

recommend changes to such cost accounting standards to the Cost Accounting Standards Board established under section 1501 of such title;

(2) has exclusive authority, with respect to the Department of Defense, to implement such cost accounting standards to achieve uniformity and consistency in the standards governing measurement, assignment, and allocation of costs to contracts with the Department of Defense; and

(3) shall develop standards to ensure that commercial operations performed by Government employees at the Department of Defense adhere to cost accounting standards (based on cost accounting standards established under section 1502 of title 41 or Generally Accepted Accounting Principles) that inform managerial decisionmaking.

(e) COMPENSATION.—(1) Members of the Defense Cost Accounting Standards Board who are officers or employees of the Department of Defense shall not receive additional compensation for services but shall continue to be compensated by the Department of Defense.

(2) Each member of the Board appointed from the private sector shall receive compensation at a rate not to exceed the daily equivalent of the rate for level IV of the Executive Schedule for each day (including travel time) in which the member is engaged in the actual performance of duties vested in the Board.

(3) While serving away from home or regular place of business, Board members and other individuals serving on an intermittent basis shall be allowed travel expenses in accordance with section 5703 of title 5.

(f) AUDITING REQUIREMENTS.—(1) Notwithstanding any other provision of law, contractors with the Department of Defense may present, and the Defense Contract Audit Agency shall accept without performing additional audits, a summary of audit findings prepared by a commercial auditor if—

(A) the auditor previously performed an audit of the allowability, measurement, assignment to accounting periods, and allocation of indirect costs of the contractor; and

(B) such audit was performed using relevant commercial accounting standards (such as Generally Accepted Accounting Principles) and relevant commercial auditing standards established by the commercial auditing industry for the relevant accounting period.

(2) The Defense Contract Audit Agency may audit direct costs of Department of Defense cost contracts and shall rely on commercial audits of indirect costs without performing additional audits, except that in the case of companies or business units that have a predominance of cost-type contracts as a percentage of sales, the Defense Contract Audit Agency may audit both direct and indirect costs.

(Added Pub. L. 114-328, div. A, title VIII, § 820(b)(1), Dec. 23, 2016, 130 Stat. 2274.)

REFERENCES IN TEXT

Level IV of the Executive Schedule, referred to in subsec. (e)(2), is set out in section 5315 of Title 5, Government Organization and Employees.

EFFECTIVE DATE

Pub. L. 114-328, div. A, title VIII, § 820(d), Dec. 23, 2016, 130 Stat. 2276, provided that: “The amendments made by this section [enacting this section and amending sections 1501 and 1502 of Title 41, Public Contracts] shall take effect on October 1, 2018.”

CHAPTER 8—DEFENSE AGENCIES AND DEPARTMENT OF DEFENSE FIELD ACTIVITIES

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SUBCHAPTER I—COMMON SUPPLY AND SERVICE ACTIVITIES

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192.	Defense Agencies and Department of Defense Field Activities: oversight by the Secretary of Defense.
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AMENDMENTS

2004—Pub. L. 108-375, div. A, title X, § 1010(b), Oct. 28, 2004, 118 Stat. 2038, added item 197.

2002—Pub. L. 107-314, div. A, title II, § 231(a)(2), Dec. 2, 2002, 116 Stat. 2489, added item 196.

1997—Pub. L. 105-85, div. A, title III, § 383(b), Nov. 18, 1997, 111 Stat. 1711, added item 195.

1986—Pub. L. 99-433, title III, § 301(a)(2), Oct. 1, 1986, 100 Stat. 1019, inserted “AND DEPARTMENT OF DEFENSE FIELD ACTIVITIES” in chapter heading, added subchapter analysis and subchapter I analysis, and struck out former chapter analysis consisting of item 191 “Unauthorized use of Defense Intelligence Agency name, initials, or seal”.

1985—Pub. L. 99-145, title XIII, § 1302(a)(2), Nov. 8, 1985, 99 Stat. 737, redesignated item 192 “Benefits for certain employees of the Defense Intelligence Agency” as item 1605 and transferred it to chapter 83 of this title.

1983—Pub. L. 98-215, title V, § 501(b), Dec. 9, 1983, 97 Stat. 1479, added item 192.

1982—Pub. L. 97-269, title V, § 501(a), Sept. 27, 1982, 96 Stat. 1144, added chapter 8 heading and analysis of sections for chapter 8, consisting of a single item 191.

§ 191. Secretary of Defense: authority to provide for common performance of supply or service activities

(a) AUTHORITY.—Whenever the Secretary of Defense determines such action would be more effective, economical, or efficient, the Secretary may provide for the performance of a supply or service activity that is common to more than one military department by a single agency of the Department of Defense.

(b) DESIGNATION OF COMMON SUPPLY OR SERVICE AGENCY.—Any agency of the Department of Defense established under subsection (a) (or under the second sentence of section 125(d) of this title (as in effect before October 1, 1986)) for the performance of a supply or service activity referred to in such subsection shall be designated as a Defense Agency or a Department of Defense Field Activity.