

## 230.7102

(2) Treat month-end balances as individual representative investment amounts.

### 230.7102 Determining imputed cost of money.

(a) Determine the imputed cost of money for an asset under construction, fabrication, or development by applying a cost of money rate (see 230.7101-1) to the representative investment amount (see 230.7101-2).

(1) When a representative investment amount is determined for a cost accounting period in accordance with 230.7101-2(b)(1) or 230.7101-2(c)(1), the cost of money will be the time-weighted average rate.

(2) When a monthly representative investment amount is used in accordance with 230.7101-2(b)(2) or 230.7101-2(c)(2), the cost of money will be the interest rate in effect each month. (Under this method, the cost of money is determined monthly and the total for the cost accounting period is the sum of the monthly amounts.)

(b) The imputed cost of money will be capitalized only once in any cost accounting period, either at the end of the period or at the end of the construction, fabrication, or development period, whichever comes first.

(c) When the construction of an asset takes more than one cost accounting period, the cost of money capitalized for the first cost accounting period will be included in determining the representative investment amount for any future cost accounting periods.

### 230.7103 Preaward capital employed application.

An offset to the profit objectives as set forth in FAR 15.404-4 is not required for CAS 417 cost of money.

[56 FR 36406, July 31, 1991, as amended at 63 FR 55052, Oct. 14, 1998]

## PART 231—CONTRACT COST PRINCIPLES AND PROCEDURES

### Subpart 231.1—Applicability

Sec.

231.100 Scope of subpart.  
231.100-70 Contract clause.

## 48 CFR Ch. 2 (10-1-02 Edition)

### Subpart 231.2—Contracts With Commercial Organizations

231.205 Selected costs.  
231.205-6 Compensation for personal services.  
231.205-10 Cost of money.  
231.205-18 Independent research and development and bid and proposal costs.  
231.205-22 Legislative lobbying costs.  
231.205-70 External restructuring costs.

### Subpart 231.3—Contracts With Educational Institutions

231.303 Requirements.

### Subpart 231.6—Contracts With State, Local, and Federally Recognized Indian Tribal Governments

231.603 Requirements.

### Subpart 231.7—Contracts With Nonprofit Organizations

231.703 Requirements.

AUTHORITY: 41 U.S.C. 421 and 48 CFR chapter 1.

SOURCE: 56 FR 36408, July 31, 1991, unless otherwise noted.

### Subpart 231.1—Applicability

#### 231.100 Scope of subpart.

#### 231.100-70 Contract clause.

Use the clause at 252.231-7000, Supplemental Cost Principles, in all solicitations and contracts which are subject to the principles and procedures described in FAR subpart 31.1, 31.2, 31.6, or 31.7.

[59 FR 27672, May 27, 1994]

### Subpart 231.2—Contracts With Commercial Organizations

#### 231.205 Selected costs.

#### 231.205-6 Compensation for personal services.

(f)(1) In accordance with Section 8122 of Pub. L. 104-61, and similar sections in subsequent Defense appropriations acts, costs for bonuses or other payments in excess of the normal salary paid by the contractor to an employee, that are part of restructuring costs associated with a business combination, are unallowable under DoD contracts