

CLIENT ALERT

CAS Board Adjusts Coverage Threshold

Jun.14.2007

The Cost Accounting Standards Board issued a final rule, effective June 14, 2007, adjusting the \$500,000 threshold for contract coverage upward to \$650,000 to be consistent with the threshold in the Truth in Negotiations Act (72 Fed. Reg. 32809). Apparently in response to comments from the Project on Government Oversight (POGO), the final rule (unlike the proposed rule published on December 15, 2005) does not increase the other CAS thresholds – such as the \$7.5M “trigger” contract threshold and the \$50M threshold for “full” CAS coverage and submission of a Disclosure Statement – because the CAS Board has determined that these are not “acquisition-related dollar thresholds” required to be adjusted for inflation under the FY05 Defense Authorization Act.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.