42.705 Final indirect cost rates.

(a) *Final indirect cost rates shall* be established on the basis of-

(1) *Contracting officer* determination procedure (see 42.705-1), or

(2) Auditor determination procedure (see 42.705-2).

(b) Within 120 days (or longer period, if approved *in writing* by the *contracting officer*,) after settlement of the final annual *indirect cost rates* for all years of a physically complete contract, the contractor *must* submit a completion *invoice* or voucher reflecting the settled amounts and rates. To determine whether a period longer than 120 days is appropriate, the *contracting officer should* consider whether there are extenuating circumstances, such as the following:

(1) Pending closeout of subcontracts awaiting Government audit.

(2) Pending contractor, subcontractor, or Government *claims*.

(3) Delays in the disposition of Government property.

(4) Delays in contract reconciliation.

(5) Any other pertinent factors.

(c)

(1) If the contractor fails to submit a completion *invoice* or voucher within the time specified in paragraph (b) of this section, the *contracting officer may*-

(i) Determine the amounts due to the contractor under the contract; and

(ii) Record this determination in a unilateral modification to the contract.

(2) This *contracting officer* determination *must* be issued as a final decision in accordance with 33.211.

Parent topic: Subpart 42.7 - Indirect Cost Rates