

(2) Control of or assistance in the defense by the Government, at its election, of such suit or claim for which indemnification is provided in the contract.

[49 FR 12612, Mar. 29, 1984, as amended at 63 FR 69221, Dec. 16, 1998]

#### **828.7103 Financial protection.**

(a) The amount of financial protection that the contractor is required to have and maintain to cover liability to third persons and loss of or damage to the contractor's property shall be the maximum amount of insurance available from private sources; however, the Secretary may establish a lesser amount after taking into consideration the cost and terms of private insurance.

(b) The financial protection may include private insurance, private contractual indemnities, self-insurance, other proof of financial responsibility, or a combination of such forms to provide the maximum amount required. When the contractor elects to utilize self insurance, proof of such financial responsibility up to the maximum amount required will be furnished the contracting officer prior to award.

[49 FR 12612, Mar. 29, 1984, as amended at 64 FR 40519, July 27, 1999]

## **PART 829—TAXES**

Sec.

829.000 Scope of part.

### **Subpart 829.2—Federal Excise Taxes**

829.202 General exemptions.

829.202-70 Tax exemptions for alcohol products.

AUTHORITY: 38 U.S.C. 501 and 40 U.S.C. 486(c).

SOURCE: 49 FR 12614, Mar. 29, 1984, unless otherwise noted.

#### **829.000 Scope of part.**

This part prescribes policies and procedures for exemptions from Federal excise taxes imposed on alcohol products purchased for use in the Department of Veterans Affairs medical care program.

[64 FR 38593, July 19, 1999]

### **Subpart 829.2—Federal Excise Taxes**

#### **829.202 General exemptions.**

##### **829.202-70 Tax exemptions for alcohol products.**

(a) *General.* (1) The procurement of spirits free of tax for nonbeverage purposes is permitted to Government agencies by regulations of the Bureau of Alcohol, Tobacco, and Firearms (ATF) (see 27 CFR 211.231-237, 213.141-146 and 240.720-722). The use of tax-free alcohol, whiskey, beer, wine and denatured spirits for nonbeverage purposes shall include but not be limited to medicinal and scientific purposes and in the treatment of patients.

(2) Authority is hereby delegated to the Director, Marketing Center, Hines, Illinois, and to the Chief, Acquisition and Materiel Management Service, Department of Veterans Affairs medical facilities to sign application permits on Bureau of Alcohol, Tobacco, and Firearms (ATF) prescribed forms. This authority is not to be redelegated.

(b) *Whiskey, alcohol, and denatured alcohol.* (1) Application forms for tax-free purchases are to be obtained from and submitted to the Director, Bureau of Alcohol, Tobacco, and Firearms, Washington, DC 20226.

(2) ATF Form 1486, Specially Denatured Spirits for Use of United States, is the application/permit required for denatured spirits, and ATF Form 1444, Tax-Free Spirits for Use of United States, is required for distilled spirits (whiskey and alcohol). These are continuing permits to procure items tax free. Copies must be made available to the supplier in support of each procurement.

(3) Purchases for excise tax-free whiskey and alcohol, not available through the depot can only be made from a distillery or a bonded premises. In accordance with 27 CFR 213.144, the vendor will also support each shipment with ATF 1473, Shipment and Receipt Specifically Denatured Tax-Free, or Recovered Spirits. The ATF 1473 will be completed by the accountable officer and the original copy will be forwarded to the Regional Regulatory Administrator whose address is shown in item

12 of the form. A copy of ATF 1473 will be retained in the purchase order file.

(c) *Wine*. No tax exemption form or ATF permit is required for the tax-free procurement of wine. An extra copy of a properly executed purchase order or requisition document may be furnished to the supplier (retailer, wholesaler or winery) to facilitate record keeping.

(d) *Beer*. Tax-free beer may be procured only from licensed breweries and only when such product is prescribed for therapeutic use of patients. The application for an ATF permit is to be submitted in letter form to the Director, Bureau of Alcohol, Tobacco, and Firearms, Washington, DC 20226. The following information is required.

- (1) Name and address of facility;
- (2) Specific purpose for which beer will be used;
- (3) Quantity proposed to buy each month, year, etc.;
- (4) Name and address of brewery; and
- (5) Copy of document authorizing contracting officer to sign request.

A new permit is needed only when beer is to be purchased from a different brewery than the one for which the original permit was requested.

[49 FR 12614, Mar. 29, 1984, as amended at 54 FR 24173, June 6, 1989]

## PART 831—CONTRACT COST PRINCIPLES AND PROCEDURES

### Subpart 831.70—Contract Cost Principles and Procedures

Sec.

- 831.7000 Scope of subpart.
- 831.7001 Allowable costs under cost reimbursement vocational rehabilitation and education contracts or agreements.
- 831.7001-1 Tuition.
- 831.7001-2 Special services or courses.
- 831.7001-3 Books, supplies and equipment required to be personally owned.
- 831.7001-4 Medical services and hospital care.
- 831.7001-5 Secretary's Decision No. 557.
- 831.7001-6 Consumable instructional supplies.
- 831.7001-7 Reimbursement for other supplies and services.

AUTHORITY: 38 U.S.C. 501 and 40 U.S.C. 486(c).

SOURCE: 49 FR 12615, Mar. 29, 1984, unless otherwise noted.

### Subpart 831.70—Contract Cost Principles and Procedures

#### 831.7000 Scope of subpart.

This subpart contains general cost principles and procedures for the determination and allowance of costs in connection with the negotiation and administration of cost reimbursement type contracts pertaining to the furnishing of vocational rehabilitation, education, and training to eligible veterans under chapter 31 of Title 38, United States Code.

#### 831.7001 Allowable costs under cost reimbursement vocational rehabilitation and education contracts or agreements.

##### 831.7001-1 Tuition.

(a) Except as provided in this section, when the contractor has a customary cost of tuition the charge to the Department of Veterans Affairs may not exceed that charged to similarly circumstanced nonveteran students; provided that where the contractor has more than one standard charge for the same service, the charge to the Department of Veterans Affairs will be the lowest price for the entire course, semester, quarter, or term which is offered or published.

(b) VA will not normally pay tuition or incidental fees to institutions or establishments furnishing apprentice or other training on-the-job. VA may pay:

(1) For such charges customarily made by nonprofit workshop or similar establishment for providing work adjustment training to similarly circumstanced nonveterans even though an incentive wage is paid the trainee as part of the training; or

(2) For certain training expenses incurred by an employer providing on-the-job training following rehabilitation to the point of employability when such additional training is determined to be necessary by VA.

(c) When the total cost of instruction is paid from Federal funds or a portion of the cost is covered by grants from the Federal Government, i.e., Smith-Hughes or other laws, excluding Federal Land Grant Funds, such subsidy