

**SETTLEMENT PROPOSAL (TOTAL COST BASIS)**

OMB Control Number: 9000-0012  
Expiration Date: 2/29/2020

Paperwork Reduction Act Statement - This information collection meets the requirements of 44 USC § 3507, as amended by section 2 of the Paperwork Reduction Act of 1995. You do not need to answer these questions unless we display a valid Office of Management and Budget (OMB) control number. The OMB control number for this collection is 9000-0012. We estimate that it will take 2.5 hours to read the instructions, gather the facts, and answer the questions. Send only comments relating to our time estimate, including suggestions for reducing this burden, or any other aspects of this collection of information to: General Services Administration, Regulatory Secretariat Division (M1V1CB), 1800 F Street, NW, Washington, DC 20405.

**FOR USE BY A FIXED-PRICE PRIME CONTRACTOR OR FIXED-PRICE SUBCONTRACTOR**

THIS PROPOSAL APPLIES TO <i>(Check one)</i> <input type="checkbox"/> A PRIME CONTRACT WITH THE GOVERNMENT <input type="checkbox"/> SUBCONTRACT OR PURCHASE ORDER		COMPANY	
SUBCONTRACT OR PURCHASE ORDER NUMBER(S).		STREET ADDRESS	
<b>CONTRACTOR WHO SENT NOTICE OF TERMINATION</b>		CITY AND STATE <i>(Include ZIP Code)</i>	
NAME		NAME OF GOVERNMENT AGENCY	
ADDRESS <i>(Include ZIP Code)</i>		GOVERNMENT PRIME CONTRACT NUMBER	CONTRACTOR'S REFERENCE NUMBER
If moneys payable under the contract have been assigned, give the following:		EFFECTIVE DATE OF TERMINATION	
NAME OF ASSIGNEE		PROPOSAL NUMBER	CHECK ONE <input type="checkbox"/> INTERIM <input type="checkbox"/> FINAL
ADDRESS <i>(Include ZIP Code)</i>			
SF 1439, SCHEDULE OF ACCOUNTING INFORMATION <input type="checkbox"/> IS		<input type="checkbox"/> IS NOT ATTACHED <i>(If not, explain below)</i>	

**SECTION I - STATUS OF CONTRACT OR ORDER AT EFFECTIVE DATE OF TERMINATION**

PRODUCTS COVERED BY TERMINATED CONTRACT OR PURCHASE ORDER	(a)	PREVIOUSLY SHIPPED AND INVOICED	FINISHED		UNFINISHED OR NOT COMMENCED		TOTAL COVERED BY CONTRACT OR ORDER
			ON HAND		SUBSEQUENTLY COMPLETED AND INVOICED*	NOT TO BE COMPLETED	
			PAYMENT TO BE RECEIVED THROUGH INVOICING	PAYMENT NOT TO BE RECEIVED THROUGH INVOICING			
	QUANTITY						
	\$						
	QUANTITY						
	\$						
	QUANTITY						
	\$						

**SECTION II - PROPOSED SETTLEMENT**

NUMBER	ITEM	(Use Columns (b) and (c) only where previous proposal has been filed)		TOTAL PROPOSED TO DATE	FOR USE OF CONTRACTING AGENCY ONLY
		TOTAL PREVIOUSLY PROPOSED	INCREASE OR DECREASE BY THIS PROPOSAL		
1	DIRECT MATERIAL				
2	DIRECT LABOR				
3	INDIRECT FACTORY EXPENSE <i>(from Schedule A)</i>				
4	SPECIAL TOOLING AND SPECIAL TEST EQUIPMENT <i>(SF 1428)</i>				
5	OTHER COSTS <i>(from Schedule B)</i>				
6	GENERAL AND ADMINISTRATIVE EXPENSES <i>(from Schedule C)</i>				
7	TOTAL COSTS <i>(Items 1 thru 6)</i>				
8	PROFIT <i>(Explain in Schedule D)</i>				
9	TOTAL COSTS <i>(Items 7 and 8)</i>				
10	DEDUCT FINISHED PRODUCT INVOICED OR TO BE INVOICED*				
11	TOTAL <i>(Item 9 less Item 10)</i>				
12	SETTLEMENT EXPENSES <i>(from Schedule E)</i>				
13	TOTAL <i>(Items 11 and 12)</i>				
14	SETTLEMENT WITH SUBCONTRACTORS <i>(from Schedule F)</i>				
15	GROSS PROPOSED SETTLEMENT <i>(Items 13 thru 14)</i>				
16	DISPOSAL AND OTHER CREDITS <i>(from Schedule G)</i>				
17	NET PROPOSED SETTLEMENT <i>(Item 15 less 16)</i>				
18	ADVANCE, PROGRESS & PARTIAL PAYMENTS <i>(from Schedule H)</i>				
19	NET PAYMENT REQUESTED <i>(Item 17 less 18)</i>				

\*Column (e), Section I, should only be used in the event of a partial termination, in which the total cost reported in Section II should be accumulated to date of completion of the continued portion of the contract and the deduction for finished product (Item 10, Section II) should be the contract price of finished product in Column (b), (c), and (e), Section I.

NOTE: File inventory schedule (SF 1428) for allocable inventories on hand at date of termination (See 49.206).

*(When the space provided for any information is insufficient, continue on a separate sheet.)*

**SCHEDULE A - INDIRECT FACTORY EXPENSE (Item 3)**

DETAIL OF EXPENSES	METHOD OF ALLOCATION	AMOUNT	FOR USE OF CONTRACTING AGENCY ONLY

*NOTE: Individual items of small amounts may be grouped into a single entry in Schedules B, C, D, E, and G.*

**SCHEDULE B - OTHER COSTS (Item 5)**

ITEM	EXPLANATION	AMOUNT	FOR USE OF CONTRACTING AGENCY ONLY

**SCHEDULE C - GENERAL AND ADMINISTRATIVE EXPENSES (Item 6)**

DETAIL OF EXPENSES	METHOD OF ALLOCATION	AMOUNT	FOR USE OF CONTRACTING AGENCY ONLY

**SCHEDULE D - PROFIT (Item 8)**

EXPLANATION	AMOUNT	FOR USE OF CONTRACTING AGENCY ONLY

*(Where the space provided for any information is insufficient, continue on a separate sheet.)*

**SCHEDULE E - SETTLEMENT EXPENSES (Item 12)**

ITEM	EXPLANATION	AMOUNT	FOR USE OF CONTRACTING AGENCY ONLY

**SCHEDULE F - SETTLEMENTS WITH IMMEDIATE SUBCONTRACTORS AND SUPPLIERS (Item 14)**

NAME AND ADDRESS OF SUBCONTRACTOR	BRIEF DESCRIPTION OF PRODUCT CANCELED	AMOUNT OF SETTLEMENT	FOR USE OF CONTRACTING AGENCY ONLY

**SCHEDULE G - DISPOSAL AND OTHER CREDITS (Item 16)**

DESCRIPTION	AMOUNT	FOR USE OF CONTRACTING AGENCY ONLY

*(If practicable, show separately amount of disposal credits applicable to acceptable finished product included on SF 1428.)*

*(Where the space provided for any information is insufficient, continue on a separate sheet.)*

**SCHEDULE H - ADVANCE, PROGRESS AND PARTIAL PAYMENTS (Item 19)**

DATE	TYPE OF PAYMENT	AMOUNT	FOR USE OF CONTRACTING AGENCY ONLY

*(Where the space provided for any information is insufficient, continue on a separate sheet.)*

**CERTIFICATE**

This is to certify that the undersigned, individually, and as an authorized representative of the Contractor, has examined this termination settlement proposal and that, to the best knowledge and belief of the undersigned:

(a) AS TO THE CONTRACTOR'S OWN CHARGES. The proposed settlement (exclusive of charges set forth in Item 14) and supporting schedules and explanations have been prepared from the books of account and records of the Contractor in accordance with recognized commercial accounting practices; they include only those charges allocable to the terminated portion of this contract; they have been prepared with knowledge that they will, or may, be used directly or indirectly as the basis of settlement of a termination settlement proposal or claim against an agency of the United States; and the charges as stated are fair and reasonable.

(b) AS TO THE SUBCONTRACTORS' CHARGES. (1) The Contractor has examined, or caused to be examined, to an extent it considered adequate in the circumstances, the termination settlement proposals of its immediate subcontractors (exclusive of proposals filed against these immediate subcontractors by their subcontractors); (2) The settlements on account of immediate subcontractors own charges are fair and reasonable, the charges are allocable to the terminated portion of this contract, and the settlements were negotiated in good faith and are not more favorable to its immediate subcontractors than those that the Contractor would make if reimbursement by the Government were not involved; (3) The Contractor has received from all its immediate subcontractors appropriate certificates with respect to their termination settlement proposals, which certificates are substantially in the form of this certificate; and (4) The Contractor has no information leading it to doubt (i) the reasonableness of the settlements with more remote subcontractors or (ii) that the charges for them are allocable to this contract. Upon receipt by the Contractor of amounts covering settlements with its immediate subcontractors, the Contractor will pay or credit them promptly with the amounts so received, to the extent that it has not previously done so. The term "subcontractors," as used above, includes suppliers.

**NOTE:** The Contractor shall, under conditions stated in FAR 15.403, be required to submit a Certificate of Current Cost or Pricing Data (see FAR 15.406-2 and 15.408 Table 15-2).

NAME OF CONTRACTOR	BY <i>(Signature of authorized official)</i>	
	TITLE	DATE
NAME OF SUPERVISORY ACCOUNTING OFFICIAL	TITLE	