

# 536.7105-3 Accounting and Auditing Requirements.

## (a) *Cost Accounting Standards.*

(1) Except as provided in paragraph (a)(2) of this subsection or through an exemption at [FAR 30.201-1](#), construction contracts under the CMc project delivery method are subject to the cost accounting standards (CAS) identified in FAR Part 30.

(2) The contracting officer may request a CAS waiver in accordance with the requirements at [FAR 30.201-5](#) and [530.201-5](#).

(3) If CAS applies, the contract clauses identified at [FAR 30.201-4](#) shall be included in the contract.

(4) If a CAS waiver is granted or if CAS does not apply, the contract clause identified at [536.7107\(b\)](#) shall be included in the contract.

## (b) *GMP Option Accounting.*

(1) Open Book Accounting. Open book accounting shall be followed for financial tracking of all contract line items that are awarded on a GMP basis. Such financial tracking may be accomplished through an audit in accordance with paragraph (c) of this section.

(2) Payments and Reconciliation. All payments shall be reconciled with the open book accounting records and the schedule of values adjusted, as appropriate. Reconciliation shall occur each month and should be coordinated with monthly progress payments. The reconciliation shall be documented in the contract file.

(c) Auditing Requirements. In accordance with GSAM [542.102\(a\)](#), for any audit services required by this Subpart [536.71](#), the contracting officer shall first request such services be performed by or through the Assistant Inspector General for Auditing or the Regional Inspector General for Auditing. If the Office of Inspector General declines to perform such an audit, the contracting officer may obtain audit services from a certified public accountant.

**Parent topic:** [536.7105 Construction Contract Administration.](#)