CONTRACTOR BUSINESS DATA REPORT  
(CBDR / 1921-3) 
IMPLEMENTATION GUIDANCE 
(Pertains to draft DID DI-FNCL-81765) 

OFFICE OF THE SECRETARY OF DEFENSE 
COST ASSESSMENT AND PROGRAM EVALUATION 
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1. Introduction
This update to the Contractor Business Data Report (1921-3/CBDR) represents the first major update since it was reintroduced in 2009. In its original form, the CBDR required contractor divisions (business entity) to force their internal accounting systems to conform to general categories. Before this update, if a business entity had 12 different direct engineering labor rates the business entity would be required to lump them together to report all of the rates under a single direct engineering labor category. Likewise, before this update, if a business entity has numerous manufacturing overheads it would have been required to lump them together, therefore none of the rates would align with the rates reported in the Forward Pricing Rate Proposal/Agreement (FPRP/FPRA).

In the update, business entities report costs according to their own internal accounting systems, reflected through the business entity’s FPRP/FPRA submissions.

This guide can be used as a reference by the business entity fulfilling the CBDR reporting requirement as well as by the government entity validating the submissions.

This implementation guide is only applicable to the draft DID DI-FNCL-81765.

2. References
a. Department of Defense (DoD) Instruction 5000.02

b. DoD 5000.4-M

c. DoD 5000.04-M-1

d. DD Form 2794
“Cost and Software Data Reporting Plan,” [current version], available at https://www.cade.osd.mil/support. Commonly referred to as the CSDR Plan, a completed DD Form 2794 must be approved by the Office of the Secretary of Defense (OSD) Deputy Director, Cost Assessment (DDCA).

e. CBDR Sample Format

f. CSDR-SR Submitter Guide
3. **Factors to be considered**

Industry must take into consideration the following guidance when planning for and submitting the CBDR and government must do the same when validating the submissions. This is in addition to existing Cost and Software Data Report (CSDR) guidance which, can be found at [https://cade.osd.mil/policy](https://cade.osd.mil/policy).

a. **Other Related Documents**

i. **Contractor Business Data Report Data Item Description (DID) DI-FNCL-81765**

   The DID provides the definitions of the data requirements.

ii. **Sample format**

   The “1921-3 Sample Format” document provides contractors with a sample format to develop their 1921-3 reports. Contractors are not required to report data according to the line items in the “1921-3 Sample Format” document. Instead, contractors must report data in the same contractor-defined headings as exist in the contractor’s internal systems and FPRP/FPRA.

iii. **FPRP/FPRA (if applicable)**

   Forecast data should report data and rate categories consistent with the most recent FPRP/FPRA or the next upcoming FPRP/FPRA. The business entity should provide the notice number and the date of the FPRP/FPRA document the rates are derived from in Section H (Data Dictionary).

   See “Timeline” below for deciding which document the rate should match.

b. **CSDR Plan / DD FORM 2794**

   CSDR Plan / DD FORM 2794 will reference a number of data items outlined in the 1921-3 DID. This includes elements outlined in the Metadata tab of the 1921-3 DID.

   Box 13 of the DD Form 2794 includes the DD 1921-3 checkbox. This checkbox should be marked for all contractors that are not foreign and are not government entities. Marking this box indicates to the Program Office (PO) that it must communicate the 1921-3 reporting requirement to the business entity through a Contract Data Requirements List (CDRL).

   Even if a business entity is reporting on multiple CSDR Plans with the 1921-3 reporting requirement checked, only one 1921-3 report may be submitted for the entire business entity.

   As long as a business entity is reporting to any active CSDR Plans with the 1921-3 reporting requirement checked, the business entity must submit a 1921-3 report annually.

c. **Business Entity-Determined Format**

   There is no prescribed data format for the CBDR or the Data Definitions. The contractor is encouraged to use the 1921-3 “Sample Format” available at [https://www.cade.osd.mil/policy/1921-3](https://www.cade.osd.mil/policy/1921-3). The business entity is encouraged to modify the format to best convey the information so long as it fulfills the data requirements described in the 1921-3 DID DI-FNCL-81765B.
d. Timelines
   i. Report Due Dates
      1921-3 reports are due 60 days after the end of the business entity’s fiscal year. The
      information contained therein should be as of the latest data available in the internal
      accounting systems.
   ii. Extension Requests
      If the business entity’s FPRP/FPRA is delivered more than 60 days after the end of
      the business entity’s fiscal year, the contractor may request an extension to submit
      its 1921-3 report so that the rates in both the CBDR and the FPRP/FPRA reports
      align. To request an extension, the contractor must contact DCARC.
   iii. Lack of FPRP/FPRA
      If the business entity does not have a FPRP/FPRA then all of its data should reflect
      the business entity’s internal accounting system directly.

e. Data Transmission
   The 1921-3 must be submitted as a stand-alone Excel-compatible file to the CADE’s
   secure Web site using the FPR & 1921-3 Submit-Review System. Uploading requires the
   use of either a DoD Common Access Card (CAC) or a DoD-approved External
   Certificate Authority (ECA) Certificate.

f. Scope of Reporting
   The scope of the data reported in the CBDR will include the total hours and costs
   incurred by the business entity across all government and commercial work.

   The business entity must make sure that it includes unallowables in the CBDR as their
   own category in Section A (Business Entity Cost Summary).
   i. Contract Type
      The business entity must report on all contract types. Note that fixed price contracts
      and commercial contracts are not exempt; in addition, foreign and other government
      sales are not exempt.
   ii. Reporting Calendar
      The business entity must provide at a minimum the last two years of actuals and at
      least three years of future forecasts. The business entity is encouraged to provide
      actuals as far back as possible and future forecasts that align with timeframes in
      FPRP/FPRAs. If the FPRP/FPRA does not extend to three years or more, or the
      business entity does not submit an FPRP/FPRA, then provide data which includes
      the number of years in the business entity’s forecast.

4. Mandatory Specifications
   a. Metadata
      The business entity must clearly report the fiscal years in the 1921-3 report and the
      associated start and end dates for each given year. If the business entity records fiscal
years as the same as calendar years, then the contractor must input the start and end dates of each fiscal year accordingly. As an example for how this should look, please refer to the 1921-3 Sample Format.

The business entity must indicate which reporting year is its most recently completed year for fiscal reporting. Only one year should be marked. As an example, if the business entity submits its 1921-3 report as of 20190203 (February 3, 2019), and the business entity reports its fiscal years as calendar years, then the “Prior Year” box should be checked off for 2018, as that is the latest year that contains all actuals. Every year following the indicated “Prior Year” will contain forecasted values.

If the business entity reports partial year data, the year start and year end date portions of the metadata tab must reflect the accurate dates for the partial year, and the reason for the partial-year data must be explained in Data Group H (Data Dictionary).

b. **Sections A-B FPR Summary**

The business entity must report a cost summary that tallies the total actual and forecasted costs per year by cost types. These costs must align with the costs reported in Section C (Rate Summary) and in Sections D (Expense Details) and E (Base Details).

As an example, if the business entity reports US$ 100 million in direct material costs in Section A (Business Entity Cost Summary) then the sum of the base material dollars reported in Section C (Rate Summary) and the sum of the base material dollars reported in Section E (Expense Details) should also equal US$ 100 million.

The cost categories reported in the summary tab Section A (Business Entity Cost Summary) should reflect, at a minimum, the categories outlined in the 1921-3 DID DI-FNCL-81765B. The mapping of costs between Sections is shown below:
i. **Section A: Direct Labor**
   - *Section C: Overhead Base labor dollars*
   - *Section E: Direct labor dollars*

ii. **Section A: Direct Materials**
   - *Section C: Overhead Base material dollars*
   - *Section E: Material dollars*

iii. **Section A: Other Direct Costs (ODC)**
    - *Section E: ODC dollars*

iv. **Section A: Overhead**
    - *Section C: Overhead Expense dollars*
    - *Section D: Overhead dollars*

v. **Section A: G&A**
    - *Section C: G&A Expense dollars*
    - *Section D: G&A dollars*

vi. **Section A: Unallowable**
    - *Unallowable costs will not match with either costs reported in other Sections*

The contractor must ensure that it either uses the same names for the same categories in all Sections, or, in Section H (Data Dictionary), provide the relational naming conventions for all categories that align.

If the business entity does not report fringe costs as its own line item in Section A (Business Entity Cost Summary) then the business entity must specify in which lines of Section A (Business Entity Cost Summary) it embeds fringe. The business entity will provide details in Section H (Data Definitions) that specify how fringe is allocated and allow fringe costs to be separated from the categories it is embedded in.

Regardless of how the business entity reports fringe in Section A (Business Entity Cost Summary), it must report Fringe in Section C (Rate Summary) and Section D (Expense Details).

The business entity can create additional line items in Section A (Business Entity Cost Summary) to reflect the additional cost categories that may be recorded in the business entity’s native accounting system.

The business entity must include the revenue for all actual and forecast years. The business entity should specify in Section H (Data Dictionary) if revenue is booked as accrued, unearned/accounts receivable, or a mixture of both.

c. **Section C Rate Summary**
   The business entity must ensure that it reports both dollars and hours by base and expense. If the business entity does not track hours then it must provide an explanation in Section H (Data Dictionary) that allows for the hours to be backed into from costs.
If the business entity only tracks dollars or hours in base or expense then it must calculate a conversion and report the equivalent dollars and hours. If the business entity does this conversion, it must provide an explanation in Section H (Data Dictionary) of what conversions were done.

If the business entity has other rates that are not outlined in the 1921-3 Sample Format or in the DI-FNCL-81765 DID then it should include these rates in Section C (Rate Summary).

i. **Direct Labor**
   The business entity must include all the direct labor rates reflective of the direct labor rates reported in the business entity’s native accounting system, specifically straight time direct labor rates for all labor categories the government reimburses towards. If the business entity has an FPRP/FPRA then there should not be any disconnect in either the naming of the rates or the rate data reported in the business entity’s FPRP/FPRA and the rates reported in the CBDR submission.

ii. **Overhead**
   The business entity must include all overhead categories reflective of the overhead categories reported in the business entity’s native accounting system.

iii. **Fringe**
    The business entity must report its fringe base and pool in Section C (Rate Summary). If the business entity does not record fringe in its own cost category, the business entity must still break out the base, pool, and rate in Section C (Rate Summary).

iv. **G&A**
    The business entity must include all G&A categories in its native accounting system, regardless if the costs are directly applicable to government work.

d. **Section D Expense Details**
   i. **Fringe**
      It is expected that the business entity will break out its internal accounting system’s fringe line items such as PTO, retirement, taxes, medical, insurance, etc. If the business entity has fringe costs that are associated solely with the corporate sector, the business entity must break these costs out as their own line items. If the business entity cannot break out its corporate and government fringe costs then it must provide an explanation in Section H (Data Dictionary).
   
   ii. **Overhead and G&A**
      The business entity must ensure that it breaks out all of the overhead and G&A categories in its internal accounting system, and that those categories are consistent with the categories reported in the business entity’s latest FPRP/FPRA.

      Indirect labor must be contained in its own line item.
If the business entity collects IRAD as part of overhead or G&A expenses, IRAD must be reported as its own line item.

e. **Section E Base Details**
The business entity must ensure that it breaks out all of its overhead base by at least its top 10 DOD programs, regardless of acquisition category level of the programs themselves. For example, if a business entity has US$ 10 million expenses associated with an ACAT-II program over several contracts, and this program is one of the business entity’s top ten programs by cost, then the business entity must include this program in Section E (Base Details).

Note that a DOD program comprises of one or more contracts, not just the largest contract for a program. All contracts that fall under a certain program should be aggregated into the relevant program line items in Section E (Base Details).

If a business entity is reporting as a subcontractor on a DOD program, the business entity’s costs associated with that program cannot be considered commercial, and must be bucketed accordingly.

The business entity should ensure it reports both dollars and hours. All categories must reflect those in the business entity’s internal accounting system, and also are consistent with those reported in the business entity’s latest FPRP/FPRA.

i. **Direct Materials and ODC**
The business must report material and ODC costs in Section E (Base Details).

If direct materials and/or ODC have their own overhead categories those categories will be broken out by program in Section E (Base Details).

If the business entity reports material bases that overlap, then it must explain in Section H (Data Dictionary) how to remove the overlap.

f. **Section F – Delivery Schedule Details**
The business entity should only report quantities for hardware items. If the business entity is delivering software or services on a program, it should not report a quantity for that program.

Each program may have multiple line items if they are delivering different types of products that are qualitatively different and significant in scope.

The business entity should provide additional qualifying detail to help explain what is being delivered, for example under the column “Qualifier” in the Sample Format.

g. **Section G - Contract Numbers**
The business entity should include the contract numbers for all DoD programs it has associated costs with in the past year, including those that are not its top ten largest.
h. **Section H - Data Definitions**

The business entity must ensure that it includes all relevant information that allows for the interpretation of the data in the rest of the report. For example, the business entity must explain the base for its fringe allocations in Section C (Rate Summary).