART 9903—CONTRACT COVERAGE

Subpart 9903.2—CAS Program Requirements

2. Section 9903.202 is amended by deleting the illustrated CASB DS–1 and inserting a revised CASB DS–1.

BILLING CODE 3110–01–P

FORM APPROVED OMB NUMBER
0348-0051

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	INDEX

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FORM CASB DS-1 (REV 2/96)

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	GENERAL INSTRUCTIONS

1. This Disclosure Statement has been designed to meet the requirements of Public Law 100-679, and persons completing it are to describe the contractor and its contract cost accounting practices. For complete regulations, instructions and timing requirements concerning submission of the Disclosure Statement, refer to Section 9903.202 of Chapter 99 Of Title 48 CFR (48 CFR 9903.202).

2. Part I of the Statement provides general information concerning each reporting unit (e.g., segment, Corporate or other intermediate level home office, or a business unit). Parts II through VII pertain to the types of costs generally incurred by the segment or business unit directly performing Federal contracts or similar cost objectives. Part VIII pertains to the types of costs that are generally incurred by a Home office and are allocated to one or more segments performing Federal contracts. For a definition of the term "home office", see 48 CFR 9904.403.

3. Each segment or business unit required to disclose its cost accounting practices should complete the Cover Sheet, the Certification, and Parts I through VII.

4. Each home office required to disclose its cost accounting practices for measuring, assigning and allocating its costs to segments performing Federal contracts or similar cost objectives shall complete the Cover Sheet, the Certification, Part I and Part VIII of the Disclosure Statement. Where a home office either establishes practices or procedures for the types of costs covered by Parts V, VI and VII,or incurs and then allocates these types of cost to its segments, the home office may complete Parts V, VI and VII to be included in the Disclosure Statement submitted by its segments. While a home office may have more than one segment submitting Disclosure Statements, only one Statement needs to be submitted to cover the home office operations.

5. The Statement must be signed by an authorized signatory of the reporting unit.

6. The Disclosure Statement should be answered by marking the appropriate line or inserting the applicable letter code which describes the segment's (reporting unit's) cost accounting practices.

7. A number of questions in this Statement may need narrative answers requiring more space than is provided. In such instances, the reporting unit should use the attached continuation sheet provided. The continuation sheet may be reproduced locally as needed. The number of the question involved should be indicated and the same coding required to answer the questions in the Statement should be used in presenting the answer on the continuation sheet. Continuation sheets should be inserted at the end of the pertinent Part of the Statement. On each continuation sheet, the reporting unit should enter the next sequential page number for that Part and, on the last continuation sheet used, the words "End of Part" should be inserted after the last entry.

8. Where the cost accounting practice being disclosed is clearly set forth in the contractor's existing written accounting policies and procedures, such documents may be cited on a continuation sheet and incorporated by reference at the option of the contractor. In such cases, the contractor should provide the date of issuance and effective date for each accounting policy and/or procedures document cited. Alternatively, copies of the relevant parts of such documents may be attached as appendices to the pertinent Disclosure Statement Part. Such continuation sheets and appendices should be labeled and cross-referenced with the applicable Disclosure Statement number and follow the page number specified in paragraph 7. Any supplementary comments needed to adequately describe the cost accounting practice being disclosed should also be provided.

9. Disclosure Statements must be amended when cost accounting practices are changed to comply with a new CAS or when practices are changed with or without knowledge of the Government (Also see 48 CFR 9903.202-3).

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	GENERAL INSTRUCTIONS

10. Amendments shall be submitted to the same offices to which submission would have been made were an original Disclosure Statement filed.

11. Each amendment, or set of amendments should be accompanied by an amended cover sheet (indicating revision number and effective date of the change) and a signed certification. For all resubmissions, on each page, insert "Revision Number ____" and "Effective Date _____" in the Item Description block; and, insert a revision mark (e.g., "R") in the right hand margin of any line that is revised. Completely resubmitted Disclosure Statements must be accompanied by similar notations identifying the items which have been changed.

12. Use of this Disclosure Statement, amended February 1996, shall be phased in as follows:

A. New Contractors. This form shall be used by new contractors when they are initially required to disclose their cost accounting practices pursuant to 9903.202-1.

B. Existing Contractors. If a contractor has disclosed its cost accounting practices on a prior edition of the Disclosure Statement (CASB DS-1), such disclosure shall remain in effect until the contractor amends or revises a significant portion of the Disclosure Statement in accordance with CAS 9903.202-3. Minor amendments to an existing DS-1 may continue to be made using the prior form. However, when a substantive change is made, a complete Disclosure Statement must be filed using this form. In any event, all contractors and subcontractors must submit a new Disclosure Statement (this version of the CASB DS-1) not later than the beginning of the contractor's next full fiscal year after December 31, 1998.

ATTACHMENT - Blank Continuation Sheet

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	CONTINUATION SHEET NAME OF REPORTING UNIT

Item No.	Item description

FORM CASB DS-1 (REV 2/96)

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	COVER SHEET AND CERTIFICATION

0.1 Company or Reporting Unit.

Name

Street Address

City, State, & Zip Code

Division or Subsidiary of (if applicable)

0.2 Reporting Unit: (Mark one.)

A. _____ Business Unit comprising an entire business organization which is not divided into segments.
B.1. _____ Corporate Home Office
2. _____ Intermediate Level Home Office
3. _____ Segment or business unit reporting directly to a home office.

0.3 Official to Contact Concerning this Statement.

Name and Title

Phone number (including area code and extension)

0.4 Statement Type and Effective Date:

A. (Mark type of submission. If a revision, enter number)
(a)_____ Original Statement
(b)_____ Revised Statement; Revision No._____

B. Effective Date of this Statement/Revision:_____

0.5 Statement Submitted To (Provide office name, location and telephone number, include area code and extension):

(a) Cognizant Federal Agency: _____
(b) Cognizant Federal Auditor:_____

CERTIFICATION

I certify that to the best of my knowledge and belief this Statement, as amended in the case of a revision, is the complete and accurate disclosure as of the above date by the above-named organization of its cost accounting practices, as required by the Disclosure Regulation (48 CFR 9903.202) of the Cost Accounting Standards Board under P.L. 100-679.

_____
(Name)

_____
(Title)

THE PENALTY FOR MAKING A FALSE STATEMENT IN THIS DISCLOSURE IS PRESCRIBED IN 18 U.S.C. § 1001

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART I - GENERAL INFORMATION NAME OF REPORTING UNIT

Item No.	Item description
	Part I Instructions Sales data for this part should cover the most recently completed fiscal year of the reporting unit. "Government CAS Covered Sales" includes sales under both prime contracts and subcontracts. "Annual CAS Covered Sales" includes intracorporate transactions.
1.1.0	Type of Business Entity of Which the Reporting Unit is a Part. (Mark one.) A. _____ Corporation B. _____ Partnership C. _____ Proprietorship D. _____ Not-for-profit organization E. _____ Joint Venture F. _____ Federally Funded Research and Development Center (FFRDC) Y. _____ Other (Specify) _____
1.2.0	Predominant Type of Government Sales. (Mark one.) 1/ A. _____ Manufacturing B. _____ Research and Development C. _____ Construction D. _____ Services Y. _____ Other (Specify)_____
1.3.0	Annual CAS Covered Government Sales as Percentage of Total Sales (Government and Commercial). (Mark one. An estimate is permitted for this section.) 1/ A. _____ Less than 10% B. _____ 10%-50% C. _____ 51%-80% D. _____ 81% - 95% E. _____ Over 95%
1.4.0	Description of Your Cost Accounting System for Government Contracts and Subcontracts. (Mark the appropriate line(s) and if more than one is marked, explain on a continuation sheet.) 1/ A. _____ Standard costs - Job order B. _____ Standard costs - Process C. _____ Actual costs - Job order D. _____ Actual costs - Process Y. _____ Other(s) 2/ 1/ Do not complete when Part I is filed in conjunction with Part VIII. 2/ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART I - GENERAL INFORMATION NAME OF REPORTING UNIT

Item No.	Item description
1.5.0	Identification of Differences Between Contract Cost Accounting and Financial Accounting Records. List on a continuation sheet, the types of costs charged to Federal contracts that are supported by memorandum records and identify the method used to reconcile with the entity's financial accounting records.
1.6.0	Unallowable Costs. Costs that are not reimbursable as allowable costs under the terms and conditions of Federal awards are identified as follows: (Mark all that apply and if more than one is marked, describe on a continuation sheet the major cost groupings, organizations, or other criteria for using each marked technique.)
1.6.1	Incurred costs. A. _____ Specifically identified and recorded separately in the formal financial accounting records. B. _____ Identified in separately maintained accounting records or workpapers. C. _____ Identifiable through use of less formal accounting techniques that permit audit verification. D. _____ Determinable by other means. 1/
1.6.2	Estimated costs. A. _____ By designation and description (in backup data, workpapers, etc) which have specifically been identified and recognized in making estimates. B. _____ By description of any other estimating technique employed to provide appropriate recognition of any unallowable amounts pertinent to the estimates. C. _____ Other. 1/
1.7.0	Fiscal Year: _____ (Specify twelve month period used for financial accounting and reporting purposes, e.g., 1/1 to 12/31.)
1.7.1	Cost Accounting Period: _____ (Specify period. If the cost accounting period used for the accumulation and reporting of costs under Federal contracts is other than the fiscal year identified in Item 1.7.0, explain circumstances on a continuation sheet.) 1/ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART II - DIRECT COSTS NAME OF REPORTING UNIT

Item No.	Item description
	Part II Instructions This part covers the three major categories of direct costs, i.e., Direct Material, Direct Labor, and Other Direct Costs. It is not the intent here to spell out or define the three elements of direct costs. Rather, each contractor should disclose practices based on its own definitions of what costs are, or will be, charged directly to Federal contracts or similar cost objectives as Direct Material, Direct Labor, or Other Direct Costs. For example, a contractor may charge or classify purchased labor of a direct nature as "Direct Material" for purposes of pricing proposals, requests for progress payments, claims for cost reimbursement, etc.; some other contractor may classify the same cost as "Direct Labor," and still another as "Other Direct Costs." In these circumstances, it is expected that each contractor will disclose practices consistent with its own classifications of Direct Material, Direct Labor, and Other Direct Costs.
2.1.0	Description of Direct Material. Direct material as used here is not limited to those items of material actually incorporated into the end product; they also include material, consumable supplies, and other costs when charged to Federal contracts or similar cost objectives as Direct Material. (Describe on a continuation sheet the principal classes or types of material and services which are charged as direct material; group the material and service costs by those which are incorporated in an end product and those which are not.)
2.2.0	Method of Charging Direct Material.
2.2.1	Direct Charge Not Through an Inventory Account at: (Mark the appropriate line(s) and if more than one is marked, explain on a continuation sheet.) A. _____ Standard costs (Describe the type of standards used.) 1/ B. _____ Actual Costs Y. _____ Other(s) 1/ Z. _____ Not applicable
2.2.2	Charged Direct from a Contractor-owned Inventory Account at: (Mark the appropriate line(s) and if more than one is marked, explain on a continuation sheet.) A. _____ Standard costs 1/ B. _____ Average Costs 1/ C. _____ First in, first out D. _____ Last in, first out Y. _____ Other(s) 1/ Z. _____ Not applicable 1/ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART II - DIRECT COSTS NAME OF REPORTING UNIT

Item No.	Item description
2.3.0	**Timing of Charging Direct Material.** (Mark the appropriate line(s) to indicate the point in time at which direct material are charged to Federal contracts or similar cost objectives, and if more than one line is marked, explain on a continuation sheet.) A. _____ When orders are placed B. _____ When both the material and invoice are received C. _____ When material is issued or released to a process, batch, or similar intermediate cost objective D. _____ When material is issued or released to a final cost objective E. _____ When invoices are paid Y. _____ Other(s) 1/ Z. _____ Not applicable
2.4.0	**Variances from Standard Costs for Direct Material.** (Do not complete this item unless you use a standard cost method, i.e., you have marked Line A of Item 2.2.1, or 2.2.2. Mark the appropriate line(s) in Items 2.4.1, 2.4.2, and 2.4.4, and if more than one line is marked, explain on a continuation sheet.)
2.4.1	**Type of Variance.** A. _____ Price B. _____ Usage C. _____ Combined (A and B) Y. _____ Other(s) 1/
2.4.2	**Level of Production Unit used to Accumulate Variance.** Indicate which level of production unit is used as a basis for accumulating material variances. A. _____ Plant-wide Basis B. _____ By Department C. _____ By Product or Product Line Y. _____ Other(s) 1/
2.4.3	**Method of Disposing of Variance.** Describe on a continuation sheet the basis for, and the frequency of, the disposition of the variance.
2.4.4	**Revisions.** Standard costs for direct materials are revised: A. _____ Semiannually B. _____ Annually C. _____ Revised as needed, but at least once annually Y. _____ Other(s) 1/ 1/ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART II - DIRECT COSTS NAME OF REPORTING UNIT

Item No.	Item description

2.5.0 Method of Charging Direct Labor: (Mark the appropriate line(s) for each Direct Labor Category to show how such labor is charged to Federal contracts or similar cost objectives, and if more than one line is marked, explain on a continuation sheet. Also describe on a continuation sheet the principal classes of labor rates that are, or will be applied to Manufacturing Labor, Engineering Labor, and Other Direct Labor, in order to develop direct labor costs.

	Direct Labor Category		
	Manufacturing	Engineering	Other Direct
A. Individual/actual rates	____	____	____
B. Average rates – uncompensated overtime hours included in computation 1/	____	____	____
C. Average rates – uncompensated overtime hours excluded from computation	____	____	____
D. Standard costs/rates 1/	____	____	____
Y. Other(s) 1/	____	____	____
Z. Labor category is not applicable	____	____	____

2.6.0 Variances from Standard Costs for Direct Labor. (Do not complete this item unless you use a standard costs/rate method, i.e., you have marked Line D of Item 2.5.0 for any direct labor category. Mark the appropriate line(s) in each column of Items 2.6.1, 2.6.2, and 2.6.4. If more than one is marked, explain on a continuation sheet.)

2.6.1 Type of Variance.

	Direct Labor Category		
	Manufacturing	Engineering	Other Direct
A. Rate	____	____	____
B. Efficiency	____	____	____
C. Combined (A and B)	____	____	____
Y. Other(s) 1/	____	____	____
Z. Labor category is not applicable	____	____	____

1/ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART II - DIRECT COSTS NAME OF REPORTING UNIT

Item No.	Item description
2.6.2	**Level of Production Unit used to Accumulate Variance.** Indicate which level of production unit is used as a basis for accumulating the labor variances.

	Direct Labor Category		
	Manufacturing	Engineering	Other Direct
A. Plant-wide basis	____	____	____
B. By department	____	____	____
C. By product or product line	____	____	____
Y. Other(s) 1/	____	____	____
Z. Labor category is not applicable	____	____	____

2.6.3 **Method of Disposing of Variance.** Describe on a continuation sheet the basis for, and the frequency of, the disposition of the variance.

2.6.4 **Revisions.** Standard costs for direct labor are revised:

A. ____ Semiannually
B. ____ Annually
C. ____ Revised as needed, but at least once annually
Y. ____ Other(s) 1/

2.7.0 **Description of Other Direct Costs.** Other significant items of cost directly identified with Federal contracts or other final cost objectives. Describe on a continuation sheet the principal classes of other costs that are always charged directly, that is, identified specifically with final cost objectives, e.g., fringe benefits, travel costs, services, subcontracts, etc.

2.7.1 When Employee Travel Expenses for lodging and subsistence are charged direct to Federal contracts or similar cost objectives the charge is based on:

A. ____ Actual Costs
B. ____ Per Diem Rates
C. ____ Lodging at actual costs and subsistence at per diem
Y. ____ Other Method 1/
Z. ____ Not Applicable

2.8.0 **Credits to Contract Costs.** When Federal contracts or similar cost objectives are credited for the following circumstances, are the rates of direct labor, direct materials, other direct costs and applicable indirect costs always the same as those for the original charges? (Mark one line for each circumstance, and for each "No" answer, explain on a continuation sheet how the credit differs from the original charge.)

Circumstance	A. Yes	B. No	Z. Not Applicable
(a) Transfers to other jobs/contracts	____	____	____
(b) Unused or excess materials remaining upon completion of contract	____	____	____

1/ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART III - DIRECT VS. INDIRECT COSTS NAME OF REPORTING UNIT

Item No.	Item description

3.1.0 **Criteria for Determining How Costs are Charged to Federal Contracts Or Similar Cost Objectives.** Describe on a continuation sheet your criteria for determining when costs incurred for the same purpose, in like circumstances, are treated either as direct costs only or as indirect costs only with respect to final cost objectives.

3.2.0 **Treatment of Costs of Specified Functions, Elements of Cost, or Transactions.** (For each of the functions, elements of cost or transactions listed in Items 3.2.1, 3.2.2, and 3.2.3, enter one of the Codes A through F, or Y, to indicate how the item is treated. Enter Code Z in those lines that are not applicable to you. Also, specify the name(s) of the indirect pool(s) (as listed in 4.1.0, 4.2.0 and 4.3.0) for each function, element of cost, or transaction coded E or F. If Code E, Sometimes direct/Sometimes indirect, is used, explain on a continuation sheet the circumstances under which both direct and indirect allocations are made.)

Treatment Code

A. Direct material
B. Direct labor
C. Direct material and labor
D. Other direct costs
E. Sometimes direct/Sometimes indirect
F. Indirect only
Y. Other(s) 1/
Z. Not applicable

3.2.1

Functions, Elements of Cost, or Transactions Related to Direct Material		Treatment Code	Name of Pool(s)
(a)	Cash Discounts on Purchases	____	_____
(b)	Freight in	____	_____
(c)	Income from Sale of Scrap	____	_____
(d)	Income from Sale of Salvage	____	_____
(e)	Incoming Material Inspection (receiving)	____	_____
(f)	Inventory adjustment	____	_____
(g)	Purchasing	____	_____
(h)	Trade Discounts, Refunds, Rebates, and Allowances on Purchases	____	_____

1/ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART III - DIRECT VS. INDIRECT COSTS NAME OF REPORTING UNIT

Item No.	Item description		Treatment Code	Name of Pool(s)
3.2.2	Functions, Elements of Cost, or Transactions Related to Direct Labor			
	(a)	Incentive Compensation	____	_____
	(b)	Holiday Differential (Priemium Pay)	____	_____
	(c)	Vacation Pay	____	_____
	(d)	Overtime Premium Pay	____	_____
	(e)	Shift Premium Pay	____	_____
	(f)	Pension Costs	____	_____
	(g)	Post Retirement Benefits Other Than Pensions	____	_____
	(h)	Health Insurance	____	_____
	(i)	Life Insurance	____	_____
	(j)	Other Deferred Compensation 1/	____	_____
	(k)	Training	____	_____
	(l)	Sick Leave	____	_____

1/ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART III - DIRECT VS. INDIRECT COSTS NAME OF REPORTING UNIT

Item No.	Item description		Treatment Code	Name of Pool(s)
3.2.3	Functions, Elements of Cost, or Transactions - Miscellaneous			
	(a)	Design Engineering (in-house)	____	_____
	(b)	Drafting (in-house)	____	_____
	(c)	Computer Operations (in-house)	____	_____
	(d)	Contract Administration	____	_____
	(e)	Subcontract Administration Costs	____	_____
	(f)	Freight Out (finished product)	____	_____
	(g)	Line (or production) Inspection	____	_____
	(h)	Packaging and Preservation	____	_____
	(i)	Preproduction Costs and Start-up Costs	____	_____
	(j)	Departmental Supervision	____	_____
	(k)	Professional Services (consultant fees)	____	_____
	(l)	Purchased Labor of Direct Nature (on premises)	____	_____
	(m)	Purchased Labor of Direct Nature (off premises)	____	_____
	(n)	Rearrangement Costs	____	_____
	(o)	Rework Costs	____	_____
	(p)	Royalties	____	_____
	(q)	Scrap Work	____	_____
	(r)	Special Test Equipment	____	_____
	(s)	Special Tooling	____	_____
	(t)	Warranty Costs	____	_____
	(u)	Rental Costs	____	_____
	(v)	Travel and Subsistence	____	_____
	(w)	Employee Severance Pay	____	_____
	(x)	Security Guards	____	_____

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART IV - INDIRECT COSTS NAME OF REPORTING UNIT

Item No.	Item description

Part IV Instructions

For the purpose of this part, indirect costs have been divided into three categories: (I) manufacturing, engineering, and comparable indirect costs, (II) general and administrative (G&A) expenses, and (III) service center and expense pool costs, as defined in Item 4.3.0. The term "overhead," as used in this part, refers only to the first category of indirect costs.

The following Allocation Base Codes are provided for use in connection with Items 4.1.0, 4.2.0 and 4.3.0.

A.	Sales	H.	Direct labor dollars
B.	Cost of sales	I.	Direct labor hours
C.	Total Cost input (direct material, direct labor, other direct costs and applicable overhead)	J.	Machine hours
		K.	Usage
		L.	Unit of production
D.	Value-added cost input (total cost input less direct material and subcontract costs)	M.	Direct material cost
		N.	Total payroll dollars (direct and indirect employees)
E.	Total cost incurred (total cost input plus G&A expenses)	O.	Headcount or number of employees (direct and indirect employees)
F.	Prime cost (direct material, direct labor and other direct cost)	P.	Square feet
		Y.	Other(s), or more than one basis (Describe on a continuation sheet.)
G.	Processing or conversion cost (direct labor and applicable overhead)	Z.	Pool not applicable

4.1.0 Overhead Pools. List all the overhead pools, i.e., pools of indirect costs, other than general and administrative (G&A) expenses, that are allocated to final cost objectives without any intermediate allocations. A segment or business unit may have only a single pool encompassing all of its overhead costs or alternatively it may have several pools such as manufacturing overhead, engineering overhead, material handling overhead, etc. For each pool listed indicate the base used for allocating such pooled expenses to Federal contracts or similar cost objectives. Also, for each of the pools indicate (a) the major functions, activities, and elements of cost included, and (b) the make up of the allocation base. Use a continuation sheet if additional space is required.

Allocation Base Code

1. _____

(a) Major functions, activities, and elements of cost included:

_____

_____

(b) Description/Make up of the allocation base:

_____

_____

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART IV - INDIRECT COSTS NAME OF REPORTING UNIT

Item No.	Item description
4.1.0	Continued. Allocation Base Code 2. _____ ____ (a) Major functions, activities, and elements of cost included: _____ _____ (b) Description/Make up of the allocation base: _____ _____
4.2.0	General and Administrative (G&A) Expense Pool(s). Select among the three categories of pools below that describe(s) the manner in which G&A expenses are allocated. For each category of pool(s) selected indicate the base(s) used for allocating such pooled expenses to Federal contracts or similar cost objectives. Also, for each category of pool(s) selected, indicate (a) the major functions, activities, and elements of cost included, and (b) the make up of the allocation base(s). For example, if direct labor dollars are used, are fringe benefits included? If a total cost input base is used, is the imputed cost of capital included? Use a continuation sheet if additional space is required. Allocation Base Code Single Pool Containing G&A Expenses Only _____ ____ (a) Major functions, activities, and elements of cost included: _____ _____ (b) Description/Make up of the allocation base: _____ _____

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART IV - INDIRECT COSTS NAME OF REPORTING UNIT

Item No.	Item description
4.2.0	Continued. **Single Pool Containing Both G&A and Non-G&A Expenses** — Allocation Base Code _____ ____ (a) Major functions, activities, and elements of cost included: _____ _____ (b) Description/Make up of the allocation base: _____ _____ **Special Allocations** — Allocation Base Code 1. _____ ____ (a) Major functions, activities, and elements of cost included: _____ _____ (b) Description/Make up of the allocation base: _____ _____ 2. _____ ____ (a) Major functions, activities, and elements of cost included: _____ _____ (b) Description/Make up of the allocation base: _____ _____

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART IV - INDIRECT COSTS NAME OF REPORTING UNIT

Item No.	Item description
4.3.0	**Service Center and Expense Pool Allocation Bases.**

Service centers are departments or other functional units which perform specific technical and/or administrative services primarily for the benefit of other units within a reporting unit. Expense pools are pools of indirect costs that are allocated primarily to other units within a reporting unit. Examples of service centers are data processing centers, reproduction services and communications services. Examples of expense pools are use and occupancy pools and fringe benefit pools.

Category Code

Generally, costs incurred by such centers or pools are, or can be, charged or allocated (i) partially to specific final cost objectives as direct costs and partially to other indirect cost pools (such as a manufacturing overhead pool) for subsequent reallocation to several final cost objectives, referred to herein as Category "A", and (ii) only to several other indirect cost pools (such as a manufacturing overhead pool, engineering overhead pool and G&A expense pool) for subsequent reallocation to several final cost objectives, referred to herein as Category "B".

Rate Code

Some service centers or expense pools may use predetermined billing or costing rates to charge or allocate the costs (Rate Code A) while others may charge or allocate on an actual basis (Rate Code B).

List all the service centers and expense pools and enter in column (1) Code A or B to indicate the category of pool. Enter in Column (2) one of the Allocation Base Codes A through P, or Y, listed on Page ___, to indicate the base used for charging or allocating service center or expense pool costs. Enter in Column (3) Rate Code A or B to describe the costing method used. Also, for each of the centers and pools indicate (a) the major functions, activities, and elements of cost included, and (b) the make up of the allocation base. Use a continuation sheet if additional space is required.

	Service Center or Expense Pool	Category Code (1)	Allocation Base Code (2)	Rate Code (3)
1.	_____	___	___	___
	(a) Major functions, activities, and elements of cost included: _____ _____			
	(b) Description/Make up of the allocation base: _____ _____			
2.	_____	___	___	___
	(a) Major functions, activities, and elements of cost included: _____ _____			
	(b) Description/Make up of the allocation base: _____ _____			

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART IV - INDIRECT COSTS NAME OF REPORTING UNIT

Item No.	Item description
4.4.0	**Treatment of Variances from Actual Cost (Underabsorption or Overabsorption).** Where predetermined billing or costing rates are used to charge costs of service centers and expense pools to Federal contracts or other indirect cost pools (Rate Code A in Column (3) of Item 4.3.0), variances from actual costs are: (Mark the appropriate line(s) and if more than one is marked, explain on a continuation sheet.) A. ____ Prorated to users on the basis of charges made, at least once annually B. ____ All charged or credited to indirect cost pool(s) at least once annually Y. ____ Other(s) 1/ Z. ____ Service center is not applicable to reporting unit
4.5.0	**Application of Overhead and G&A Rates to Specified Transactions or Costs.** This item is directed to ascertaining your practice in special situations where, in lieu of establishing a separate indirect cost pool, allocation is made from an established overhead or G&A pool at a rate other than the normal full rate for that pool. In the case of such a special allocation, the terms "less than full rate" or "more than full rate" should be used to describe the practice. The terms do not apply to situations where, as in some cases of off-site activities, etc., a separate indirect cost pool and base are used and the rate for such activities is lower than the "in-house" rate. For each of the transactions or costs listed below, enter one of the following codes to indicate your indirect cost allocation practice with respect to that transaction or cost. If Code A, full rate, is entered, identify on a continuation sheet the pool(s) reported under items 4.1.0, 4.2.0, and 4.3.0, which are applicable. If Codes B or C, less than or more than the full rate, is entered, describe on a continuation sheet the major types of expenses that are covered by such a rate. **Rate Code** A. Full rate B. Special allocation at less than full rate C. Special allocation at more than full rate D. No overhead or G&A is applied Z. Transaction or cost is not applicable to reporting unit **Transaction or Cost to Which Indirect Costs May be Allocated** — **Rate Code** (a) Subcontract costs ____ (b) Purchased Labor ____ (c) Government-furnished materials ____ (d) Self-constructed depreciable assets ____ (e) Labor on installation of assets ____ (f) Off-site work ____ (g) Interorganizational transfers out ____ (h) Interorganizational transfers in (Also indicate on a continuation sheet the basis used by you as transferee to charge the cost or price of interogranizational transfers to Federal contracts or similar cost objectives. If the charge is based on cost, indicate whether the transferor's G&A expenses are included.) ____ (i) Other transactions or costs (Enter Code B or C on this line if there are other transactions or costs to which either less than full rate or more than full rate is applied. List such transactions or costs on a continuation sheet, and for each describe the major types of expenses covered by such a rate. If there are no other such transactions or costs, enter code Z.) ____ 1/ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART IV - INDIRECT COSTS NAME OF REPORTING UNIT

Item No.	Item description
4.6.0	Independent Research and Development (IR&D) and Bid and Proposal (B&P) Costs. Definitions of and requirements for the allocation of IR&D and B&P costs are contained in 48 CFR 9904.420. The full rate of all allocable manufacturing, engineering, and/or other overhead is applied to IR&D and B&P costs as if IR&D and B&P projects were under contract, and the "burdened" IR&D and B&P costs are: (Mark appropriate line(s).) A. ____ Allocated to Federal contracts or similar cost objectives by means of a composite pool with G&A expenses. B. ____ Allocated to Federal contracts or similar cost objectives by means of a separate pool. C. ____ Transferred to the corporate or home office level for reallocation to the benefiting segments. Y. ____ Other 1/ Z. ____ Not applicable
4.7.0	Cost of Capital Committed to Facilities. In accordance with instructions for Form CASB-CMF, undistributed facilities capital items are allocated to overhead and G&A expense pools: (Mark one.) A. ____ On a basis identical to that used to absorb the actual depreciation or amortization from these facilities; land is assigned in the same manner as the facilities to which it relates. B. ____ On a basis not identical to that used to absorb the actual depreciation or amortization from these facilities. (Describe on a continuation sheet the difference for each step of the allocation process.) C. ____ By the "alternative allocation process" described in instructions for Form CASB-CMF. Z. ____ Not applicable. 1/ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART V - DEPRECIATION AND CAPITALIZATION PRACTICES NAME OF REPORTING UNIT

Item No.	Item description

Part V Instructions

Where a home office either establishes practices or procedures for the types of costs covered in this Part or incurs and then allocates these costs to its segments, the home office may complete this Part to be included in the submission by the segment as indicated on page (i) 4., General Instructions.

5.1.0 Depreciating Tangible Assets for Government Contract Costing. (For each of the asset categories listed on Page ___, enter a code from A through H in Column (1) describing the method of depreciation (Code F for assets that are expensed); a code from A through C in Column (2) describing the basis for determining useful life; a code from A through C in Column (3) describing how depreciation methods or use charges are applied to property units; and a Code A, B or C in Column (4) indicating whether or not residual value is deducted from the total cost of depreciable assets. Enter Code Y in each column of an asset category where another or more than one method applies. Enter Code Z in Column (1) only, if an asset category is not applicable.)

Column (1)—Depreciation Method Code

A. Straight Line
B. Declining balance
C. Sum-of-the years digits
D. Machine hours
E. Unit of production
F. Expensed at acquisition
G. Use charge
H. Method of depreciation used under the applicable Internal Revenue Procedures
Y. Other or more than one method 1/
Z. Asset category is not applicable

Column (2)—Useful Life Code

A. Replacement experience adjusted by expected changes in periods of usefulness
B. Term of Lease
C. Estimated on the basis of Asset Guidelines under Internal Revenue Procedures
Y. Other, or more than one method 1/

Column (3)—Property Units Code

A. Individual units are accounted for separately
B. Applied to groups of assets with similar service lives
C. Applied to groups of assets with varying service lives
Y. Other or more than one method 1/

Column (4)—Residual Value Code

A. Residual value is estimated and deducted
B. Residual value is covered by the depreciation method (e.g., declining balance)
C. Residual value is estimated but not deducted in accordance with the provisions of 48 CFR 9904.409 1/
Y. Other or more than one method 1/

1/ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART V - DEPRECIATION AND CAPITALIZATION PRACTICES NAME OF REPORTING UNIT

Item No.	Item description

5.1.0 Continued.

Asset Category	Depreciation Method Code (1)	Useful Life Code (2)	Property Units Code (3)	Residual Value Code (4)
(a) Land improvements	___	___	___	___
(b) Building	___	___	___	___
(c) Building improvements	___	___	___	___
(d) Leasehold improvements	___	___	___	___
(e) Machinery and equipment	___	___	___	___
(f) Furniture and fixtures	___	___	___	___
(g) Automobiles and trucks	___	___	___	___
(h) Data processing equipment	___	___	___	___
(i) Programming/reprogramming costs	___	___	___	___
(j) Patterns and dies	___	___	___	___
(k) Tools	___	___	___	___
(l) Other depreciable asset categories (Enter Code Y on this line if other asset categories are used and enumerate on a continuation sheet each such asset category and the applicable codes. Otherwise enter Code Z.)	___	___	___	___

5.2.0 Depreciation Practices for Costing, Financial Accounting, and Income Tax. Are depreciation practices the same for costing Federal contracts as for financial accounting and income tax? (Mark either (A) or (B) on each line under Financial Accounting and Income Tax. Not-for-profit organizations need not complete this item.)

Financial Accounting	A. Yes	B. No
(a) Methods	___	___
(b) Useful lives	___	___
(c) Property units	___	___
(d) Residual values	___	___

Income Tax	A. Yes	B. No
(e) Methods	___	___
(f) Useful lives	___	___
(g) Property units	___	___
(h) Residual values	___	___

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART V - DEPRECIATION AND CAPITALIZATION PRACTICES NAME OF REPORTING UNIT

Item No.	Item description
5.3.0	**Fully Depreciated Assets.** Is a usage charge for fully depreciated assets charged to Federal contracts? (Mark one.) A. ____ Yes 1/ B. ____ No Z. ____ Not applicable
5.4.0	**Treatment of Gains and Losses on Disposition of Depreciable Property.** Gains and losses are: (Mark the appropriate line(s) and if more than one is marked, explain on a continuation sheet.) A. ____ Credited or charged currently to the same overhead or G&A pools to which the depreciation of the assets was charged B. ____ Taken into consideration in the depreciation cost basis of the new items, where trade-in is involved C. ____ Not accounted for separately, but reflected in the depreciation reserve account Y. ____ Other(s) 1/ Z. ____ Not applicable
5.5.0	**Capitalization or Expensing of Specified Costs.** (Mark one line on each item to indicate your practices regarding capitalization or expensing of specified costs incurred in connection with capital assets. If the same specified cost is sometimes expensed and sometimes capitalized, mark both lines and describe on a continuation sheet the circumstances when each method is used.) Cost — A. Expensed — B. Capitalized (a) Freight-in ____ ____ (b) Sales taxes ____ ____ (c) Excise taxes ____ ____ (d) Architect-engineer fees ____ ____ (e) Overhauls (extraordinary repairs) ____ ____ 1/ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART V - DEPRECIATION AND CAPITALIZATION PRACTICES NAME OF REPORTING UNIT

Item No.	Item description
5.6.0	Criteria for Capitalization. Enter (a) the minimum dollar amount of acquisition cost or expenditures for addition, alteration and improvement of depreciable assets capitalized, and (b) the minimum number of expected life years of capitalized assets. If more than one dollar amount or number applies, show the information for the majority of your depreciable assets, and enumerate on a continuation sheet the dollar amounts and/or number of years for each category or subcategory of assets involved which differ from those for the majority of assets. (a) Minimum dollar amount capitalized _____ (b) Minimum service life years _____
5.7.0	Group or Mass Purchase. Are group or mass purchases (original complement) of low cost equipment, which individually are less than the capitalization amount indicated above, capitalized? (Mark one. If Yes is marked, provide the minimum aggregate dollar amount capitalized.) A. ____ Yes _____Minimum aggregate dollar amount capitalized B. ____ No

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART VI - OTHER COSTS AND CREDITS NAME OF REPORTING UNIT

Item No.	Item description			
	Part VI Instructions			
	Where a home office either establishes practices or procedures for the types of costs covered in this Part or incurs and then allocates these costs to its segments, the home office may complete this Part to be included in the submission by the segment as indicated on page (ii) 4., General Instructions.			
6.1.0	Method of Charging and Crediting Vacation, Holiday, and Sick Pay. (Mark the appropriate line(s) in each column of Items 6.1.1, 6.1.2, 6.1.3 and 6.1.4 to indicate the method used to charge, or credit any unused or unpaid vacation, holiday, or sick pay. If more than one method is marked, explain on a continuation sheet.)			
			Salaried	
6.1.1	Charges for Vacation Pay	Hourly (1)	Non-exempt 1/ (2)	Exempt 1/ (3)
	A. When Accrued (earned)	___	___	___
	B. When Taken	___	___	___
	Y. Other(s) 2/	___	___	___
6.1.2	Charges for Holiday Pay			
	A. When Accrued (earned)	___	___	___
	B. When Taken	___	___	___
	Y. Other(s) 2/	___	___	___
6.1.3	Charges for Sick Pay			
	A. When Accrued (earned)	___	___	___
	B. When Taken	___	___	___
	Y. Other(s) 2/	___	___	___
6.1.4	Credits for Unused or Unpaid Vacation, Holiday, or Sick Pay			
	A. Credited to Accounts Originally charged at Least Once Annually	___	___	___
	B. Credited to Indirect Cost Pools at Least Once Annually	___	___	___
	C. Carried Over to Future Cost Accounting Periods 2/	___	___	___
	Y. Other(s) 2/	___	___	___
	Z. Not Applicable	___	___	___
	1/ For the definition of Non-exempt and Exempt salaries, see the Fair Labor Standards Act, 29 U.S.C. 206.			
	2/ Describe on a Continuation Sheet.			

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART VI - OTHER COSTS AND CREDITS NAME OF REPORTING UNIT

Item No.	Item description
6.2.0	**Supplemental Unemployment (Extended Layoff) Benefit Plans.** Costs of such plans are charged to Federal contracts: (Mark the appropriate line(s) and if more than one is marked, explain on a continuation sheet.) A. ____ When actual payments are made directly to employees B. ____ When accrued (book accrual or funds set aside but no trust fund involved) C. ____ When contributions are made to a nonforfeitable trust fund D. ____ Not charged Y. ____ Other(s) 1/ Z. ____ Not applicable
6.3.0	**Severance Pay and Early Retirement.** Costs of normal turnover severance pay and early retirement incentive plans, as defined in FAR 31.2 or other pertinent procurement regulations, which are charged directly or indirectly to Federal contracts, are based on: (Mark the appropriate line(s) and if more than one is marked, explain on a continuation sheet.) A. ____ Actual payments made B. ____ Accrued amounts on the basis of past experience C. ____ Not charged Y. ____ Other(s) 1/ Z. ____ Not applicable
6.4.0	**Incidental Receipts.** (Mark the appropriate line(s) to indicate the method used to account for incidental or miscellaneous receipts, such as revenues from renting real and personal property or selling services, when related costs have been allocated to Federal contracts. If more than one is marked, explain on a continuation sheet.) A. ____ The entire amount of the receipt is credited to the same indirect cost pools to which related costs have been charged B. ____ Where the amount of the receipt includes an allowance for profit, the cost-related part of the receipt is credited to the same indirect cost pools to which related costs have been charged; the profits are credited to Other (Miscellaneous) Income C. ____ The entire amount of the receipt is credited directly to Other (Miscellaneous) Income Y. ____ Other(s) 1/ Z. ____ Not applicable 1/ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART VI - OTHER COSTS AND CREDITS NAME OF REPORTING UNIT

Item No.	Item description
6.5.0	**Proceeds from Employee Welfare Activities.** Employee welfare activities include all of those activities set forth in FAR 31.2 . (Mark the appropriate line(s) to indicate the practice followed in accounting for the proceeds from such activities. If more than one is marked, explain on a continuation sheet.) A. ____ Proceeds are turned over to an employee-welfare organization or fund; such proceeds are reduced by all applicable costs such as depreciation, heat, light and power B. ____ Same as above, except the proceeds are not reduced by all applicable costs C. ____ Proceeds are credited at least once annually to the appropriate cost pools to which costs have been charged D. ____ Proceeds are credited to Other (Miscellaneous) Income Y. ____ Other(s) 1/ Z. ____ Not applicable 1/ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART VII - DEFERRED COMPENSATION AND INSURANCE COST NAME OF REPORTING UNIT

Item No.	Item description

Part VII Instructions

This part covers the measurement and assignment of costs for employee pensions, post retirement benefits other than pensions (including post retirement health benefits), certain other types of deferred compensation, and insurance. Some organizations may incur all of these costs at the corporate or home office level, while others may incur them at subordinate organizational levels. Still others may incur a portion of these costs at the corporate level and the balance at subordinate organizational levels.

Where the segment (reporting unit) does not directly incur such costs, the segment should, on a continuation sheet, identify the organizational entity that incurs and records such costs, and should require that entity to complete the applicable portions of this Part VII. Each such entity is to fully disclose the methods and techniques used to measure, assign, and allocate such costs to the segment(s) performing Federal contracts or similar cost objectives. Necessary explanations required to achieve that objective should be provided by the entity on a continuation sheet.

Where a home office either establishes practices or procedures for the types of costs covered in this Part VII or incurs and then allocates those costs to its segments, the home office may complete this Part to be included in the submission by the segment as indicated on page (i) 4., General Instructions.

7.1.0 Pension Plans with Costs Charged to Federal Contracts. Identify the types and number of pension plans whose costs are charged to Federal contracts or similar cost objectives: (Mark applicable line(s) and enter number of plans.)

Type of Pension Plan	Number of Plans
A. Defined-Contribution Plan (Other than ESOPs (see 7.5.0))	
1. Non-Qualified	____
2. Qualified	____
B. Defined-Benefit Plan	
1. Non-Qualified	
a. Costs are measured and assigned on accrual basis	____
b. Costs are measured and assigned on cash (pay-as-you-go) basis	____
2. Qualified	
a. Trusteed (Subject to ERISA's minimum funding requirements)	____
b. Fully-insured plan (Exempt from ERISA's minimum funding requirements) treated as a defined-contribution plan	____
c. Collectively bargained plan treated as a defined-contribution plan	____
Y. ____ Other 1/	____
Z. ____ Not Applicable (Proceed to Item 7.2.0)	

1/ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART VII - DEFERRED COMPENSATION AND INSURANCE COST NAME OF REPORTING UNIT

Item No.	Item description
7.1.1	General Plan Information. On a continuation sheet for each plan identified in Item 7.1.0, provide the following information: A. The plan name B. The Employer Identification Number (EIN) of the plan sponsor as reported on IRS Form 5500, if any C. The plan number as reported on IRS Form 5500, if any D. Is there a funding agency established for the plan? E. Indicate where costs are accumulated: (1) Home Office (2) Segment F. If the plan provides supplemental benefits to any other plan, identify the other plan(s).
7.1.2	Defined-Contribution Plan(s) and Certain Defined-Benefit Plans treated as Defined-Contribution Plans. Where numerous plans are listed under 7.1.0.A., 7.1.0.B.2.b., or 7.1.0.B.2.c., for those plans which represent the largest dollar amounts of costs charged to Federal contracts, or similar cost objectives, describe on a continuation sheet the basis for the contribution (including treatment of dividends, credits, and forfeitures) required for each fiscal year. (If there are not more than three plans, provide information for all the plans. If there are more than three plans, information should be provided for those plans that in the aggregate account for at least 80 percent of those defined-contribution plan costs allocable to this segment or business unit.) Z. ____ Not applicable. (Proceed to Item 7.1.3)
7.1.3	Defined-Benefit Plan(s). Where numerous plans are listed under 7.1.0.B. (excluding certain defined-benefit plans treated as defined-contribution plans reported under 7.1.0.B.2.b. and 7.1.0.B.2.c.), for those plans which represent the largest dollar amounts of costs charged to Federal contracts, provide the information requested below on a continuation sheet. (If there are not more than three plans, provide information for all the plans. If there are more than three plans, information should be provided for those plans that in the aggregate account for at least 80 percent of those defined-benefit plan costs allocable to this segment or business unit.): A. Actuarial Cost Method. Identify the actuarial cost method used, including the cost method(s) used to value ancillary benefits, for each plan. Include the method used to determine the actuarial value of assets. Also, if applicable, include whether normal cost is developed as a level dollar amount or as a level percent of salary. For plans listed under 7.1.0.B.1.b., enter "pay-as-you-go". B. Actuarial Assumptions. Describe the events or conditions for which significant actuarial assumptions are made for each plan. Do not include the current numeric values of the assumptions, but provide a description of the basis used for determining these numeric values. Also, describe the criteria used to evaluate the validity of an actuarial assumption. For plans listed under 7.1.0.B.1.b., enter "not applicable". C. Market Value of Funding Agency Assets. Indicate if all assets of the funding agency are valued on the basis of a readily determinable market price. If yes, indicate the basis for the market value. If no, describe how the market values are determined for those assets that do not have a readily determinable market price. For plans listed under 7.1.0.B.1.b., enter "not applicable". D. Basis for Cost Computation. Indicate whether the cost for the segment is determined as: 1. An allocated portion of the total pension plan cost. 2. A separately computed pension cost for one or more segments. If so, identify these segments. Z. ____ Not applicable, proceed to Item 7.2.0.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART VII - DEFERRED COMPENSATION AND INSURANCE COST NAME OF REPORTING UNIT

Item No.	Item description
7.2.0	**Post-retirement Benefits (PRBs) Other than Pensions (including post-retirement health care benefits) Charged to Federal Contracts.** Identify the accounting method used to determine the costs and the number of PRB plans whose costs are charged to Federal contracts or similar cost objectives. Where retiree benefits are provided as an integral part of an employee group insurance plan that covers active employees, report that plan under 7.3.0. (Mark applicable line(s) and enter number of plans.) Method Used to Determine Costs — Number of Plans A. Accrual Accounting ____ B. Cash (pay-as-you-go) Accounting ____ C. Purchased Insurance from unrelated Insurer ____ D. Purchased Insurance from Captive Insurer ____ E. Self-Insurance (including insurance obtained through Captive Insurer) ____ F. Terminal Funding ____ Y. Other 1/ ____ Z. ____ Not Applicable (Proceed to Item 7.3.0)
7.2.1	General PRB Plan Information. On a continuation sheet for each plan identified in item 7.2.0, provide the following information grouped by method used to determine costs: A. The plan name B. The Employer Identification Number (EIN) of the plan sponsor as reported on IRS Form 5500, if any C. The plan number as reported on IRS Form 5500, if any D. Is there a funding agency or funded reserve established for the plan? E. Indicate where costs are accumulated: (1) Home Office (2) Segment F. Are benefits provided pursuant to a written plan or an established practice? If established practice, briefly describe. G. If this PRB plan is listed under 7.2.0.C., 7.2.0.D., or 7.2.0.E., indicate whether the plan is operated as an employee group insurance program. If this PRB plan is listed under 7.2.0.Y., indicate whether the plan is operated as a group insurance program. If the plan is operated as an employee group insurance program, report this plan under 7.3.0. and 7.3.1., as appropriate. If no, report the plan under 7.2.2. 1/ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART VII - DEFERRED COMPENSATION AND INSURANCE COST NAME OF REPORTING UNIT

Item No.	Item description
7.2.2	PRB Plan(s). Where numerous plans are listed under 7.2.0, for those plans which represent the largest dollar amounts of costs charged to Federal contracts, or other similar cost objectives, provide the information below on a continuation sheet. (If there are not more than three plans, provide information for all the plans. If there are more than three plans, information should be provided for those plans that in the aggregate account for at least 80 percent of those PRB costs allocable to this segment or business unit.) A. Actuarial Cost Method. Identify the actuarial cost method used for each plan or each benefit, as appropriate. Include the method used to determine the actuarial value of assets. Identify the amortization methods and periods used, if any. For plans listed under 7.2.0.B., enter "cash accounting". For plans listed under 7.2.0.F., enter "terminal funding" and identify the amortization methods and periods used, if any. B. Actuarial Assumptions. Describe the events or conditions for which significant actuarial assumptions are made for each plan. Do not include the current numeric values of the assumptions, but provide a description of the basis used for determining these numeric values. Also, describe the criteria used to evaluate the validity of an actuarial assumption. For plans under 7.2.0.B. or 7.2.0.F., enter "not applicable". C. Funding. Provide the following information on the funding practice for the costs of the plan: (For plans under 7.2.0.B. or 7.2.0.F., enter "not applicable".) 1. Describe the criteria for or practice of funding the measured and assigned cost; e.g., full funding of the accrual, funding is made pursuant to VEBA or 401(h) rules. 2. Briefly describe the funding arrangement. 3. Are all assets valued on the basis of a readily determinable market price? If yes, indicate the basis used for the market value. If no, describe how the market value is determined for those assets that are not valued on the basis of a readily determinable market price. D. Basis for Cost Computation. Indicate whether the cost for the segment is determined as: 1. An allocated portion of the total PRB plan cost 2. A separately computed PRB cost for one or more segments. If so, identify those segments. E. Forfeitability. Does each participant have a non-forfeitable contractual right to their benefit or account balance? If no, explain. Z. _____ Not applicable, proceed to item 7.3.0.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART VII - DEFERRED COMPENSATION AND INSURANCE COST NAME OF REPORTING UNIT

Item No.	Item description

7.3.0 Employee Group Insurance Charged to Federal Contracts or Similar Cost Objectives. Does your organization provide group insurance coverage to its employees? (Includes coverage for life, hospital, surgical, medical, disability, accident, and similar plans for both active and retired employees, even if the coverage was previously described in 7.2.0.)

A. _____ Yes (Complete Item 7.3.1)

B. _____ No (Proceed to Item 7.4.0)

7.3.1 Employee Group Insurance Programs. For each program that covers a category of insured risk (e.g., life, hospital, surgical, medical, disability, accident, and similar programs for both active and retired employees), provide the information below on a continuation sheet, using the codes described below: (If there are not more than three policies or self-insurance plans that comprise the program, provide information for all the policies and self-insurance plans. If there are more that three policies or self-insurance plans, information should be provided for those policies and self-insurance plans that in the aggregate account for at least 80 percent of the costs allocable to this segment or business unit for the program that covers each category of insured risk identified.)

Description of Employee Group Insurance Program: _____

Policy or Self-Insurance Plan	Cost Accumulation (1)	Cost Basis (2)	Includes Retirees (3)	Purchased Insurance Rating Basis (4)	Self-Insurance: Projected Average Loss (5)	Self-Insurance: Insurance Administrative Expenses (6)

Column (1) – Cost Accumulation

Enter Code A, B, or Y, as appropriate.

A. Costs are accumulated at the Home Office.
B. Costs are accumulated at Segment
Y. Other 1/

Column (2) – Cost Basis

Enter code A, B, C, or Y, as appropriate.

A. Purchased Insurance from unrelated third party
B. Self-insurance
C. Purchased Insurance from a captive insurer
Y. Other 1/

1/ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART VII - DEFERRED COMPENSATION AND INSURANCE COST NAME OF REPORTING UNIT

Item No.	Item description
7.3.1	Continued. Column (3) – Includes Retirees Enter code A, B, C, or Y, as appropriate. A. No, does not include benefits for retirees. B. Yes, PRB benefits for retirees that are a part of a policy or coverage for both active employees and retirees are reported here instead of 7.2.0. C. Yes, PRB benefits for retirees are a part of a PRB plan previously reported under 7.2.0. Y. Other 1/ Column (4) – Purchased Insurance Rating Basis For each plan listed enter code A, B, C, Y, or Z, as appropriate. A. Retrospective Rating (also called experience rating plan or retention plan). B. Manually Rated C. Community Rated Y. Other, or more than one type 1/ Z. Not applicable Column (5) – Projected Average Loss For each self-insured group plan, or the self-insured portion of purchased insurance, enter code A, B, C, Y, or Z, as appropriate. A. Self-insurance costs represent the projected average loss for the period estimated on the basis of the cost of comparable purchased insurance. B. Self-insurance costs are based on the contractor's experience, relevant industry experience, and anticipated conditions in accordance with accepted actuarial principles. C. Actual payments are considered to represent the projected average loss for the period. Y. Other, or more than one method 1/ Z. Not applicable Column (6) – Insurance Administration Expenses For each self-insured group plan, or the self-insured portion of purchased insurance, enter code A, B, C, D, Y, or Z, as appropriate, to indicate how administrative costs are treated. A. Separately identified and accumulated in indirect cost pool(s). B. Separately identified, accumulated, and allocated to cost objectives either at the segment and/or home office level (Describe allocation method on a Continuation Sheet). C. Not separately identified, but included in indirect cost pool(s). (Describe pool(s) on a Continuation Sheet) D. Incurred by an insurance carrier or third party (Describe accumulation and allocation process on a Continuation Sheet). Y. Other 1/ Z. Not applicable 1/ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART VII - DEFERRED COMPENSATION AND INSURANCE COST NAME OF REPORTING UNIT

Item No.	Item description
7.4.0	Deferred Compensation, as defined in CAS 9904.415. Does your organization award deferred compensation, other than ESOPs, which is charged to Federal contracts or similar cost objectives? (Mark one.) A. ____ Yes (Complete Item 7.4.1.) B. ____ No (Proceed to Item 7.5.0.)
7.4.1	General Plan Information. On a continuation sheet for all deferred compensation plans, as defined by CAS 9904.415, provide the following information: A. The plan name B. The Employer Identification Number (EIN) of the plan sponsor as reported on IRS Form 5500, if any C. The plan number as reported on IRS Form 5500, if any D. Indicate where costs are accumulated: (1) Home office (2) Segment E. Are benefits provided pursuant to a written plan or an established practice? If established practice, briefly describe .
7.4.2	Deferred Compensation Plans. Where numerous plans are listed under 7.4.1, for those plans which represent the largest dollar amounts of costs charged to Federal contracts, or other similar cost objectives, provide the information below on a continuation sheet. (If there are not more than three plans, provide information for all the plans. If there are more than three plans, information should be provided for those plans that in the aggregate account for at least 80% of these deferred compensation costs allocable to this segment or business unit): A. Description of Plan. 1. Stock Options 2. Stock Appreciation Rights 3. Cash Incentive 4. Other (explain) B. Method of Charging Costs to Federal Contracts or Similar Cost Objectives. 1. Costs charged when accrued and the accrual is fully funded 2. Costs charged when accrued and the accrual is partially funded or not funded 3. Costs charged when paid to employee (pay-as-you-go) 4. Other (explain)

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART VII - DEFERRED COMPENSATION AND INSURANCE COST NAME OF REPORTING UNIT

Item No.	Item description
7.5.0	Employee Stock Ownership Plans (ESOPs). Does your organization make contributions to fund ESOPs that are charged directly or indirectly to Federal contracts or similar cost objectives? (Mark one) A. _____ Yes (Proceed to Item 7.5.1) B. _____ No (Proceed to Item 7.6.0)
7.5.1	General Plan Information. On a continuation sheet, for all ESOPs provide the following information: A. The plan name B. The Employer Identification Number (EIN) of the plan sponsor as reported on IRS Form 5500, if any C. The plan number as reported on IRS Form 5500, if any D. Indicate where costs are accumulated: (1) Home office (2) Segment E. Are benefits provided pursuant to a written plan or an established practice? If established practice, briefly describe. F. Indicate whether the ESOP plan is a defined-contribution plan subject to CAS 9904.412. (Answer Yes or No). G. Indicate whether the ESOP is leveraged or nonleveraged. H. Valuation of Stock or Non-Cash Assets. Are the plan assets valued on the basis of a readily determinable market price? If yes, indicate the basis for the market value. If no, indicate how the market value is determined for those assets that do not have a readily determinable market price. I. Forfeitures and Dividends. Describe the accounting treatment for forfeitures and dividends, on both allocated and unallocated shares, in the measurement of ESOP costs charged directly or indirectly to Federal contracts or similar cost objectives for each plan identified. J. Administrative Costs. Describe how the costs of administration of each plan listed are identified, grouped, and accumulated.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART VII - DEFERRED COMPENSATION AND INSURANCE COST NAME OF REPORTING UNIT

Item No.	Item description

7.6.0 Worker's Compensation, Liability, and Property Insurance. Does your organization have insurance coverage regarding worker's compensation, liability and property insurance?

A. _____ Yes (Complete Item 7.6.1.)

B. _____ No (Proceed to Part VIII)

7.6.1 Worker's Compensation, Liability and Property Insurance Coverage.

For each line of insurance that covers a category of insured risk (e.g., worker's compensation, fire and similar perils, automobile liability and property damage, general liability), provide the information below on a continuation sheet using the codes described below: (If there are not more than three policies or self-insurance plans that are applicable to the line of insurance, provide information for all the policies and self-insurance plans. If there are more than three policies or insurance plans, information should be provided for those policies and self-insurance plans that in the aggregate account for at least 80 percent of the costs allocable to this segment or business unit for each line of insurance identified.)

Description of Line of Insurance Coverage: _____

Policy or Self-Insurance Plan	Cost Accumulation (1)	Cost Basis (2)	Crediting of Dividends and Earned Refunds (3)	Self-Insurance: Projected Average Loss (4)	Self-Insurance: Insurance Administrative Expenses (5)

Column (1) – Cost Accumulation

Enter code A, B, or Y, as appropriate.

A. Costs are accumulated at the Home Office.
B. Costs are accumulated at Segment
Y. Other 1/

Column (2) – Cost Basis

Enter code A, B, C, or Y, as appropriate.

A. Purchased insurance from unrelated third party
B. Self-insurance
C. Purchased insurance from a captive insurer
Y. Other 1/

1/ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART VII - DEFERRED COMPENSATION AND INSURANCE COST NAME OF REPORTING UNIT

Item No.	Item description
7.6.1	Continued.

Column (3) – Crediting of Dividends and Earned Refunds

For each line of coverage listed, enter code A, B, C, D, E, Y, or Z, as appropriate.

A. Credited directly or indirectly to Federal contracts or similar cost objectives in the year earned
B. Credited directly or indirectly to Federal contracts or similar cost objectives in the year received, not necessarily in the year earned
C. Accrued each year, as applicable, to currently reflect the net annual cost of the insurance
D. Not credited or refunded to the contractor but retained by the carriers as reserves in accordance with 48 CFR 9904.416-50(a)(1)(iv)
E. Manually Rated - not applicable
Y. Other, or more than one 1/
Z. Not applicable

Column (4) – Projected Average Loss

For each self-insured group plan, or the self-insured portion of purchased insurance, enter code A, B, C, Y, or Z, as appropriate.

A. Costs that represent the projected average loss for the period estimated on the basis of the cost of comparable purchased insurance.
B. Costs that are based on the contractor's experience, relevant industry experience, and anticipated conditions in accordance with generally accepted actuarial principles and practices.
C. The actual amount of losses are considered to represent the projected average loss for the period.
Y. Other, or more than one method. 1/
Z. Not applicable

Column (5) – Insurance Administration Expenses

For each self-insured group plan, or the self-insured portion of purchased insurance, enter code A, B, C, D, Y, or Z, as appropriate, to indicate how administrative costs are treated.

A. Separately identified and accumulated in indirect cost pool(s).
B. Separately identified, accumulated, and allocated to cost objectives either at the segment and/or home office level (Describe allocation method on a Continuation Sheet).
C. Not separately identified, but included in indirect cost pool(s). (Describe pool(s) on a Continuation Sheet).
D. Incurred by an insurance carrier or third party. (Describe accumulation and allocation process on a Continuation Sheet).
Y. Other 1/
Z. Not applicable

1/ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART VIII - HOME OFFICE EXPENSES NAME OF REPORTING UNIT

Item No.	Item description

Part VIII Instructions

FOR HOME OFFICE, AS APPLICABLE (Includes home office type operations of subsidiaries, joint ventures, partnerships, etc.). 1/

This part should be completed only by the office of a corporation or other business entity where such an office is responsible for administering two or more segments, where it allocates its costs to such segments and where at least one of the segments is required to file Parts I through VII of the Disclosure Statement.

Data for this part should cover the reporting unit's (corporate or other intermediate level home office's) most recently completed fiscal year. For a corporate (home) office, such data should cover the entire corporation. For a intermediate level home office, they should cover the subordinate organizations administered by that group office.

8.1.0 Organizational Structure.

On a continuation sheet, provide the following information:

1. **In column (1) list segments and other intermediate level home offices reporting to this home office,**
2. **In column (2) insert "yes" or "no" to indicate if reporting units have recorded any CAS-covered Government Sales, and**
3. **In column (3) provide the percentage of annual CAS-covered Government Sales as a Percentage of Total Sales (Government and Commercial), if applicable, as follows:**

   A. Less than 10%
   B. 10%-50%
   C. 51%-80%
   D. 81%-95%
   E. Over 95%

Segment or Other Intermediary Home Office (1)	CAS Covered Government Sales (2)	Government Sales as a Percentage of Total Sales (3)

8.2.0 Other Applicable Disclosure Statement Parts. (Refer to page (i) 4., General Instructions, and Parts V, VI and VII of the Disclosure Statement. Indicate below the parts that the reporting unit has completed concurrently with Parts I and VIII.)

A. ____ Part V - Depreciation and Capitalization Practices
B. ____ Part VI - Other Costs and Credits
C. ____ Part VII - Deferred Compensation and Insurance Costs
Z. ____ Not Applicable

1/ For definition of home office see 48 CFR 9904.403.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART VIII - HOME OFFICE EXPENSES NAME OF REPORTING UNIT

Item No.	Item description
8.3.0	**Expenses or Pools of Expenses and Methods of Allocation.** For classification purposes, three methods of allocation, defined as follows, are to be used: (i) Directly Allocated--those expenses that are charged to specific corporate segments or other intermediate level home offices based on a specific identification of costs incurred, as described in 9904.403; (ii) Homogeneous Expense Pools--those individual or groups of expenses which are allocated using a base which reflects beneficial or causal relationships, as described in 9904.403; and (iii) Residual Expense--the remaining expenses which are allocated to all segments by means of a base representative of the total activity of such segments. **Allocation Base Codes** A. Sales B. Cost of Sales C. Total Cost Input (Direct Material, Direct Labor, Other Direct Costs, and Applicable Overhead) D. Total Cost Incurred (Total Cost Input Plus G&A Expenses) E. Prime Cost (Direct Material, Direct Labor, and Other Direct Costs F. Three factor formula (CAS 9904.403-50(c)) G. Processing or Conversion Cost (Direct Labor and Applicable Overhead) H. Direct Labor Dollars I. Direct Labor Hours J. Machine Hours K. Usage L. Unit of Production M. Direct Material Cost N. Total Payroll Dollars (Direct and Indirect Employees) O. Headcount or Number of employees (Direct and Indirect Employees) P. Square Feet Q. Value Added Y. Other, or More than One Basis 1/ (On a continuation sheet, under each of the headings 8.3.1, 8.3.2, and 8.3.3 enter the type of expenses or the name of the expense pool(s). For each of the types of expense or expense pools listed, also indicate as item (a) the major functions, activities, and elements of cost included. In addition, for items listed under 8.3.2 and 8.3.3 enter one of the Allocation Base Codes A through Q, or Y, to indicate the basis of allocation and describe as item (b) the make up of the base(s). For example, if direct labor dollars are used, are ovetime premiums, fringe benefits, etc. included? For items listed under 8.3.2 and 8.3.3, if a pool is not allocated to all reporting units listed under 8.1.0, then list those reporting units either receiving or not receiving an allocation. Also identify special allocations of residual expenses and/or fixed mangement charges (see 9904.403-40(c)(3)). 1/ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART VIII - HOME OFFICE EXPENSES NAME OF REPORTING UNIT

Item No.	Item description
	Type of Expenses or Name of Pool of Expenses
8.3.1	**Directly Allocated**
	1. _____
	(a) Major functions, activities, and elements of cost include:
	_____
	_____
	2. _____
	(a) Major functions, activities, and elements of cost include:
	_____
	_____
8.3.2	**Homogeneous Expense Pools** — **Allocation Base Code**
	1. _____ ____
	(a) Major functions, activities, and elements of cost include:
	_____
	_____
	(b) Description/Make up of the allocation base:
	_____
	_____
	2. _____ ____
	(a) Major functions, activities, and elements of cost include:
	_____
	_____
	(b) Description/Make up of the allocation base:
	_____
	_____

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679	PART VIII - HOME OFFICE EXPENSES NAME OF REPORTING UNIT

Item No.	Item description
8.3.3	**Residual Expenses** **Allocation Base Code** _____ ____ (a) Major functions, activities, and elements of cost include: _____ _____ (b) Description/Make up of the allocation base: _____ _____
8.4.0	**Transfer of Expenses.** If there are normally transfers of expenses from reporting units to this home office, identify on a continuation sheet the classification of the expense and the name of the reporting unit incurring the expense.

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