

## The CASB Preambles

Written by Nick Sanders

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I've been doing CAS for many, many years. First, I was a student, trying to figure out what the Standards and the Regulations meant, then I was a consultant (working for somebody who was on the original CAS Board), and later I became an instructor. Now I'm the Editor of the LexisNexis [reference book](#) addressing CAS compliance.

The point is, I think I know something or two about the Federal Cost Accounting Standards.

When I teach CAS, I attempt to make clear that just reading the Standards is not sufficient. To get a good understanding of what a Standard means and how it is to be applied, you need to study three things:

1.

The Standard itself (there are 19 of them)

2.

The CAS Board Preambles associated with that Standard, which explain why the Standards and related Rules and Regulations were written, and provide a rationale for positions taken relative to issues raised in the public comments

3.

Any judicial opinions regarding disputes on how a contractor interpreted and/or applied the Standard

Until you've studied those three things, you don't really know what any particular Standard means. Note I said "studied," not skimmed, or scanned, or reviewed. If you are serious about gaining an understanding, you need to look carefully at each sentence. You may need to highlight and underline and draw arrows connecting concepts. You may need to diagram the sentence to ensure you really understand it.

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You need to do the same thing with the Preambles and the judicial interpretations. You can't just run through them in five minutes. You need to take your time and think about what you're reading. If you're not doing that, you're not studying; you are simply reading. And that won't get you where you need to go.

Now, many business people don't have the time, or the inclination, to do all that. That's where consultants come into play. (*Hello!*) Consultants have—at least in theory—spent the time studying so you don't have to.

But assuming you want to put in the time and diligence, the FAR Councils just made it harder to do so.

On October 23, 2020, the FAR Councils published a [final rule](#) that ostensibly removed any references to a "FAR Appendix" (also known as "Appendix A to Part 30," "Appendix B," and "the Appendix). In addition, references to a FAR "loose-leaf" edition were also removed because "the FAR loose-leaf version is now published online at

<https://www.acquisition.gov>.

It is no longer published as a paper loose-leaf version."

Well, that sounds innocuous, doesn't it? No need for a loose-leaf FAR version when you can get it online. And why reference a "FAR Appendix" when people can "access 48 CFR chapter 99 easily online at the electronic Code of Federal Regulation (eCFR) website (<https://www.ecfr.gov>)

Who could complain?

I could.

See one thing people may not know is that the FAR Appendix used to contain the CAS Board Preambles. You could look them up and study them, if you had a mind to. At one point, you could even order a hardcopy of the Preambles from the Government, if you had the inclination to send a letter to the Publications Office, Office of Administration, Executive Office of the

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President. But not any longer.

This final rule puts the final nail in the coffin by deleting any references to the Preambles from FAR Part 30.

Before the regulatory revision, FAR 30.101 stated—

(c) The Appendix to the FAR loose-leaf edition contains-

1.

Cost Accounting Standards and Cost Accounting Standards Board Rules and Regulations Recodified by the Cost Accounting Standards Board at 48 CFR Chapter 99; and

1.

The following preambles:

(i) Part I-Preambles to the Cost Accounting Standards Published by the Cost Accounting Standards Board.

(ii) Part II-Preambles to the Related Rules and Regulations Published by the Cost Accounting Standards Board.

(iii) Part III-Preambles Published under the FAR System.

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(d) The preambles are not regulatory but are intended to explain why the Standards and related Rules and Regulations were written, and to provide rationale for positions taken relative to issues raised in the public comments. The preambles are printed in chronological order to provide an administrative history.

Those paragraphs were stricken by the final rule, and you won't find them in the FAR again. Unless you already know about the Preambles, you won't know they exist.

Over the years, the Preambles have become harder and harder to locate. Certainly, they do not exist in either the 48 CFR Chapter 99 found on [www.acquisition.gov](http://www.acquisition.gov). Nor do they exist in the 48 CFR Chapter 99 found on the Electronic Code of Federal Regulations. You can't get where you want to go from those sites.

What you will get is the same statement found in the CAS Board's Regulations (at 48 CFR 9903.307). To wit—

Preambles to the Cost Accounting Standards published by the original Cost Accounting Standards Board, as well as those preambles published by the signatories to the Federal Acquisition Regulation respecting changes made under their regulatory authorities, are available by writing to the: Publications Office, Office of Administration, Executive Office of the President, 725 17th Street NW., room 2200, Washington, DC 20500, or by calling (202) 395-7332.

Go ahead and write them. I did. When I did, I was told that no copies were available. Maybe you'll have better luck than I did.

As noted in the soon-to-be-deleted FAR paragraphs quoted above, the Preambles have three parts. Finding Part III used to be relatively easy, but finding Parts I and II was damn near impossible. Now, the Preambles—all three parts—will be assumed to just not exist.

Which is tragic in many respects. As I stated in the beginning, I don't think you can really understand the Board's intentions with respect to the CAS Rules, Regulations, and Standards

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unless you study the Preambles. Consequently, locating them so that you can study becomes rather critical.

Where can you find them?

Well, we noted that the CPA firm Cohn Reznick has kept a copy of Preambles Parts I and II, and made that copy [available](#) on its website.

If you want just Part III, you can find it on [www.acquisition.gov](http://www.acquisition.gov) , even though you can't find it under the FAR Chapter 99 heading. (Link: [HERE](#) .)

You can also buy Lou Rosen's 2013 [book](#) , Cost Accounting Standards Board Regulations, Standards and Rules. That has the Preambles in it; however, be advised that the Preambles are organized chronologically, and not grouped by the Standard (or Regulation) to which they pertain.

The situation, then, is problematic. At least, it's problematic for students (or want-to-be students) of the Federal Cost Accounting Standards. The FAR Councils' decision to delete any FAR reference to the Preambles just makes it that much harder for the next generation of contracting officers, auditors, and contractor compliance folks who have to interpret and administer them, without access to the CAS Board's thoughts.