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**COST ACCOUNTING STANDARDS //**  
***Proposed CAS Application and Coverage Threshold Increases***

The Cost Accounting Standards Board has issued a proposed rule (Federal Register, December 12, 2005, Volume 70, Number 237, Pages 73423-73426) revising the CAS application and full coverage thresholds for inflation. The full text of this proposed rule can be found at:

<http://a257.g.akamaitech.net/7/257/2422/01jan20051800/edocket.access.gpo.gov/2005/05-23647.htm>.

Acquisition-related thresholds in statutes that were in effect on October 1, 2000 are subject to five years of Consumer Price Index (CPI) for all-urban consumers (December 1999 to December 2004) which computes at 1.1307.

The rounding criteria of the calculated thresholds are as follows:

< \$10,000	Nearest \$500
\$10,000 < \$100,000	Nearest \$5,000
\$100,000 < \$1,000,000	Nearest \$50,000
\$1,000,000 or more	Nearest \$500,000

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Utilizing the rounding criteria above and the calculated escalation factor of 1.1307 the CAS thresholds are to be revised as follows:

<b>Purpose</b>	<b>From</b>	<b>To</b>
Contract applicability	\$500,000	\$550,000
Applicability to business unit	\$7,500,000	\$8,500,000
Waiver authority	\$15,000,000	\$17,000,000
Full coverage	\$50,000,000	\$56,500,000
Disclosure statement submission by a company (other than an educational institution)	\$50,000,000	\$56,500,000
Disclosure statement submission by segment of a company	\$10,000,000	\$11,500,000
Disclosure statement submission by an educational institution	\$25,000,000	\$28,300,000

Comments on this proposed rule must be in writing and received by February 10, 2006 to [www.casb2@omb.eop.gov](mailto:www.casb2@omb.eop.gov) or by facsimile to 202-395-5105. For further information contact David J. Capitano of the Cost Accounting Standards Board at 703-847-7486.



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