

**PADDS REGULATION REFERENCE TEXT
SEQUENCE: REGREF CLAUSE TEXT**

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**REGULATION
CODE:** GS7038

**REGULATION
REFERENCE:** 52.232-4706

DATE: 06/01/1997

TITLE: REIMBURSEMENT OF DIRECT/INDIRECT COSTS (USAAMCOM)

TEXT

This contract allows for the allocation of specific costs either indirectly or directly so long as the chosen option is consistent with the contractor's accounting system. These costs, if billed as direct cost, will be reimbursed in accordance with FAR 52.216-7, "Allowable Cost and Payment" except that materials billed as direct costs will be paid in accordance with FAR 52.232-7, "Payments Under Time-and-Materials and Labor-Hour Contracts." The following costs shall not be allowed for reimbursement as a direct charge under the terms of this contract either for the prime contractor or for any tier subcontractor: (to be filled in at time of award if any cost elements are proposed as indirect cost):

NOTE TO OFFERORS: It will be the prime contractor's responsibility to notify any subcontractor of the cost elements that will not be allowed for reimbursement as a direct charge under the terms of this contract.

(End of Clause)
