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## **Subpart 5331.1 - APPLICABILITY**

**Parent topic:** [Part 5331 - Contract Cost Principles and Procedures](#)

### **5331.109 Advance agreements.**

(h) Pre-contract cost agreements should be reviewed for legal sufficiency (see this [template](#) for a sample Pre-contract Cost Agreement). As a condition precedent to the use of a pre-contract cost agreement, the correct type of funds should be available upon issuance of the pre-contract cost agreement. While not legally necessary, prudent business acumen would dictate, that to the maximum extent possible, agreement on terms and conditions also be established prior to issuance of a pre-contract cost agreement. Contracting officers should consult with the designated clearance approval authority prior to agreement on pre-contract costs. The contracting officer should incorporate the pre-contract cost agreement into any resultant contract as an attachment within Section J.