



## Department of Energy

Washington, DC 20585

September 21, 2009

MEMORANDUM FOR DISTRIBUTION

FROM:

  
STEVE ISAKOWITZ  
CHIEF FINANCIAL OFFICER

SUBJECT:

Compliance with Cost Accounting Standards for Un-compensated Overtime

The purpose of this memorandum is to provide clarification on my June 10, 2009 memorandum on the topic of accounting for uncompensated overtime. My original memorandum had been interpreted by some as a blanket requirement for total time reporting. This is not the case, nor was it my intention.

The requirements of the Federal Acquisition Regulation (FAR) section 31.201-4 "Determining Allocability" and Cost Accounting Standard (CAS) 401 and CAS 418 broadly provide for consistent cost accounting methods, and classification and linking costs to cost objectives respectively. Although the FAR and Cost Accounting Standards certainly govern accounting for uncompensated overtime, none prescribe a specific method on when and how to do so.

To conclude, I would like to take this opportunity to thank everyone for their help and input into the clarification of this issue. What this experience has highlighted is the need for the financial community at large across the Department to work closely together in the formulation and execution of our financial policies. It has also exposed the opportunity for more harmony in cost accounting practices across our Labs to improve cost management and decision-making. Both are topics of keen interest to me, and ones I shall continue to pursue.

If you have any further questions or concerns, please do not hesitate to contact me, or my Deputy, Owen Barwell, at (202) 586-4171.



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