

Lading or Prepaid Postage, or FAR 52.242-11, F.o.b. Origin—Government Bills of Lading or Indicia Mail.

[62 FR 34127, June 24, 1997]

**242.1405 Discrepancies incident to shipment of supplies.**

(a) See also DoD 4500.9-R, Defense Transportation Regulation, Part II, Chapter 210, for discrepancy procedures.

[65 FR 50144, Aug. 17, 2000]

**242.1470 Demurrage and detention charges.**

(a) Carrier demurrage rules usually allow for a “free time” for loading or unloading cars or for any other purpose, and impose charges for cars held beyond this period. If a contractor detains railroad cars beyond the “free time,” the contractor has to pay the carrier’s published tariff charges for demurrage.

(b) Detention results when a shipper or consignee holds motor carrier equipment beyond a reasonable period for loading, unloading, forwarding directions, or any other reason. Detention rules and charges are not uniform; they are published in individual carrier or agency tenders.

[56 FR 36437, July 31, 1991, as amended at 65 FR 50144, Aug. 17, 2000]

**Subpart 242.70 [Reserved]**

**Subpart 242.71—Voluntary Refunds**

**242.7100 General.**

A voluntary refund is a payment or credit (adjustment under one or more contracts or subcontracts) to the Government from a contractor or subcontractor that is not required by any contractual or other legal obligation. Follow the procedures at PGI 242.7100 for voluntary refunds.

[70 FR 67920, Nov. 9, 2005]

**Subpart 242.72—Contractor Material Management and Accounting System**

SOURCE: 65 FR 77833, Dec. 13, 2000, unless otherwise noted.

**242.7200 Scope of subpart.**

(a) This subpart provides policies, procedures, and standards for use in the evaluation of a contractor’s material management and accounting system (MMAS).

(b) The policies, procedures, and standards in this subpart—

(1) Apply only when the contractor has contracts exceeding the simplified acquisition threshold that are not for the acquisition of commercial items and are either—

- (i) Cost-reimbursement contracts; or
- (ii) Fixed-price contracts with progress payments made on the basis of costs incurred by the contractor as work progresses under the contract; and

(2) Do not apply to small businesses, educational institutions, or nonprofit organizations.

**242.7201 Definitions.**

*Material management and accounting system* and *valid time-phased requirements* are defined in the clause at 252.242-7004, Material Management and Accounting System.

**242.7202 Policy.**

DoD policy is for its contractors to have an MMAS that conforms to the standards in paragraph (e) of the clause at 252.242-7004, so that the system—

(a) Reasonably forecasts material requirements;

(b) Ensures the costs of purchased and fabricated material charged or allocated to a contract are based on valid time-phased requirements; and

(c) Maintains a consistent, equitable, and unbiased logic for costing of material transactions.

**242.7203 Review procedures.**

(a) *Criteria for conducting reviews.* Conduct an MMAS review when—

(1) A contractor has \$40 million of qualifying sales to the Government