

office residual expenses, the company uses a base as provided in 9904.403. For the purpose of allocating the home office IR&D and B&P costs, the company removes the data of Segment X from the base used for the allocation of its residual expenses. This practice meets the requirements of 9904.420-50(e)(2).

(g) Company G has 10 segments. Segment X performs IR&D projects, the results of which benefit it and two other segments but none of the other seven segments. The cost of those projects performed by Segment X are transferred to the home office and allocated to the three segments on the basis of the benefits received by the three segments. This practice meets the requirements of 9904.420-50(e)(1) and 9904.420-50(f)(1).

**9904.420-61 Interpretation. [Reserved]**

**9904.420-62 Exemptions.**

This Standard shall not apply to contracts and grants with State, local, and federally recognized Indian tribal governments.

**9904.420-63 Effective date.**

This Standard is effective as of April 17, 1992. Contractors with prior CAS-covered contracts with full coverage shall continue this Standard's applicability upon receipt of a contract to which this Standard is applicable. For contractors with no previous contracts subject to this Standard, this Standard shall be applied beginning with the contractor's second full fiscal year beginning after the receipt of a contract to which this Standard is applicable.

**PART 9905—COST ACCOUNTING STANDARDS FOR EDUCATIONAL INSTITUTIONS**

9905.501 Cost accounting standard—consistency in estimating, accumulating and reporting costs by educational institutions.

- 9905.501-10 [Reserved]
- 9905.501-20 Purpose.
- 9905.501-30 Definitions.
- 9905.501-40 Fundamental requirement.
- 9905.501-50 Techniques for application.
- 9905.501-60 Illustration. [Reserved]
- 9905.501-61 Interpretation. [Reserved]
- 9905.501-62 Exemption.
- 9905.501-63 Effective date.

9905.502 Cost accounting standard—consistency in allocating costs incurred for the same purpose by educational institutions.

- 9905.502-10 [Reserved]
- 9905.502-20 Purpose.
- 9905.502-30 Definitions.
- 9905.502-40 Fundamental requirement.
- 9905.502-50 Techniques for application.
- 9905.502-60 Illustrations.
- 9905.502-61 Interpretation.
- 9905.502-62 Exemption.
- 9905.502-63 Effective date.
- 9905.505 Accounting for unallowable costs—Educational institutions.
- 9905.505-10 [Reserved]
- 9905.505-20 Purpose.
- 9905.505-30 Definitions.
- 9905.505-40 Fundamental requirement.
- 9905.505-50 Techniques for application.
- 9905.505-60 Illustrations.
- 9905.505-61 Interpretation. [Reserved]
- 9905.505-62 Exemption.
- 9905.505-63 Effective date.
- 9905.506 Cost accounting period—Educational institutions.
- 9905.506-10 [Reserved]
- 9905.506-20 Purpose.
- 9905.506-30 Definitions.
- 9905.506-40 Fundamental requirement.
- 9905.506-50 Techniques for application.
- 9905.506-60 Illustrations.
- 9905.506-61 Interpretation. [Reserved]
- 9905.506-62 Exemption.
- 9905.506-63 Effective date.

AUTHORITY: Pub. L. 100-679, 102 Stat. 4056, 41 U.S.C. 422.

SOURCE: 59 FR 55770, Nov. 8, 1994, unless otherwise noted.

**9905.501 Cost accounting standard—consistency in estimating, accumulating and reporting costs by educational institutions.**

**9905.501-10 [Reserved]**

**9905.501-20 Purpose.**

The purpose of this Cost Accounting Standard is to ensure that each educational institution's practices used in estimating costs for a proposal are consistent with cost accounting practices used by the institution in accumulating and reporting costs. Consistency in the application of cost accounting practices is necessary to enhance the likelihood that comparable transactions are treated alike. With respect to individual contracts, the consistent application of cost accounting practices will facilitate the preparation of reliable cost estimates used in pricing a proposal and their comparison with