

Question on Internally Developed Software - US GAAP vs CAS

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My company is implementing SAP within the next 18 months and an issue has arisen regarding capitalization of internal configuration labor. Under GAAP, SOP 98-1, Labor and associated Fringe would be capitalized. Under our disclosed Cost Accounting Practice in our Disclosure Statement, Labor, Fringe AND Overhead are capitalized for self-constructed depreciable assets. Is there an "out" in CAS which would enable us to only capitalize Labor and Fringe for both GAAP and Contract Costing such that we don't have to keep two sets of books?