

§ 1108.4

(1) The Single Audit Act requirements for audits of recipients and subrecipients that are in subpart F of OMB guidance in 2 CFR part 200;

(2) The Governmentwide cost principles for institutions of higher education, nonprofit organizations, States, local governments, and Indian tribes that are contained in subpart E of OMB guidance in 2 CFR part 200; and

(3) The cost principles for for-profit entities at Subpart 31.2 of the Federal Acquisition Regulation (FAR) at 48 CFR part 31, as supplemented by provisions of the Defense Federal Acquisition Regulation Supplement at subpart 231.2 of 48 CFR part 231.

§ 1108.4 Definitions of terms that vary depending on context.

DoDGARs definitions of some terms related to types of legal instruments (*e.g.*, “contract”) and purposes for which they are used (*e.g.*, “procurement” or “acquisition”) may vary, depending on the context. Appendix A to this part provides additional information about those terms and their definitions.

Subpart B—Definitions

§ 1108.10 Acquire.

Acquire means to:

(a) When the term is used in connection with a DoD Component action at the prime tier, obtain property or services by purchase, lease, or barter for the direct benefit or use of the United States Government.

(b) When the term is used in connection with a recipient action or a subrecipient action at a tier under a DoD Component’s award:

- (1) Purchase services;
- (2) Obtain property under the award by:
 - (i) Purchase;
 - (ii) Construction;
 - (iii) Fabrication;
 - (iv) Development;
 - (v) The recipient’s or subrecipient’s donation of the property to the project or program under the award to meet a cost-sharing or matching requirement (*i.e.*, including within the entity’s share of the award’s project costs the value of the remaining life of the prop-

2 CFR Ch. XI (1–1–24 Edition)

erty or its fair market value, rather than charging depreciation); or

(vi) Otherwise.

§ 1108.15 Acquisition.

Acquisition means the process of acquiring as described in:

(a) Paragraph (a) of § 1108.10 when used in connection with DoD Component actions at the prime tier.

(b) Paragraph (b) of § 1108.10 when used in connection with recipient or subrecipient actions at a lower tier under a DoD Component’s award.

§ 1108.20 Acquisition cost.

Acquisition cost means the cost of an asset to a recipient or subrecipient, including the cost to ready the asset for its intended use.

(a) For example, when used in conjunction with:

(1) The purchase of equipment, the term means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired.

(2) Equipment that a recipient or subrecipient constructs or fabricates—or software that it develops—under an award, the term includes, when capitalized in accordance with generally accepted accounting principles (GAAP):

(i) The construction and fabrication costs of that equipment; and

(ii) The development costs of that software.

(b) Ancillary charges, such as taxes, duty, protective in-transit insurance, freight, and installation may be included in, or excluded from, the acquisition cost in accordance with the recipient’s or subrecipient’s regular accounting practices.

§ 1108.25 Administrative offset.

Administrative offset means an action whereby money payable by the United States Government to, or held by the Government for, a recipient is withheld to satisfy a delinquent debt.

§ 1108.30 Advance payment.

Advance payment means a payment that DoD or a recipient or subrecipient makes by any appropriate payment mechanism, including a predetermined