PART 1232—CONTRACT FINANCING

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Parent topic: SUBCHAPTER E—GENERAL CONTRACTING REQUIREMENTS

Subpart 1232.7—Contract Funding

1232.770 Incremental funding during a Continuing Resolution.

1232.770-1 Scope of section.

This section provides policy and procedures for using incremental funding for fixed-price, time-and-material and labor-hour contracts during a period in which funds are provided to the DOT and its operating administrations under a continuing resolution. Heads of the contracting activities may develop necessary supplemental internal procedures and guidance to advise offerors and contractors of these policies and procedures.

1232.770-2 Definition.

Continuing Resolution (CR) means an appropriation, in the form of a joint resolution, that provides budget authority for Federal agencies, specific activities, or both to continue operation until the regular appropriations are enacted. Typically, a continuing resolution is used when legislative action on appropriations is not completed by the beginning of a fiscal year.

1232.770-3 General.

The Anti-Deficiency Act, 31 U.S.C. 1341, and FAR 32.702, state that no officer or employee of the Government may create or authorize an obligation in excess of the funds available, or in advance of appropriations unless otherwise authorized by law. A CR provides funding for continuing projects or activities that were conducted in the prior fiscal year for which appropriations, funds, or other authority was previously made available. Each CR is governed by the specific terms in that specific CR (*e.g.,* duration of the CR) and under certain CRs, the funding amounts available for award of some contract actions are inadequate to fund the entire amounts needed.

1232.770-4 Policy.

(a) A fixed-price, time-and-materials, or labor-hour contract or order for commercial or non-commercial severable services may be incrementally funded when—

(1) Funds are provided to DOT or operating administration under a CR. This includes funds appropriated to DOT or an operating administration, funds appropriated to another entity that will be directly obligated on a DOT contract, and funds in a revolving fund or similar account that will be reimbursed by a customer agency funded by a CR;

(2) The responsible fiscal authority has not allocated sufficient funds to fully fund the contract action that is otherwise authorized to be issued;

(3) There is no statutory restriction that would preclude the proposed use of funds;

(4) Funds are available and unexpired, as of the date the funds are obligated;

(5) Assurance is provided by the responsible financial authority that full funding is anticipated once an appropriations act is enacted; and

(6) The clause prescribed by 1232.770–7 is incorporated into the contract or order.

(b) Incremental funding may be limited to an individual line item(s) or a particular order(s).

1232.770-5 Limitations.

This policy does not apply to contract actions using funds that are not covered by the CR.

1232.770-6 Procedures.

(a) An incrementally funded fixed-price, time-and-materials, or labor-hour contract shall be fully funded once funds are available.

(b) The contracting officer shall ensure that sufficient funds are allotted to the contract to cover the total amount payable to the contractor in the event of termination for convenience by the Government.

(c) Upon receipt of the contractor's notice under paragraph (c) of the clause at 1252.232–71, Limitation of Government's Obligation, the contracting officer shall promptly provide written notice to the contractor that the Government is—

(1) Obligating additional funds for continued performance and increasing the Government's limitation of obligation in a specified amount;

(2) Obligating the full amount of funds needed;

(3) Terminating for convenience, as applicable, the affected line items or contract; or

(4) Considering whether to allot additional funds; and

(i) The contractor is entitled by the contract terms to stop work when the Government's limitation of obligation is reached; and

(ii) Any costs expended beyond the Government's limitation of obligation are at the contractor's risk.

(d) Upon learning that the contract will receive no further funds by the date provided in the notice under paragraph (c) of the clause at 1252.232–71, Limitation of Government's Obligation, the contracting officer shall promptly give the contractor written notice of the Government's decision and terminate the affected line items or contract, as applicable, for the convenience of the Government.

1232.770-7 Clause.

(a) The contracting officer shall insert the clause at 1252.232–71, Limitation of Government's Obligation, in—

(1) Solicitations and contracts for severable services when incremental funding of a fixed-price, time-and-material, or labor-hour contract due to a CR is anticipated; or

(2) Contracts or orders for severable services when incremental funding of a fixed-price, time-and-material, or labor-hour contract is authorized and DOT or its operating administrations are

operating under a CR (*see* 1232.770–4).

(b) The contracting officer shall insert the information required in paragraphs (a) and (c) of clause 1252.232–71. Contracting officers are authorized, in appropriate cases, to revise paragraph (a) of clause 1252.232–71 to specify the work required under the contract, in lieu of using contract line item numbers, as well as revise paragraph (c) of the clause to specify a different notification period and percentage. The 30-day period may be varied up to 90 days, and the 75 percent can be varied from 75 up to 85 percent.

Subpart 1232.9—Prompt Payment

1232.905-70 Payment documentation and process—form of invoice.

(a) Under fixed-price contracts, the contracting officer shall require the contractor to submit an invoice or voucher on any form or format meeting FAR 32.905(b) requirements.

(b) Under other than fixed-price contracts, the contracting officer shall require the contractor to submit the Standard Form (SF) 1034, Public Voucher for Purchases and Services Other Than Personal, and the SF 1035, Public Voucher for Purchases and Services Other Than Personal (Continuation Sheet), to request payments. The forms must be completed as required by figure 1 to this section, Instructions for Completing the SF 1034, and figure 2 to this section, Instructions for Completing the SF 1035.

Figure 1 to 1232.905–70

Instructions for Completing the SF 1034

The SF 1034, Public Voucher for Purchases and Services Other Than Personal, shall be completed in accordance with the below instructions. The numbered items correspond to the entries on the form.

Caption on the SF 1034	Data to be inserted in the block
1. U.S. DEPARTMENT, BUREAU, OR ESTABLISHMENT AND LOCATION	Name and address of the contracting office which issued the contract.
2. DATE VOUCHER PREPARED	Date voucher submitted to the designated billing office cited under the contract or order.
3. CONTRACT NO. AND DATE	Contract No. and, when applicable, the Order No. and date as shown on the award document.
4. REQUISITION NO. AND DATE	Leave blank or fill-in in accordance with the instructions in the contract.

Caption on the SF 1034	Data to be inserted in the block
5. VOUCHER NO	Start with “1” and number consecutively. A separate series of consecutive numbers must be used beginning with “1” for each contract number or order number (when applicable). Note: Insert the word “FINAL” if this is the last voucher.
6. SCHEDULE NO.; PAID BY; DATE INVOICE RECEIVED; DISCOUNT TERMS; PAYEE'S ACCOUNT NO.; SHIPPED FROM/TO; WEIGHT; GOVERNMENT B/L	Leave all these blocks blank.
7. PAYEE'S NAME AND ADDRESS	Name and address of contractor as it appears on the contract. If the contract is assigned to a bank, also show “CONTRACT ASSIGNED” below the name and address of the contractor.
8. NUMBER AND DATE OF ORDER	Leave blank. (See #3 above.).
9. DATE OF DELIVERY OR SERVICE	The period for which the incurred costs are being claimed (e.g., month and year; beginning and ending date of services, etc.).
10. ARTICLES OR SERVICES	Insert the following: “For detail, see the total amount of the claim transferred from the attached SF 1035, page X of X.” One space below this line, insert the following: “COST REIMBURSABLE–PROVISIONAL PAYMENT.”
11. QUANTITY; UNIT PRICE; (COST; PER)	Leave blank.
12. AMOUNT	Insert the total amount claimed from the last page of the SF 1035.
Payee must NOT use the space below	Do NOT write or type below this line.

Figure 2 to 1232.905–70

Instructions for Completing the SF 1035

The SF 1035, Public Voucher for Purchases and Services Other Than Personal (Continuation Sheet), shall be completed in accordance with the below instructions.

1. Use the same basic instructions for the SF 1035 as used for the SF 1034. Ensure that the contract and, if applicable, order number, are shown on each continuation sheet. Use as many sheets as necessary to show the information required by the contract, contracting officer, or responsible audit agency; however, if more than one sheet of SF 1035 is used, each sheet shall be in numerical sequence.

2. The following items are generally entered below the line with Number and Date of Order; Date of Delivery or Service; Articles or Services; Quantity; Unit Price; and Amount (but do not necessarily tie to these captions).

3. Description of data to be inserted as it applies to the contract or order number including the CLIN or SLIN.

a. Show, as applicable, the target or estimated costs, target or fixed-fee, and total contract value, as adjusted by any modifications to the contract or order. The FAR permits the contracting officer to withhold a percentage of fixed fee until a reserve is set aside in an amount that is considered necessary to protect the Government's interest.

b. Show the following costs and supporting data (as applicable) to the contract or order:

(1) *Direct Labor.* List each labor category, rate per labor hour, hours worked, and extended total labor dollars per labor category.

(2) *Premium Pay/Overtime.* List each labor category, rate per labor hour, hours worked, and the extended total labor dollars per labor category. *Note:* Advance written authorization must be received from the contracting officer to work overtime or to pay premium rates; therefore, identify the contracting officer's written authorization to the contractor.

(3) *Fringe Benefits.* If fringe benefits are included in the overhead pool, no entry is required. If the contract allows for a separate fringe benefit pool, cite the formula (rate and base) in effect during the time the costs were incurred. If the contract allows for billing fringe benefits as a direct expense, show the actual fringe benefit costs.

(4) *Materials, Supplies, Equipment.* Show those items normally treated as direct costs. Expendable items need not be itemized and may be grouped into major classifications such as office supplies. However, items valued at $5,000 or more must be itemized. *See* FAR part 45, Government Property, for reporting of property.

(5) *Travel.* List the name and title of traveler, place of travel, and travel dates. If the travel claim is based on the actual costs expended, show the amount for the mode of travel (*i.e.,* airline, private auto, taxi, etc.), lodging, meals, and other incidental expenses separately, on a daily basis. These actual costs must be supported with receipts to substantiate the costs paid. Travel costs for consultants must be shown separately and also supported.

(6) *Other Direct Costs.* Itemize those costs that cannot be placed in categories

(1) through (5) above. Categorize these costs to the extent possible.

(7) *Total Direct Costs.* Cite the sum of categories

(1) through (6) above.

(8) *Overhead.* Cite the rate, base, and extended amount.

(9) *G&A Expense.* Cite the rate, base, and extended amount.

(10) *Total Costs.* Cite the sum of categories (7) through (9) above.

(11) *Fee.* Cite the rate, base, and extended amount.

(12) *Total Cost and Fee Claimed.* Enter this amount on the SF 1034.

Completion Voucher

The completion (final) voucher is the last voucher to be submitted for incurred, allocable, and allowable costs expended to perform the contract or order. This voucher should include all contract reserves, allowable cost withholdings, balance of fixed fee, etc. However, the amount of the completion voucher when added to the total amount previously paid cannot exceed the total amount of the contract.

Subpart 1232.70—Electronic Invoicing Requirements

1232.7000 Scope of subpart.

This subpart prescribes policy and procedures for submitting and processing payment requests in electronic form.

1232.7001 Definition.

Payment request, as used in this subpart, means a bill, voucher, invoice, or request for contract financing payment with associated supporting documentation.

1232.7002 Electronic payment requests—invoices.

(a) *Requirements.* Contracts shall require the electronic submission of payment requests, except for—

(1) Purchases paid for with a Governmentwide commercial purchase card;

(2) Classified contracts or purchases when electronic submission and processing of payment requests could compromise classified information or national security; or

(3) As directed by the contracting officer to submit payment requests by mail.

(b) *Alternate procedures.* Where a contract requires the electronic submission of invoices, the contracting officer may authorize alternate procedures only if the contracting officer makes a written determination that the Department of the Transportation (DOT) is unable to receive electronic payment requests or provide acceptance electronically and it is approved one level above the contracting officer.

(c) *DOT electronic invoicing system.* The Department of Transportation utilizes the DELPHI eInvoicing System. The DELPHI module for submitting invoices is called *iSupplier.* Except as provided in paragraphs (a) and (b) of this section, contracting officers and DOT finance officials shall process electronic payment submissions through the DELPHI System and the DELPHI module for submitting invoices, *iSupplier. iSupplier* is also the official system of record for DOT payment requests. If the requirement for electronic submission of payment requests is waived under paragraph (a) or (b) of this section, the contract or alternate payment authorization, as applicable, shall specify the form and method of payment request submission.

1232.7003 Payment system registration.

1232.7003-1 Electronic authentication.

Access to DELPHI is granted with electronic authentication of credentials (name & valid email address) utilizing the General Services Administration (GSA) credentialing platform *login.gov*. Vendors submitting invoices will be required to submit invoices via *iSupplier* (DELPHI) and authenticated via *www.login.gov*.

1232.7004 Waivers.

If a vendor is unable to utilize DOT's DELPHI electronic invoicing system, DOT may consider waivers on a case-by-case basis. Vendors should contact their COR for procedures, or access the DELPHI website at *http://www.dot.gov/cfo/delphi-einvoicing-system.html*.

1232.7005 Contract clause.

The contracting officer shall insert the clause at 1252.232–70, Electronic Submission of Payment Requests, in solicitations and contracts exceeding the micro-purchase threshold, except those for which the contracting officer has directed or approved otherwise under 1232.7002, and those paid with a Governmentwide commercial purchase card.