

CLIENT ALERT

'Tis the Season: Contracting Officer's Final Decisions on 2011 Incurred Costs

July 2, 2018

For contractors that use a fiscal year that ends on 12/31 and submitted their 2011 incurred cost submissions to the Government in June of 2012, the 6-year deadline for the Government to assert a claim disallowing a portion of those costs is upon us. As a practical matter, DCAA's well-documented audit backlog means that some COs are likely to receive audit reports only weeks before the deadline (or not at all), and may be inclined to issue COFDs disallowing all of the costs identified in DCAA's audit reports, in order to preserve the Government's right to pursue a claim. Contractors should be mindful of the 90-day limit to appeal a Final Decision even where they expect to negotiate a resolution with the Government.

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

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