

## 42.702 Purpose.

(a) Establishing *final indirect cost rates* under this subpart provides-

- (1) Uniformity of approach with a contractor when more than one contract or agency is involved;
- (2) Economy of administration; and
- (3) Timely settlement under cost-reimbursement contracts.

(b) Establishing *billing rates* provides a method for interim reimbursement of *indirect costs* at estimated rates subject to adjustment during contract performance and at the time the *final indirect cost rates* are established.

**Parent topic:** [Subpart 42.7 - Indirect Cost Rates](#)