**DFARS Case 2022-D021**

**Contract Administration Office Functions Relating to Direct Costs**

**Final Rule**

**PART 242—CONTRACT ADMINISTRATION AND AUDIT SERVICES**

**\* \* \* \* \***

**SUBPART 242.3—CONTRACT ADMINISTRATION OFFICE FUNCTIONS**

**\* \* \* \* \***

**242.302 Contract administration functions.**

**\* \* \* \* \***

(b) \* \* \*

**[(S-71)(A) Except for classified contracts, negotiate or settle questioned direct costs in an incurred cost audit. The procuring contracting officer may delegate this authority to the contract administration office (CAO) only upon prior coordination and agreement with the CAO. Upon such delegation, the procuring contracting officer shall provide the CAO access within 30 days to all supporting documentation in their possession related to the questioned direct costs in an incurred cost audit.**

**(B) After settlement of the questioned direct costs, the CAO shall provide the procuring contracting office the results of the settlement. The procuring contracting office shall make any adjustments resulting from the settlement on affected contracts and report such adjustments to the CAO.]**

**\* \* \* \* \***