

Extended Home Office Overhead Checklist

If it is not prohibited in the Contract, there may be entitlement to Extended Home Office Overhead if the Contractor can demonstrate that (1) there is a distinct period of suspended operations caused by the project owner, and (2) the suspension of work has an actual economic impact on the absorption of the contractor's fixed home office overhead costs.

The following is a checklist of items which might be included in the calculation of damages, the initial ten of which are allowed by the Federal Acquisition Regulations (FAR) on Federal contracts:

1. Rent and/or mortgage payments
2. Clerical, accounting, administrative and executive salaries and benefits
3. Utilities and phone expenses (including internet access)
4. Non-project vehicle and travel expenses (project-specific costs are Field Extended Ohd)
5. Insurance
6. Property taxes
7. Depreciation
8. Employee recruitment
9. Professional and trade licenses and fees
10. Information technology (computers, processing), office supplies, photocopying, postage and non-project shipping, books, periodicals, miscellaneous general and administrative expenses

The following additional items are discretionary and may or may not be allowed. They specifically are *NOT* allowed on Federal contracts under FAR, except as noted in #11 and #13:

11. Advertising expense (disallowed under FAR except that which is related to the performance of the project)
12. Interest on borrowing and other financial costs
13. Outsourced legal, consulting and accounting expenses (disallowed by FAR *except* under FAR 31.205-33 costs of professional and consultant services are allowable when reasonable in relation to the services rendered and when not contingent upon recovery of the costs from the Government – these include services to enhance a contractor's legal, economic, financial, or technical positions, including professional and consultant services generally acquired to obtain information, advice, opinions, alternatives, conclusions, recommendations, training, or direct assistance, such as studies, analyses, evaluations, liaison with Government officials, or other forms of representation)
14. Entertainment expenses
15. Contributions and donations
16. Bad debts, including related collection and legal costs
17. Losses on other contracts
18. Bid and proposal costs