# DATA ITEM DESCRIPTION

| TITLE | 2. NUMBER |
|---|---|
| CONTRACT FUNDS STATUS REPORT (CFSR) | DI-MGMT-81468A |

**USE/RELATIONSHIP:** The Contract Funds Status Report (CFSR), DD Form 1586, Sample Format 1, is designed to supply funding data about defense contracts to Program Managers for: (a) updating and forecasting contract funds requirements, (b) planning and decision making on funding changes to contracts, (c) developing funds requirements and budget estimates in support of approved programs, (d) determining funds in excess of contract needs and available for deobligation, and (e) obtaining rough estimates of termination costs.

| . APPROVAL DATE TBD | **PREPARING ACTIVITY:** OUSD(A&T)ARA/AM(SO) | 6a. DTIC APPLICABLE | 6b. GIDEP APPLICABLE |
|---|---|---|---|

a. This Data Item Description (DID) contains the format and content preparation instructions for developing the Contract Funds Status Report.

b. This DID may be used in conjunction with the Contract Work Breakdown Structure DID, DI-MGMT-81334A, the Contract Performance Report DID, DI-MGMT-81466A

c. Contractual Application. The CFSR is applicable to contracts over 6 months in duration. No specific application dollar thresholds are established, but application to contracts of less than $1,500,000 (then year dollars) should be evaluated carefully to ensure only the minimum information necessary for effective management control is required. The CFSR will not be applied to firm fixed price contracts (as defined in FAR 16.202) unless unusual circumstances require specific funding visibility. If a CPR is approved for an FFP contract, a CFSR may be requested. Only those parts of the CFSR essential to the management of each acquisition will be required. The DoD Program Manager will determine the need for contract funds information and apply only those portions of the CFSR deemed appropriate. To ensure that only minimum data is required over the life of the contract, provisions should be included in the contract to review reporting requirements at least annually and change them, if necessary, at no charge to the Government.

| LIMITATION | 9a. | 9b. AMSC NUMBER |
|---|---|---|
| | | D7122 |

**APPLICABLE FORMS:** DD Forms are available and shall be used to submit required formats as follows:

| CFSR Format | Form Number | Sample Format No. |
|---|---|---|
| Contract Funds Status Report | DD Form 1586 | Format 1 |

**10. REQUIREMENTS:**

1 Format. Use the relevant DD Forms as listed above. All formats shall be submitted electronically in accordance with the following requirements. All formats shall be in a readable digital format (e.g., pdf files are not acceptable). The American National Standards Institute (ANSI) X12 standard (839 transaction set), the United Nations Electronic Data Interchange for Administration, Commerce and Transport (UN/EDIFACT) standard (PROCST message), or the XML equivalent shall be used to submit data electronically to the procuring activity. Contractor formats may be substituted whenever they contain all of the required data elements at the specified reporting levels and are compliant with the X12 standard, XML schema, or equivalent. On-line access to the data may be provided to augment formal CPR submission. Comment: Need to delete the last sentence that states the following "On-line access to the data may be provided to augment formal CPR submission"

2 Content. The CFSR shall contain the following information:

2.1 Item 1 - Contract Number. Enter the assigned contract number and the latest modification number on which contractual agreement has been reached.

2.2 Item 2 - Contract Type. Enter the type of contract as identified in FAR Part 16 (e.g., Cost Plus Fixed Fee (CPFF), Fixed Price Incentive (FPI), etc.).

2.3 Item 3 - Contract Funding For. Enter the applicable type as follows:

Multi-Year Procurement (MYP)
Incrementally Funded Contract (INC)
Contract for a Single Year (SYC)

2.3.1 For FY. For contracts which are financed with funds appropriated in more than one fiscal year, a report is required for each fiscal year's funds where the separate year's funds in the contract are associated with specific quantities of hardware or services to be furnished. The fiscal year(s) being reported will be shown in this block and that year's share of the total target prices (initial and adjusted) will be shown in Items 9 and 10.

11.

c.1 Level of Reporting. If a contract is funded with a single appropriation, a single line entry at the total contract level should be considered for CFSR reporting. Reporting by contract line item or WBS element will be limited to only those items or elements needed to support funds management requirements.
c.2 Multiple Appropriations. Where two or more appropriation sources are used for funding a single contract, contractors will segregate funds data by appropriation accounting reference. The procuring agency will supply the appropriation numbers applicable to individual contract line items or WBS elements. If a single contractline item or WBS element is funded by more than one appropriation, methods for segregating and reporting such information will be negotiated and specified in the contract.

c.3 Frequency and Submission. The CFSR will be a contractual requirement as set forth in the Contract Data Requirements List (CDRL) DD Form 1423. Unless otherwise provided in the contract, the CFSR will be prepared as of the end of each calendar quarter or contractor accounting period nearest the end of each quarter, and should be consistent with the cutoff date used in the Contract Performance Report. The required number of copies of the CFSR will be forwarded no later than 12 working days following the contractor's accounting period cutoff date. This requirement may be tailored through contract negotiations to allow submission as late as 17 working days, provided that the contractor and Government agree that program complexity and integration of subcontractor and vendor performance data warrant additional time. In the event of exceptional circumstances which call for increased frequency in reporting, such frequency will not be more often than monthly and will be negotiated and specified in the contract.

c.4 Explanations of Terms.

7.4.1 Open Commitments. For this report, a commitment represents the estimated obligation of the contractor (excluding accrued expenditures) to vendors or subcontractors (based on the assumption that the contract will continue to completion).

c.4.2 Accrued Expenditures. For this report, include recorded or incurred costs as defined within the Allowable Cost, Fee and Payments Clause (FAR 52.216-7) for cost type contracts or the Progress Payments Clause (FAR 52.232-16) for fixed price type contracts, plus the estimated fee or profit earned. Such costs include:

c.4.2.1 Actual payments for services or items purchased directly for the contract.

c.4.2.2 Costs incurred, but not necessarily paid, for storeroom issues, direct labor, direct travel, direct other in-house costs and allocated indirect costs.
c.4.2.3 Progress payments made to subcontractors.

c.4.2.4 Pension costs provided they are paid at least quarterly.

c.4..3 Termination Costs. Although this report is prepared on the basis that the contract will continue to completion, it is necessary to report estimated termination cost by government fiscal year and generally by more frequent intervals on incrementally funded contracts. The frequency will be dependent on the funding need dates

(i.e., quarterly) and should be compatible with the contract funding clauses, Limitation of Funds clause (cost type contracts) or Limitation of Obligation clause (fixed price type contracts). Termination costs include such items as loss of useful life of special tooling, special machinery and equipment; rental cost of unexpired leases; and settlement expenses. The definition of termination costs is included in FAR 31.205-42. In the event the Special Termination Costs clause (DFARS 252.249-7000) is authorized, then costs defined therein will be eliminated from the estimated termination costs. Refer to DoD 7000.14-R (DoD Financial Management Regulation) for further information on termination liability.

c.4.4 Fiscal Year: For this report, fiscal year refers to the United States Government fiscal year, which is the period covering 1 October to 30 September (12 months).

c.5 The CFSR DID is subject to tailoring. Requiring more information in the CFSR CDRL than specified in this DID is contrary to DoD policy. All negotiated reporting provisions shall
be specified in the contract. All negotiated reporting provisions will be specified in the contract's CDRL.

c.6 This DID supersedes DI-MGMT-81468.
2.4 Item 4 - Appropriation. Enter the appropriation name (i.e., Research, Development, Test and Evaluation, Aircraft Procurement, etc.) and DoD Component (i.e., Air Force, Navy, etc.) in this block.

2.5 Item 5 - Previous Report Date. Enter the cut-off date of the previous report. (Year, Month, Day)

2.6 Item 6 - Current Report Date. Enter the cut-off date applicable to this report. (Year, Month, Day)

2.7 Item 7 - Contractor. Enter the name, division (if applicable), and mailing address of the reporting contractor.

2.8 Item 8 - Program. Identify the program by name or enter the type, model and series or other military designation of the prime item or items purchased on the contract. If the contract is for services or a level-of-effort (i.e., research, flight test, etc.), the title of the service should be shown.
2.9 Item 9 - Initial Contract Price. Enter the dollar amounts for the initial negotiated contract target price (or estimated price for non-incentivized contracts) and contract ceiling price when appropriate. For contracts which are financed with funds appropriated in more than one fiscal year, only the share of the total initial target and ceiling associated with the fiscal year shown in Item 3 will be entered.

2.10 Item 10 - Adjusted Contract Price. Enter the dollar amounts for the adjusted contract target price (initial negotiated contract plus supplemental agreements) and adjusted contract ceiling price or estimated ceiling price where appropriate. For contracts which are financed with funds appropriated in more than one fiscal year, only the share of the total adjusted target and ceiling associated with the fiscal year shown in Item 3 will be entered.

2.11 Item 11 - Funding Information.

.2.11.1 Column a. - Line Item/Work Breakdown Structure (WBS) Element. Enter the line item or WBS elements specified for CFSR coverage in the contract.

2.11.2 Column b. - Appropriation Identification. Enter the appropriation number supplied by the DoD Component for the contract or, if applicable, each line item or WBS element.

2.11.3 Column c. - Funding Authorized To Date. Enter dollar amounts of contract funding authorized under the contract from the beginning of the fiscal year(s) shown in Item 3 through the report date shown in Item 6.

2.11.4 Column d. - Accrued Expenditures Plus Open Commitments Total. For contract work authorized, enter the total of (a) the cumulative accrued expenditures incurred through the end of the reporting period, and (b) the open commitments on the "as of" date of the report. Enter the total applicable to funds for the fiscal year(s) covered by this report as shown in Item 3.

2.11.4.1 Separation of Open Commitments and Accrued Expenditures. On selected contracts, the separation of open commitments and accrued expenditures by line item or WBS element may be a negotiated requirement in the contract. Utilization of this provision should be held to the minimum essential to support information needs of the procuring agency. In the event this separation of data is not available in the contractor's accounting system or cannot be derived without significant effort, provision should be made to permit use of estimates. The procedures used by the contractor in developing estimates shall be explained in the Remarks section of the report.

2.11.4.2 Notice of Termination. When a Notice of Termination has been issued, potential termination liability costs will be entered in this column. They will be identified to the extent possible with the source of liability (prime or subcontract).

2.11.5 Column e. - Contract Work Authorized - Definitized. For the fiscal year(s) shown in Item 3, enter the estimated price for the authorized work on which contractual agreement has been reached, including profit/fee, incentive and cost sharing associated with projected over/underruns. Amounts for contract changes will not be included in this item unless they have been priced and incorporated in the contract through a supplemental agreement.

2.11.6 Column f. - Contract Work Authorized - Not Definitized. Enter the contractor's estimate of the funds requirements for performing required work (e.g., additional agreements or changes) for which firm contract prices have not yet been agreed to in writing by the parties to the contract. Report values only for items for which written orders have been received. For incentive type contracts, show total cost to the Government (recognizing contractor participation). Enter in the Remarks section a brief but complete explanation of the reason for the change in funds.

2.11.7 Column g. - Subtotal. Enter the total estimated price for all work authorized on the contract (Column e. plus Column f.).

2.11.8 Column h. - Forecast - Not Yet Authorized. Enter an estimate of funds requirements, including the estimated amount for fee or profit, for changes proposed by the Government or by the contractor, but not yet directed by the contracting officer. In the Remarks section state each change document number and estimated value of each change.

2.11.9 Column i. - Forecast - All Other Work. Enter an estimate of funds requirements for additional work anticipated to be performed (not included in a firm proposal) which the contractor, based on his knowledge and experience, expects to submit to the Government within a reasonable period of time.

2.11.10 Column j. - Subtotal. Enter an estimate of total requirements for forecast funding (the sum of Column h. plus Column i.). Specific guidelines on what the contractor may include in the funding forecast section may be made a part of the contract.

2.11.11 Column k. - Total Requirements. Enter an estimate of total funds requirements for contract work authorized and forecast (the sum of Column g. plus Column j.).

2.11.12 Column l. - Funds Carryover. For incrementally funded contracts only, report the amount by which the prior federal fiscal year funding was in excess of the prior year's requirement. If there is no carryover, report zero. Specific instructions for the use of this item may be made a part of the contract.

2.11.13 Column m. - Net Funds Required. Enter an estimate of net funds required, subtracting funds carryover in Column 1. from total requirements in Column k.

2.11.14 Column Totals. Totals should be provided for Columns c. through m. for all line items or WBS elements reported.

2.12 Item 12 - Contract Work Authorized (With Fee/Profit) - Actual Or Projected. Data entries will be as follows: In the first column, actuals cumulative to date; in all other columns except the last, projected cumulative amounts from the start of the contract to the end of the period indicated in the column heading; in the last column, the projected cumulative amounts from the start to the end of the contract or fiscal year being reported. When the contractor has developed a range of estimates at completion, the most likely estimate shall be used to develop the projected cumulative data in this item. The most likely estimate at completion reported in item 12 shall be reconcilable to the Most Likely Management Estimate at Completion reported in Block 6.c.1 of the Contract Performance Report, if this report is a requirement of the contract. Note: CPR is reported at cost and does not include profit/fee.

2.12.1 Column Headings. In the first column, enter cumulative actual costs to date. In the next columns project cumulative amounts by month through the end of the current government fiscal year, by quarter through the end of the next government fiscal year, and then by government fiscal year through the life of the contract or fiscal year being reported. In addition to the above, maintain at least a 12 month rolling forecast of monthly projections.

2.12.2 Data Composition. Projected data should include all planned obligations, anticipated accruals, anticipated over/under targets (total cost to the Government recognizing contractor participation), G&A, and fee/profit.

2.12.3 Items 12.a and 12b. - Open Commitments (Cancelable and Non- Cancelable). In the first column enter commitments open as of the date of the report. In subsequent columns enter the commitments projected to be open

as of the end of each period indicated by the column headings. The amount entered will be the projected cumulative commitments less the planned cumulative expenditures as of the end of time period indicated. At the end of the contract, the amount will be zero. Item 12.a shall represent cancelable open commitments and 12.b non-cancelable commitments.

2.12.4 Item 12.c. - Accrued Expenditures. In the first column enter actuals to date. In subsequent columns enter the projected cumulative accrued expenditures as of the end of each period indicated by the column headings. Comment: Does accrued Expenditures include or exclude fee? Para 2.12.6 below states 12c includes profit/fee. If it includes fee, is line item 12.d. a non add item? Need to clarify.

2.12.5 Item 12.d. Fee In the first column enter actual fee paid to date. In subsequent columns enter the projected cumulative fee payable as of the end of each period indicated by the column headings.

2.12.6 Item 12.e. - Total (12.a. through 12.d.). In the columns provided, enter the total contract work authorized - actuals to date (Column 1) or projected (as many columns as are required to satisfy the requirements of paragraph 2.12.). This total is the sum of open commitments,accrued expenditures, and fee projected through the periods indicated by the column headings. Significant changes in the amount or timephasing of this item shall be explained in the Remarks section. The Most Likely Management Estimate at Completion reported in Block 6.c.1 of the Contract Performance Report will normally agree with the "at completion" block of item 12c of the CFSR once appropriate profit or fee is added. Comment: I interpret line 12C to include profit/fee? Is line 12d fee/profit a non add item? For line 12.e. to be a total of 12a through 12 d, either 12d fee is non add item or 12 c does not include fee/profit. Need to clarify 12 c and 12 d.

2.13 Item 13 - Forecast Of Billings To The Government. In the first column enter the cumulative amount received from the Government plus any unpaid billings to the Government through the current report date, including amounts applicable to progress or advance payments. In succeeding columns enter the amount expected to be billed to the Government during each period reported (assuming the contract will continue to completion). Amounts will not be cumulative.

2.14 Item 14 - Estimated Termination Costs. In the columns provided, enter the estimated costs that would be necessary to liquidate all government obligations if the contract were to be terminated in that period. These entries are the amounts required in addition to or subtraction from (due to the cancellation of open commitments) the amounts shown in Item 12. Applicable fee/profit should be included. These entries may consist of "rough order of magnitude" estimates and will not be construed as providing formal notification having contractual significance. This estimate will be used to assist the Government in budgeting for the potential incurrence of such cost. On contracts with Limitation of Funds/Obligation clauses, where termination costs are included as part of the funding information in Block 11, enter the amounts required for termination reserve on this line.

3 Remarks Section.

.3.1 General. This section shall contain any additional information or remarks which support or explain data submitted in this report. At a minimum, the contractor shall present the following information: (a)

explanations of funds changes (refer to paragraphs 2.11.6, 2.11.8 and 3.2); (b) procedures used to develop estimates of open commitments and accrued expenditures (refer to paragraph 10.2.11.4.1); (c) the rationale for any award fee projections included in Item 12 (refer to paragraph 2.12.2); (d) explanations of significant changes in the amount or timephasing of actual or projected total contract work authorized (refer to paragraph 10.2.12.5); (e) the rationale for the time-phasing and the amount of Management Reserve and Undistributed Budget, if any; (Comment: MR and UB are not timephased typically; and these are budget values/issues and not funds. Mixing funds vs budgets is analogous to apples vs oranges. Don't understand why this was included in a funds/expenditures report. and (f) any other information deemed significant or noteworthy. The contractor also shall provide a projected contract completion date that supports the funding projections in Item 12.

3.2 Changes. The Remarks section shall contain information regarding changes, as indicated below. A change in a line item shall be reported when the dollar amount reported in Item 11, Column k. of this submission differs from that reported in the preceding submission. The movement of dollar amounts from one column to another (Item 11, Columns e. through j.), indicating a change in the firmness of funds requirements, need not be reported in this section. Change reporting shall include the following:

3.2.1 The location of the changed entry (page, line, and column);

3.2.2 The dollar amount of the change; and

3.2.3 A narrative explanation of the cause of each change.

3.3 Reconciliation to CPR. If the contract has a CPR requirement, reconciliation of the CFSR with the CPR is a good business and financial management practice. The CFSR CDRL may be tailored to require a CPR/CFSR reconciliation.

3.3.2 Before an attempt is made to reconcile CPR data with the CFSR, the following points need to be made: 1. The CFSR is usually segregated by each fiscal year's funds and appropriation, while the CPR will usually include all years and appropriations; 2. The CPR performance data does not include fee or profit while the timephased CFSR information does; 3. due to rounding procedures incorporated by the contractor within the various reports, the reports should agree with each other within a few percentage points. Any significant variances should, however be evaluated or explained.

3.3.3 Reconcilable data element:

3.3.2.1 Contract type, number.

3.3.2.2 Report Period. The CPR is usually a monthly report, while the CFSR is often required on a quarterly basis. For reconciliation, the report periods should be the same.

3.3.2.3 Contract target estimated price. The "Est Price" on the CPR should compare with block 11g of the CFSR, which is the subtotal block of contract work authorized.

3.3.2.4 Authorized, Unpriced Work. The "estimated cost of authorized but unpriced effort" on the CPR should reconcile with the "not definitized" but authorized block on the CFSR, after adjustments of the CPR data for anticipated profit or fee.

Estimate at Completion. The Most Likely Management Estimate at Completion on the CPR will normally agree with the "at completion" block on the CFSR for items 12e, 13, and 14 once appropriate fee or profit is added to the CPR data

3.3.2.5 Cost to date. The total "cumulative actual cost of work performed (ACWP)" on the CPR should be comparable with the "accrued expenditures" (actual to date) data on the CFSR. Due to data item definitions of ACWP and accrued expenditures not being identical at all times, an exact agreement between the figures might not be possible. (Differences in data are usually attributed to accounting for material expenditures and the inclusion or exclusion of profit or fee). Significant or large differences in these two data elements should be explained.

3.3.2.6 Contract ceiling (fixed price incentive firm contracts only). The "Est contract ceiling" block of the CPR should match/reconcile with the "adjusted contract price ceiling" on the CFSR.

3.3.2.7 Original or initial contract price. Any differences between the CFSR and CPR should be due to profit or fee.

3.3.2.8 Target price. The "target price" values should reconcile directly for CPRs and CFSRs.

See attached PDF file for copy of CFSR Form.

CLASSIFICATION

# CONTRACT FUNDS STATUS REPORT *(Dollars in )*

*Form Approved*
*OMB No. 0704-0188*

The public reporting burden for this collection of information is estimated to average 8 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports (0704-0188), 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number. PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE ABOVE ADDRESS.

| 1. CONTRACT NUMBER | 3. CONTRACT FUNDING FOR<br>FOR FY | 5. PREVIOUS REPORT DATE | 7. CONTRACTOR *(Name, address and zip code)* | 9. INITIAL CONTRACT PRICE |
|---|---|---|---|---|
| | | | | a. TARGET |
| | | | | b. CEILING |
| 2. CONTRACT TYPE | 4. APPROPRIATION | 6. CURRENT REPORT DATE | 8. PROGRAM | 10. ADJUSTED CONTRACT PRICE |
| | | | | a. TARGET |
| | | | | b. CEILING |

**11. FUNDING INFORMATION**

| LINE ITEM/WBS ELEMENT<br>a | APPROPRIATION IDENTIFICATION<br>b | FUNDING AUTHORIZED TO DATE<br>c | ACCRUED EXPENDITURES OPEN COMMITMENTS TOTAL<br>d | CONTRACT WORK AUTHORIZED | | | FORECAST | | | TOTAL REQUIREMENTS<br>k | FUNDS CARRY-OVER<br>l | NET FUNDS REQUIRED<br>m |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | DERNITIZED<br>e | NOT DERNITIZED<br>f | SUBTOTAL<br>g | NOT YET AUTHORIZED<br>h | ALL OTHER WORK<br>i | SUBTOTAL<br>j | | | |
| | | | | | | | | | | | | |

**12. CONTRACT WORK AUTHORIZED** *(With Fee/Profit)* **- ACTUAL OR PROJECTED**

| | ACTUAL TO DATE | | | | | | | | | AT COMPLETION |
|---|---|---|---|---|---|---|---|---|---|---|
| a. OPEN COMMITMENTS | | | | | | | | | | |
| b. ACCRUED EXPENDITURES | | | | | | | | | | |
| c. TOTAL *(12a + 12b)* | | | | | | | | | | |
| **13. FORECAST OF BILLINGS TO THE GOVERNMENT** | | | | | | | | | | |
| **14. ESTIMATED TERMINATION COSTS** | | | | | | | | | | |

**15. REMARKS**

**DD FORM 1586, AUG 96 (EG)** PREVIOUS EDITION MAY BE USED.

CLASSIFICATION



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