CONTRACT FACILITIES CAPITAL COST OF MONEY

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RETURN COMPLETED FORM TO YOUR CONTRACTING OFFICIAL

1. CONTRACTOR NAME	2. CONTRACTOR ADDRESS
3. BUSINESS UNIT	
4. RFP/CONTACT PIIN NUMBER	5. PERFORMANCE RECORD

6. DISTRIBUTION OF FACILITIES CAPITAL COST OF MONEY

POOL	ALLOCATION BASE	FACILITIES CAPITAL COST OF MONEY	
		FACTOR	AMOUNT
TOTAL			
TREASURY RATE			%
FACILITIES CAPITAL EMPLOYED (TOTAL DIVIDED BY TREASURY RATE)			

7. DISTRIBUTION OF FACILITIES CAPITAL EMPLOYED

	PERCENTAGE	AMOUNT
LAND	%	
BUILDINGS	%	
EQUIPMENT	%	
FACILITIES CAPITAL EMPLOYED	%	

INSTRUCTIONS FOR DD FORM 1861
CONTRACT FACILITIES CAPITAL AND COST OF MONEY

PURPOSE. The purpose of this form is compute the estimated facilities capital to be employed for a specific contract proposal. An intermediate step is to compute the estimated facilities capital cost of money, using the Facilities Capital Cost of Money Factors developed on form(s) CASB-CMF. This procedure is intended to be fully compatible with Cost Accounting Standard 414, "Cost of Money as an Element of the Cost of Facilities Capital," and extend those criteria and techniques to prospective periods for forward pricing purposes. Federal Acquisition Regulation 31.205-10 should be referred to for applicability and further explanation.

IDENTIFICATION. Identify the contractor, business unit and address. Identify the specific RFP or contract to which the computation pertains, by PIIN number. Identify the estimated performance period of the contract.

OVERHEAD POOLS (Col. 1). List all business unit overhead pools and direct-charging service/support centers whose costs will be allocated to this contract. The structure must be compatible with the contractor's cost proposal and Form(s) CASB-CMF.

COST ACCOUNTING PERIOD (Col. 2). This column is used only for the "projected" method of estimating contract facilities capital employed and cost of money. Each Overhead Pool listed must be further broken down by each Cost Accounting Period impacted by the Performance Period of the contract. The yearly breakdown must also correspond to yearly overhead allocation bases in the contractor's cost proposal, and to separate Forms CASB-CMF for each year listed. If the "historical" method is used, the column should be ignored.

CONTRACT OVERHEAD ALLOCATION BASE (Col. 3). For each Overhead Pool and Cost Accounting Period listed, record the same Contact Overhead Allocation Base amounts used in the pricing report to derive the prenegotiation cost objective. Such amounts should be the same as those used for burdening contract overhead or applying service, support center use charges. The base units-of-measure (e.g., Direct Labor Dollars, Direct Labor Hours, Direct Material Dollars, etc.) must agree with those used on the Form(s) CASB-CMF.

FACILITIES CAPITAL COST OF MONEY FACTORS (Col. 4). Carry forward the appropriate estimated Facilities Capital Cost of Money Factors from the Form(s) CASB-CMF. Business units, overhead pools and cost accounting periods must agree.

FACILITIES CAPITAL COST OF MONEY AMOUNT (Col. 5). The product of each Contract Overhead Allocation Base (Col. 3) multiplied by its related Facilities Capital Cost of Money Factor (Col. 4).

CONTRACT FACILITIES CAPITAL COST OF MONEY (Line 6). The sum of Col. 5. This represents the contract's allocable share of the business unit's estimated cost of money for the cost accounting period(s) impacted by the contract performance period. Therefore, it represents a portion of the total(s) of Col. 5 of Form CASB-CMF.

FACILITIES CAPITAL COST OF MONEY RATE (Line 7). The same Cost of Money Rate used in Col. 1 of the Form(s) CASB-CMF. Only one rate will be used in the facilities capital estimating process regardless of the length of the contract performance period.

CONTRACT FACILITIES CAPITAL EMPLOYED (Line 8). The quotient of Line 6 divided by Line 7. This represents the contract's allocable share of the business unit's estimated facilities value for the cost accounting period(s) impacted by the contract. Therefore, it represents a portion of the total(s) of Col. 4 of Form CASB-CMF.

NOTE: Completion of Lines 7 and 8 is optional for NASA contracts.