

DATA ITEM DESCRIPTION

Title: “Cost Data Summary Report” (DD Form 1921)

Number: DI-FNCL-81565C

Approval Date: 20110518

AMSC Number: D9193

Limitation:

DTIC Applicable:

GIDEP Applicable:

Preparing Activity: CAPE

Applicable Forms: DD Form 1921 (OMB Control No. 0704-0188); 8 hours

Use/Relationship: For background and detailed requirements related to Contractor Cost Data Reporting (CCDR), refer to DoD 5000.04-M-1, “Cost and Software Data Reporting (CSDR) Manual.”

DD Form 1921, “Cost Data Summary Report,” is used by contractors to submit: (1) direct and indirect actual cost data on both a recurring and nonrecurring basis on Government contracts and (2) proposed cost data in response to Government solicitations according to Defense Federal Acquisition Regulations Supplement (DFARS) sections 234.7100, 234.7101, 242.503-2, 252.234-7003, and 252.234-7004.

This Data Item Description (DID) summarizes the format for DD Form 1921 and provides preparation instructions to support the specific data and frequency requirements specified in the contract. DD Form 1921 is related to the other CCDR forms, including DD Form 1921-1, “Functional Cost-Hour Report” (DI-FNCL-81566), DD Form 1921-2, “Progress Curve Report” (DI-FNCL-81567), and DD Form 1921-3, “Contractor Business Data Report” (DI-FNCL-81765). This DID is also related to the Contract Work Breakdown Structure (CWBS) DID (DI-MGMT-81334). All forms are available for inclusion on any contract that meets the criteria specified in DoD Instruction 5000.02 or under other conditions specified for a particular contractual effort.

This DID supersedes DI-FNCL-81565B.

Requirements:

1. *Reference documents.* The applicable issue of the documents cited herein, including their approval dates and dates of any applicable amendments, notices, and revisions, shall be as cited in ASSIST at the time of the solicitation; or, for non-ASSIST documents, as stated herein.

2. *References.*

- a. DoD Instruction 5000.02, “Operation of the Defense Acquisition System,” [current version], available at <http://www.dtic.mil/whs/directives/>. This instruction contains mandatory CCDR requirements.
- b. DoD 5000.4-M, “Cost Analysis Guidance and Procedures,” [current version], available at <http://www.dtic.mil/whs/directives/>.
- c. DoD 5000.04-M-1, “Cost and Software Data Reporting (CSDR) Manual,” [current version], available at <http://www.dtic.mil/whs/directives/>.
- d. DD Form 2794, “Cost and Software Data Reporting Plan,” [current version], available at <http://www.dtic.mil/whs/directives/>. Commonly referred to as the CSDR Plan, a completed DD Form 2794 must be approved by the Office of the Secretary of Defense

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(OSD) Deputy Director, Cost Assessment (DDCA).

3. *Format.* Use DD Form 1921 and the detailed preparation instructions below. DD Form 1921 must be submitted as a stand-alone Excel-compatible file and as a Defense Cost and Resource Center (DCARC) approved Extensible Markup Language (XML) file to the DCARC's secure Web site using the CSDR Submit-Review System. The XML file can be generated automatically from the Excel-compatible file (or vice versa) with DCARC's cPET software tool. Uploading requires the use of either a DoD Common Access Card (CAC) or a DoD-approved External Certification Authority (ECA) certificate. See the DCARC Web site for cPET and certificate instructions.
4. *Implementation.* Contractors are responsible for implementing CCDR requirements on all subcontracts that meet the reporting thresholds (see DoD Instruction 5000.02, Table 4, "Regulatory Contract Reporting Requirements").

Preparation Instructions:

1. *General Instructions.*
 - a. These instructions apply to this DID and to other related CCDR DIDs that share common items and related instructions.
 - b. All reporting must be based on the OSD DDCA approved CSDR Plan.
 - c. Report on work performed by the prime contractor/associate contractor at cost (i.e., before the summary elements such as Reporting Contractor General & Administrative, Undistributed Budget, Management Reserve, Facilities Capital Cost of Money, and Profit/Loss or Fee). Each of the aforementioned Summary Elements will be reported separately for the total contract effort according to Section 4, "Specific Instructions: Summary Reporting Elements" below. Report on work performed by all Subcontractors at price (i.e., including Subcontractor Profit/Loss or Fee). Report all currency throughout this form in U.S. Dollars in thousands, rounded to the nearest tenth. Enter "0" (zero) for items with null amounts; do not leave items blank.
 - d. Mark the security classification of the report as "Unclassified" in the space provided on the upper left and lower right of the form. However, if the report is classified, contact the DCARC for special processing instructions. Please note: "Proprietary" is not an official DoD security classification, and should not be marked as such in this space. If the use of a proprietary disclosure statement is required, it should be inserted in the document's footer.
 - e. Three types of reports may be prepared under this DID: Initial Reports, Interim Reports, and Final Reports.
 1. An Initial Report is a preliminary report used to verify the contractor's capability to prepare and submit the report in accordance with the DID and the OSD DDCA-approved CSDR Plan. Initial reports are only required on an exception basis as determined by the Cost Working Group Integrated Product Team (CWIPT) and approved by the OSD DDCA. Typically, reports will only be required when the contractor has not previously demonstrated the capability to produce the required report(s).

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2. An Interim Report is any report other than the Initial Report that is prepared before submission of the Final Report. The first Interim Report is required only after contract definitization. The as-of date for the first Interim Report is the last day of the 12th month following contract award, or the last day of the third month following contract definitization, whichever is later. The due date is 60 days following the as-of date. All other Interim Reports are determined by the Cost CWIPT and approved by the OSD DDCA.
 3. Final Reports are intended to capture all or substantially all actual contract costs. A Final Report is required as of the last day of the month when two conditions have been satisfied: (1) the final end item has been delivered and accepted by the government (e.g., as evidenced by a completed DD 250) or higher tier contractor in the case of a subcontractor and (2) 95% or more of total contract costs have been incurred. The final due date is 60 days following the as-of date. In some cases, no-cost contract extensions may be required to allow preparation and submission of the Final Report. In the case of a support or sustainment contract which has no deliverable end item, or a contract which is expected to incur significant cost after delivery of the last end item, the contract period of performance may be used in determining the timing of the final CCD report.
 - f. Entries for common data elements (i.e., metadata, quantities, dollars, and hours) used across the DD series of reports for a specific contract must agree as appropriate.
 - g. Contractors shall report costs based upon the direct, overhead, and G&A categories established in their Cost Accounting Standards Disclosure statements. These categories include the functional and cost element categories included in the DoD form and related DID requirement, as appropriate. If the categories in the Cost Accounting Standards Disclosure statements differ from the cost definitions in this and related CCDR DIDs, the contractor shall note it in the Remarks sections of reports. Contractors shall also note in the Remarks section any accounting changes that occurred in any of the reported categories since the last report.
 - h. Contractors shall report all costs associated with the contract, including Advance Procurement, Long Lead Materials, Multiyear Procurement, Inter-Division or Inter-Company Work Orders (IWOs), Foreign Military Sales (FMS), Warranty, etc. Costs should not be omitted based on contract CLIN structure or definition.
2. *Specific Instructions: Metadata.*
- a. Item 1. Major Program.
 - i. Subitem a. Name: Enter the name given to the Major Defense Acquisition Program (MDAP) or Major Automated Information Systems (MAIS) as shown in the DDCA approved CSDR plan.
 - ii. Subitem b. Phase/Milestone: Check the box for the appropriate Phase/Milestone which is being reported: Pre-A (Material Solution Analysis Phase), A (Technology Development Phase), B (Engineering and Manufacturing Development Phase), C-LRIP (Production and Deployment Phase – Low-Rate Initial Production), C-FRP (Production and Deployment Phase – Full-Rate Production), or O&S (Operations and

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Support Phase).

- b. Item 2. Prime Mission Product. Enter the most current official military designation for the end item as specified by the appropriate classification standard (e.g., DoD 4120.15-L, “Military Designation of Military Aerospace Vehicles,” would specify “F-35” for the Joint Strike Fighter). For contract (or subcontract) CSDR Plans, the end item being reported may have a different designation than the total program (e.g., the preparer would enter “AN/APG-81 Radar” for the F-35 Radar contract CSDR Plan). If the end item does not have a military designation, enter the type of product being developed or procured, for example, radar.
- c. Item 3. Reporting Organization Type.
 - i. For a prime or associate contractor, check “Prime/Associate Contractor.” (See the “Definitions” section of this DID.)
 - ii. For a direct-reporting subcontractor, check “Direct-Reporting Subcontractor” (See the “Definitions” section of this DID.)
 - iii. For a Government Organization, check “Government.”
- d. Item 4. Name/Address.
 - i. Subitem a. Performing Organization: Enter the name and address (including ZIP code) of the reporting organization actually performing the work.
 - ii. Subitem b. Division: Enter the reporting organization’s division name and address (including ZIP code) if different than the performing organization.
- e. Item 5. Approved Plan Number. Enter the Approved Plan Number from Item 10 of the current OSD DDCA-approved contract or subcontract CSDR Plan that authorized the collection of data for this report.
- f. Item 6. Customer (Direct-Reporting Subcontractor Use Only). Enter the name of the Prime Contractor for whom the work on subcontract is being performed.
- g. Item 7. Contract Type.
 - i. If the data are reported for a contract, enter the contract type code for the contract for which data are being reported. If the data are in response to a solicitation in accordance with DFARS sections 234.7101, 252.234-7003, and 252.234-7004 and the contract type has not been determined yet, enter NA (for “not applicable”). The codes for the common acquisition contract types included in the Federal Acquisition Regulation (FAR) are listed in the table below. For Time and Material, Labor-Hour, Letter Contracts, Indefinite Delivery, Basic Ordering Agreements, and flexibly priced contracts, select the primary contract type against which the majority of the orders are placed. If the contract type is an “Other Contract (OC),” enter “OC” in Item 7 (“Contract Type”) and in Item 22 (“Remarks”), followed by the complete name of the contract type. If the contract includes multiple Contract Line Item Numbers (CLINs) of varying contract types, enter “MC” in Item 7 and in Item 22 followed by a description of the contracting arrangement.

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Contract/Order Type Code

FAR Contract Types	Contract Type Code
Cost Reimbursement Contracts	
Cost Sharing	CS
Cost Plus Award Fee	CPAF
Cost Plus Fixed Fee	CPFF
Cost Plus Incentive Fee	CPIF
Cost Plus Incentive Fee (With Performance Incentives)	CPIF(PI)
Fixed Price Contracts	
Firm Fixed Price	FFP
Fixed Price Incentive, Firm Target	FPIF
Fixed Price Incentive, Successive Targets	FPIST
Fixed Price Incentive, Successive Targets (With Performance Incentive)	FPIST(PI)
Fixed Price Incentive Firm Target (With Performance Incentive)	FPIFT(PI)
Fixed Price Award Fee	FPAF
Fixed Price with Economic Price Adjustment	FP/EPA
Fixed Price with Prospective Price Redetermination	FP/PPR
Fixed Ceiling Price with Retroactive Price Redetermination	FCP/RPR
Firm Fixed Price, Level of Effort Term	FFP/LOET
Indefinite Delivery Indefinite Quantity	IDIQ
Letter Contract and Undefined Contractual Action (UCA)	LC
Time and Materials	TM
Other Contracts	OC
Contracts with multiple Contract Types by Contract Line Item Numbers (CLINS)	MC

- h. Item 8. Contract Price. Enter the total contract price. If the data are in response to a solicitation, in accordance with DFARS sections 234.7101, 252.234-7003, and 252.234-7004, enter the total estimated contract price.
- i. Item 9. Contract Ceiling. Enter the amount of the contract ceiling, if applicable. Otherwise, enter “N/A” for “not applicable.”
- j. Item 10. Type Action.
- i. Subitem a. Contract No. and Subitem b. Latest Modification: Enter the assigned prime contract number the prime contractor has with the Government customer, as well as the number of the latest contract modification. This requirement is identical for both reporting contractors and reporting subcontractors.
 - ii. Subitem c. Solicitation No.: If the data are in response to a solicitation in accordance with DFARS sections 234.7101, 252.234-7003, and 252.234-7004, enter the solicitation number.
 - iii. Subitem d. Name: Enter the common reference name for the prime contract.
 - iv. Subitem e. Task Order/Delivery Order/Lot No.: If the contract contains a task order(s), delivery order(s), and/or lot number(s) being reported on for which the CSDR Plan has reporting requirements, enter each as “TO,” “DO,” or “Lot” followed by a blank space and the applicable number.
- k. Item 11. Period of Performance. Enter the start and end dates related to the contractual

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period of performance. Enter the appropriate numeric data for the year, month, and day. For example, December 31, 2004, would be shown as 20041231.

l. Item 12. Appropriation.

i. Check the appropriate box to indicate the type of appropriation—Research, Development, Test and Evaluation (RDT&E), Procurement, or Operation and Maintenance (O&M)—used to fund the entire contract or the particular contract line item being reported on. The appropriation type must agree with the type specified in Item 9c of the CSDR contract plan, DD Form 2794.

ii. If the data are in response to a solicitation in accordance with DFARS sections 234.7101, 252.234-7003, and 252.234-7004, leave Item 12 blank, unless otherwise specified in the solicitation.

m. Item 13. Report Cycle. Check “Initial,” “Interim,” or “Final” report, as appropriate (see General Instruction 1e. above).

n. Item 14. Submission Number. Enter the submission number for the report provided in Item 14a of the current OSD DDCA-approved contract or subcontract CSDR Plan.

o. Item 15. Resubmission Number. A resubmission occurs if prior submission(s) for the submission event were officially rejected with a memo signed by the DCARC Director. Enter “0” (zero) for original submission. If the report is a resubmission, enter the resubmission number, starting with “1” for the first resubmission, “2” for the second resubmission, and so on.

p. Item 16. Report As Of. Enter the appropriate numeric data for the year, month, and last day of the reporting period. For example, December 31, 2004, would be shown as 20041231. The report as of date must be consistent with Item 14d of the OSD DDCA-approved contract or subcontract CSDR Plan. For CSDR Plans that include event-driven milestones for reporting purposes, any changes in the event date require appropriate adjustments to the “As of date” reported in Item 16 and to the OSD DDCA-approved CSDR Plan. In these situations, the Government Program Office, in coordination with the Contractor, must submit a request for change in the event-driven date for reporting through the CSDR Submit-Review system for DCARC approval before the date reflected in the OSD DDCA-approved CSDR Plan.

q. Items 17 through 21. Point of Contact. Enter the following information for the person to contact for answers to any questions about entries on DD Form 1921: Last Name, First Name, and Middle Initial (Item 17); Department (Item 18); Telephone Number, including Area Code (Item 19); E-Mail Address (Item 20); and Date Prepared (Item 21). For Item 21, enter the appropriate numeric data for the year, month, and day. For example, December 31, 2004, would be shown as 20041231.

r. Item 22. Remarks.

i. Note any relevant information that could be useful in the interpretation of the data provided in this report.

ii. Include the following (if applicable):

(1) For contractors that have direct-reporting subcontractors, identify each direct-

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reporting subcontractor, including any government entity, by name, city, state, and subcontract price.

- (2) If the approved Contract or Subcontract Plan (reference Item 5) Resource Distribution Table (RDT) for the specific contract being reported upon (reference Item 10a) is no longer current, provide either a revised RDT or appropriate comments to update the approved RDT.

3. *Specific Instructions: Reported Data.*

- a. Column A. WBS Element Code. Enter the WBS Element Code for each WBS Reporting Element being reported in Column B identically as presented in Item 11b of the OSD DDCA-approved contract or subcontract CSDR Plan and submitted in the CWBS index and dictionary, omitting any elements that are marked as N/A in the CSDR Plan.
- b. Column B. WBS Reporting Elements. Enter the WBS Reporting Elements identically as presented in Item 12 of the OSD DDCA-approved contract or subcontract CSDR Plan, omitting any elements that are marked as N/A in the CSDR Plan. In addition, enter each of the Summary Reporting Elements. For more information on Summary Reporting Elements, see Paragraph 4, “Specific Instructions: Summary Reporting Elements.”
- c. Column C. Number of Units to Date. Report the estimated cumulative number of units to date in Column C, “Number of Units to Date.” The following EVMS-based approach is the preferred standard method for calculating these units. Material costs should be treated in accordance with the company’s EVMS system description. If the contractor must allocate recurring/non-recurring costs for the reported Costs Incurred to Date and At Completion, follow the same allocation methodology for this unit calculation. Report the result as the cumulative number of units to date in Column C for each hardware item. This number should be expressed to the nearest tenth of a decimal (e.g., 4.3 units). The standard EVM based method is as follows:
 - i. Isolate all control accounts for work packages that contain the recurring labor and material cost associated with manufacture of hardware items. Only the recurring costs should be isolated. Use the “as of date” for the CDSR report being prepared.
 - ii. Calculate number of units completed to date based on the earned value:
 - (1) Sum the Budgeted Cost for Work Performed (BCWP) for the isolated control accounts/work packages.
 - (2) Sum the Budget at Complete (BAC) for the same control accounts.
 - (3) Calculate the fraction by dividing the result from step (1) by the result from step (2).
 - (4) Multiply the fraction from step (3) times the number of items to be manufactured.
 - (5) Report the number resulting from step (4) (to the nearest tenth of a decimal) as the cumulative number of units to date for each hardware item.
 - iii. Reporting contractors may use an alternative method provided it is analytically based, consistently applied over time, and can be shown to produce a reasonably accurate and reliable calculation for estimating purposes. If an alternative calculation method is used, the methodology must be explained in Item 22 (“Remarks”).

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- iv. Special Instructions: Internal Use versus Procured and Delivered Quantities. For Research and Development (R&D) contracts, enter two quantity amounts for any reported WBS Reporting Element that includes items to be procured or produced, as applicable. The first entry applies to the quantity procured to date and either delivered or to be delivered to the Government. The second quantity applies to the number of units the contractor has produced for internal use during contract performance to date (e.g., testing). Separate the two quantities with a “/” (slash). For example, suppose that 5.3 units have been completed for delivery to the government, even if the DoD contracting component has not yet accepted the item, and 2.2 units have been completed for internal use. Enter 5.3/2.2 in Column C, “Number of Units to Date,” for that same WBS Reporting Element. The breakout of units between Government deliveries and internal contractor use is not required on production contract reporting unless the CWIPT, in coordination with the contractor, identifies and justifies the need for purposes of estimating costs.
- d. Column D. Costs Incurred To Date—Nonrecurring. See the “Definitions” provided in the last section of this DID for a description of nonrecurring activities. Enter the actual nonrecurring costs incurred to date for each WBS Reporting Element, as required by Item 13b (Column “DD 1921”) on the OSD DDCA-approved contract or subcontract CSDR Plan. If costs actually apply for an element designated “N/A” in the CSDR Plan or if costs for an element are accounted for elsewhere, then the Government Program Office/Contractor must submit a request for a change in the OSD DDCA-approved CSDR plan before submitting the report. The CWBS Dictionary must also be revised to accurately reflect the costs in the report. Cost data reported must follow WBS parent-child relationship rules (i.e., WBS parent elements must be equal to the sum of their children elements).
- e. Column E. Costs Incurred To Date—Recurring. See the “Definitions” section of this DID for a description of recurring activities. Enter the actual recurring costs incurred to date for each WBS Reporting Element, as required by Item 13b (Column “DD 1921”) on the OSD DDCA-approved contract or subcontract CSDR Plan. If costs actually apply for an element designated “N/A” in the CSDR Plan or if costs for an element are accounted for elsewhere, then the Government Program Office/Contractor must submit a request for a change in the OSD DDCA-approved CSDR plan before submitting the report. The CWBS Dictionary must also be revised to accurately reflect the costs in the report. Cost data reported must follow WBS parent-child relationship rules (i.e., WBS parent elements must be equal to the sum of their children elements).
- f. Column F. Costs Incurred To Date—Total. For each WBS Reporting Element, enter the sum of Columns D and E. In addition, enter the actual costs incurred to date for each of the Summary Reporting Elements. For more information on Summary Reporting Elements, see Paragraph 4, “Specific Instructions: Summary Reporting Elements.”
- g. Column G. Number of Units At Completion. For each WBS Reporting Element, enter the number of units to be procured under the contract. Reported quantities must be consistent with the quantities reported in the DD Form 1921-1 report.
 - i. For Research and Development contracts. Enter two quantity amounts for any reported WBS Reporting Element that includes items to be procured or produced, as

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- applicable. The first entry is the quantity to be delivered to the Government at contract completion. The second quantity represents the number of units the contractor will use internally during contract performance (e.g., testing). Separate the two quantities with a slash (“/”). For example, suppose that at contract completion, 12 units were to be delivered to the government and 4.3 equivalent systems would be used internally. Then, enter 12/4.3 in Column G for that same WBS Reporting Element.
- ii. For Production Contracts. Enter the number of units to be procured or produced under this contract. The breakout of units between Government deliveries and internal contractor use is not required on production contract reporting unless the CWIPT, in coordination with the contractor, identifies and justifies the need for purposes of estimating costs.
- h. Column H. Costs Incurred At Completion—Nonrecurring. See the “Definitions” section of this DID for a description of nonrecurring activities. For each WBS Reporting Element, enter the current estimated nonrecurring costs at completion. Cost data reported must follow WBS parent-child relationship rules (i.e., WBS parent elements must be equal to the sum of their children elements).
 - i. Column I. Costs Incurred At Completion—Recurring. See the “Definitions” section of this DID for a description of recurring activities. For each WBS Reporting Element, enter the current estimated recurring costs at completion. Cost data reported must follow WBS parent-child relationship rules (i.e., WBS parent elements must be equal to the sum of their children elements).
 - j. Column J. Costs Incurred At Completion—Total. For each WBS Reporting Element, enter the total of Columns H and I. In addition, enter the current estimated costs incurred at completion for each of the Summary Reporting Elements. For more information on Summary Reporting Elements, see Paragraph 4, “Specific Instructions: Summary Reporting Elements.”
4. *Specific Instructions: Summary Reporting Elements.* The following summary entries apply only to Columns B, F, and J. Enter the information described below on a separate line in the appropriate column(s), below the level of the last WBS Reporting Element in Columns B, F, and J. The underlined portion for each item below is the title to be entered in Column B.
- a. Subtotal Cost. Enter the total cost provided by the highest level WBS Reporting Element in Columns F and J, respectively.
 - b. Reporting Contractor General & Administrative (G&A). Enter G&A costs incurred on the contract to date and at completion in Columns F and J, respectively. (See “Definitions” section of this DID.)
 - c. Reporting Contractor Undistributed Budget. This element applies to Column J only. Enter the appropriate Undistributed Budget amount on the contract in Column J. (See “Definitions” section of this DID.) This number is expected to be zero or reasonably close to zero in the Final Report.
 - d. Reporting Contractor Management Reserve. This element applies to Column J only. Enter the appropriate Management Reserve amount on the contract in Column J. (See “Definitions” section of this DID.) This number is expected to be zero or reasonably

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close to zero in the Final Report.

- e. Reporting Contractor Facilities Capital Cost of Money. Enter the appropriate Facilities Capital Cost of Money on the contract in Columns F and J, respectively. (See “Definitions” section of this DID.)
- f. Total Cost. Enter the total contractor costs on the contract in Columns F and J, respectively. This is the sum of Subtotal Cost plus the Reporting Contractor G&A, Undistributed Budget, Management Reserve, and Facilities Capital Cost of Money.
- g. Reporting Contractor Profit/Loss or Fee. Enter in Columns F and J the total of all Profit/Loss or Fee according to the terms of the contract (e.g., incentive formula). (See the “Definitions” section of this DID.)
- h. Total Price. Enter the Total Cost plus Profit/Loss or Fee in Columns F and J, respectively.

Definitions:

1. Associate Contractor. Any prime contractor whose contract with the Government requires joint participation with other prime contractors to accomplish the Government’s requirement. Joint participation involves the potential sharing of information, data, technical knowledge, expertise, and resources essential to the integration of the common requirement. Such participation is intended to ensure the greatest degree of cooperation to meet the terms of the contract in satisfying the common requirement.
2. At Completion. The expected total cost when the defined scope of work has been completed. For contracts that are underway but not yet completed, this translates to the sum of costs incurred to date plus the estimate of costs (direct and indirect) for work remaining. For contracts that are complete, costs incurred to date are equal to the costs incurred at completion.
3. Costs Incurred. Costs identified through the use of the accrual method of accounting and reporting or otherwise actually paid. Such costs include the cost of direct labor, direct materials, and direct services identified with and necessary for the performance of a contract, as well as all properly allocated and allowable indirect costs shown in the contractor’s records.
4. Direct-Reporting Subcontractor. A subcontractor that is contractually required to submit CSDRs directly to the Government as required by the OSD DDCA-approved CSDR Plan. In some instances the subcontractor may be a government entity such as in public/private partnerships between government and industry for depot activities.
5. Facilities Capital Cost of Money. An imputed cost determined by applying a cost-of-money rate to facilities capital employed in contract performance according to Cost Accounting Standard 414, “Cost of Money as an Element of the Cost of Facilities Capital.” Capital employed is determined without regard to whether its source is equity or borrowed capital. The resulting cost of money is not a form of interest on borrowing.
6. Final Report. A DD Form 1921 report submitted when the contractual effort is either complete or substantially complete.
7. General and Administrative (G&A). Indirect expenses related to the overall management

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and administration of the contractor's business unit, including the following: a company's general and executive offices; the cost of staff services such as legal, accounting, public relations, financial, and similar expenses; and other general expenses. G&A is also a generic term used to describe expenses with a beneficial or causal relationship to cost objectives that cannot be more accurately assigned to overhead areas for Engineering, Manufacturing Operations, Material, and so on.

8. Initial Report. A preliminary report used to verify the contractor's capability to prepare and submit the report in accordance with the DID and the OSD DDCA-approved CSDR Plan.
10. Interim Report. Any report other than the Initial Report that is prepared before submission of a Final Report.
11. Letter Contract. A preliminary contract containing basic terms agreed to at the time, with or without a tentative price. A letter contract authorizes the contractor to commence work, incur costs, and make commitments pending negotiation and execution of the definitive contract. It obligates the customer either to make a definitive contract within a specified time or to reimburse the contractor for costs incurred under the letter contract. The letter contract is superseded as soon as possible by a definitive contract.
12. Management Reserve. The amount of the total allocated budget that is held back for management control and risk purposes at the total contract level rather than designated for the accomplishment of specific tasks.
13. Prime Contract. A contractual arrangement between a prime contractor and the Government that creates a direct legal relationship between these two parties.
14. Prime Contractor. For the purposes of CSDR reporting, a prime contractor is any contractor that has a direct contract with the Government. The name and address of the prime contractor is provided in Section A of the contract (Standard Form 26, Item 7). Any other contractor associated with the contract is considered to be an associate or subcontractor.
15. Profit/Loss or Fee. Profit is the excess of revenues over expenses in fixed-price contracts. Loss is the excess of expenses over revenue in contracts that contain limited Government liability such as fixed-price contracts and cost plus contracts with cost ceilings. In special cost-reimbursement pricing arrangements, fee is a form of profit representing an agreed-to amount beyond the initial estimate of costs that reflects a variety of factors, including risk, and is subject to statutory limitations. Fee may be fixed at the outset of performance, as in a cost-plus-fixed-fee arrangement, or may vary (within a contractually specified minimum-maximum range) during performance, as in a cost-plus-incentive-fee arrangement.
16. Recurring and Nonrecurring Costs. The following guidelines for distinguishing between recurring and nonrecurring costs apply to all reporting contractors (i.e., prime contractors, associate contractors, subcontractors, and lower-tier subcontractors) when the definitions have not been included in the OSD DDCA Approved CSDR Plan. If the OSD DDCA approved CSDR plan has defined recurring and nonrecurring costs, the contractor is required to use those definitions. While these guidelines are useful for establishing general boundaries, time reported on recurring and nonrecurring tasks should be reported as work is performed. For example, technical management tasks should be reported as recurring and nonrecurring to reflect the work actually being done rather than aggregated and reported as nonrecurring. Also, test activities that will routinely continue into production should be

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recorded as recurring costs.

- a. Recurring Costs. Repetitive elements of development, investment, and sustainment costs that may vary with the quantity being produced or maintained, irrespective of system life cycle phase and appropriation. Recurring cost categories include procurement, production and maintenance activities; acceptance testing; maintenance and support equipment, training, and data; test articles built to an operational configuration; and certain elements of Systems Engineering and Program Management (SE/PM). Examples of procurement and production activities include fabrication; assembly; procurement of raw materials, purchased parts and equipment, and major and minor subcontracts; integration; installation and checkout; and quality control/assurance (inspection efforts). Examples of recurring maintenance and support activities include product and tooling maintenance (to restore a product/tool to its original condition); production of support and training equipment, initial spares, repairable items and simulators; reproduction of maintenance/technical data; and courseware updates. Recurring test articles are only those units built to a completed operational configuration, including full-scale, fatigue/static, and avionics equipment test articles. SE/PM activities occur throughout the system life cycle and are supportive in nature; as such, these costs take on the characteristics of the underlying activities being performed. Examples of recurring SE/PM activities include sustaining engineering, logistics support, planning, organizing, monitoring, and reporting activities.
- b. Nonrecurring Costs. Non-repetitive elements of development, investment and sustainment costs that generally do not vary with the quantity being produced or maintained, irrespective of system life cycle phase and appropriation. Nonrecurring cost categories include Product Design and Development (PD&D) activities; System Test and Evaluation (ST&E); tooling; pre-production or pre-maintenance activities; design and development of support equipment, training, and data; and certain elements of Systems Engineering and Program Management (SE/PM). Examples of PD&D activities include preliminary, critical, prototype and test article design activities, and software design and maintenance, regardless of whether the purpose is to correct deficiencies or add capabilities. (Note, however, that the Cost Working-group Integrated Product Team can require the contractor to classify software maintenance costs as recurring if a determination is made that such costs are significant for cost-estimating purposes and can reasonably be accounted for by the contractor). Examples of ST&E activities include test articles built for testing purposes only (i.e., units that are not production-representative) such as test stands, wind tunnel models, and bench and coupon test articles; structural development, static, fatigue, software, and ballistics testing; stress analysis; flight, ground, or sea testing of system properties; redesign as a result of testing; and retesting efforts. Examples of nonrecurring tooling activities include special test equipment, special tooling, procurement of initial and rate tooling, tool replacement (with the exact same tool), and tool modification (to accommodate product configuration changes). Examples of pre-production activities include production planning and production line or maintenance line set-up. Examples of nonrecurring support equipment, training, and data activities include initial equipment design and test efforts, test program sets, initial courseware development, and simulator development. SE/PM activities occur throughout the system life cycle and are supportive in nature; as such, these costs take on the characteristics of the underlying activities being performed. Examples of nonrecurring

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SE/PM activities include system development and design, testing, planning, organizing, and monitoring activities.

17. Subcontract. A contractual arrangement between a prime contractor and one or more other contractors in which the Government has no direct legal relationship. In a subcontract, a direct legal relationship exists only between the Prime Contractor and one or more other contractors. A subcontract includes any agreement, purchase order, or contractual instrument other than a prime contract calling for supplies or services required for the performance of one or more prime contracts. It usually covers procurement of major components or subsystems that require the subcontractor(s) to do extensive design, development, engineering, and testing to meet a prime contractor's procurement specifications.
18. Undefinitized Contractual Action. Written preliminary contractual instrument in which terms, specifications, or prices are not agreed to before performance begins. This type of contractual instrument is restricted to urgent requirements and is permitted to be used only when no other alternative contracting method will fulfill the urgent need. Like a letter contract, a UCA obligates the customer either to make a definitive contract within a specified time or to reimburse the contractor for costs incurred under the letter contract. The UCA is superseded as soon as possible by a definitive contract.
19. Undistributed Budget. Undistributed budget is that portion of the budget applicable to program effort that has not yet been allocated to control account budgets or to Management Reserve.

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