



DEFENSE ACQUISITION UNIVERSITY

CON 232 - Overhead Management of Defense Contracts

160106

Course Learning/Performance Objectives followed by its enabling learning objectives on separate lines if specified.

1	Given cost data, calculate the amount of indirect expense to be assigned to a contract so that a fair and reasonable price may be obtained.
	Distinguish among the following terms: Indirect costs, direct costs, allocation base, pool, G&A, fringe benefits, intermediate pools, and under/overapplied overhead.
	Identify cost elements within the contractors indirect cost pools.
	Describe the process for developing and applying an indirect rate.
2	Given a sales forecast, develop pool expenses so that an equitable indirect rate is determined.
	Determine elements of cost in overhead and G&A Pools.
	Identify the effects of establishing off-site rates on an existing rate structure.
	Explain the inverse relationship of business base to overhead rates.
3	Given forecasted sales data, construct an indirect cost base so that the first step in rate development can be determined.
	Determine elements that make up a sales forecast.
	Discuss types of acceptable bases for allocation of overhead and G&A expenses.
	Examine the relationship between labor rates and the business base.
4	Given a scenario, apply the appropriate life cycle overhead rates to a contract action.
	Describe the FAR requirements for forward pricing rates, billing rates, and final overhead rates.
	Compare and contrast the forward pricing rates, billing rate, and final overhead rate processes.
	Explain the impact of forward pricing rates, billing rates, and final overhead rates on different contract types.
	Explain why traditional cost allocation methods are being challenged.
5	Given cost data and other applicable resources, distinguish between cost allowability so that government approved indirect rates can be determined.
	Identify Government regulations applicable to cost allowability and cost allocation and describe them.
	Distinguish between allowable and unallowable costs.
	Relate legal cases to the concepts of allocation and allowability and the allocation of direct and indirect costs.
6	Given a list of expenses, compute IR&D/B&P rates so that they can be applied to a Government contract.
	Recognize how IR&D/B&P rate both as a separate rate and as part of the G&A rate.
	Explain the conditions under which B&P costs may be direct charged to a contract.
7	Given a group of capital assets, calculate the cost of capital asset expenditures through the depreciation process.
	Distinguish between capitalizing and expensing assets.
	Recognize the various methods of depreciation.
	Calculate depreciation.
	Explain the concept of facilities capital cost of money.
	Explain the rules of gains and losses on depreciable assets.
8	Given cost data and other applicable resources, judge between contractor and government negotiation positions on cost allowability and cost allocation so that <u>government approved indirect rates can be determined.</u>
	Explain the general treatment of unallowable costs on billings, claims, and application of penalties.
	Distinguish the treatment of unallowable costs which are normally a part of an indirect cost base and those which are included in the indirect cost pool.
	Explain the concept and treatment of directly associated costs.