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31.110 Indirect cost rate certification and penalties on unallowable costs.

(a) Certain contracts require certification of the indirect cost rates proposed for final payment purposes. See [42.703-2](#) for administrative procedures regarding the certification provisions and the related contract clause prescription.

(b) If unallowable costs are included in final indirect cost settlement proposals, penalties may be assessed. See [42.709](#) for administrative procedures regarding the penalty assessment provisions and the related contract clause prescription.

Parent topic: [Subpart 31.1 - Applicability](#)