

COST ACCOUNTING STANDARDS BOARD
DISCLOSURE STATEMENT
REQUIRED BY PUBLIC LAW 100-679

PART II - DIRECT COSTS

NAME OF REPORTING UNIT

Item
No.

Item description

Part II Instructions

This part covers the three major categories of direct costs, i.e., Direct Material, Direct Labor, and Other Direct Costs.

It is not the intent here to spell out or define the three elements of direct costs. Rather, each contractor should disclose practices based on its own definitions of what costs are, or will be, charged directly to Federal contracts or similar cost objectives as Direct Material, Direct Labor, or Other Direct Costs. For example, a contractor may charge or classify purchased labor of a direct nature as "Direct Material" for purposes of pricing proposals, requests for progress payments, claims for cost reimbursement, etc.; some other contractor may classify the same cost as "Direct Labor," and still another as "Other Direct Costs." In these circumstances, it is expected that each contractor will disclose practices consistent with its own classifications of Direct Material, Direct Labor, and Other Direct Costs.

2.1.0 Description of Direct Material. Direct material as used here is not limited to those items of material actually incorporated into the end product; they also include material, consumable supplies, and other costs when charged to Federal contracts or similar cost objectives as Direct Material. (Describe on a continuation sheet the principal classes or types of material and services which are charged as direct material; group the material and service costs by those which are incorporated in an end product and those which are not.)

2.2.0 Method of Charging Direct Material.

2.2.1 Direct Charge Not Through an Inventory Account at: (Mark the appropriate line(s) and if more than one is marked, explain on a continuation sheet.)

- A. Standard costs (Describe the type of standards used.) 1/
B. Actual Costs
Y. Other(s) 1/
Z. Not applicable

2.2.2 Charged Direct from a Contractor-owned Inventory Account at: (Mark the appropriate line(s) and if more than one is marked, explain on a continuation sheet.)

- A. Standard costs 1/
B. Average Costs 1/
C. First in, first out
D. Last in, first out
Y. Other(s) 1/
Z. Not applicable

1/ Describe on a Continuation Sheet.