**Step #1 - Does CAS Apply?**

- Does contract/subcontract meet any of the listed CAS exemptions?
  - No → Contract or subcontract is exempt from CAS
  - Yes → Contract or subcontract with a small business
- Contract/subcontract price is set by law or regulation
- Sealed bid contract
- Contract/subcontract with foreign governments, their agents, or instrumentalities. Exemption does not extend to contract/subcontract with foreign concern which is subject to CAS 401/402
- Contract/subcontract less than $7.5 million, provided the contractor is not currently performing any CAS-covered contracts/subcontracts of $7.5 million or more (See *Trigger to left)

**Step #2 - Full/Modified Coverage?**

- Is the current award $7.5 million or more, or (*Trigger) is the business unit currently performing a CAS-covered contract or subcontract valued at $7.5 million or more?
  - No → Award is CAS covered
  - Yes → Contract/subcontract with a business unit currently performing a CAS-covered contract or subcontract valued at $7.5 million or more?
    - No → Contract/subcontract is subject to full CAS coverage (all 19 standards)
    - Yes → Contract/subcontract subject to modified coverage (CAS 401, 402, 405, 406) or contract/subcontract with foreign concerns subject to CAS 401 and 402

**Step #3 - Disclosure Statements?**

- Did the company, together with its segments, receive $50 million or more in net CAS-covered awards during the preceding cost accounting period?
  - No → Disclosure Statement is not required
  - Yes → Are the business unit CAS-covered awards during the prior year less than $10 million and less than 30% of total segment sales?
    - No → Disclosure Statement is not required
    - Yes → Home office allocating costs to one or more disclosing segments must also submit Part VIII