32.803 Policies.

(a) Any *assignment of claims* that has been made under the Act to any type of financing institution listed in 32.802(b) *may* thereafter be further assigned and reassigned to any such institution if the conditions in 32.802(d) and (e) continue to be met.

(b) A contract *may* prohibit the *assignment of claims* if the agency determines the prohibition to be in the Government's interest.

(c) Under a requirements or indefinite quantity type contract that authorizes ordering and payment by multiple Government activities, amounts due for individual orders for $1,000 or more *may* be assigned.

(d) Any contract of a *designated agency* (see FAR 32.801), except a contract under which full payment has been made, *may* include a *no-setoff commitment* only when a determination of need is made by the *head of the agency*, in accordance with the Presidential delegation of authority dated October 3,1995, and after such determination has been published in the *Federal Register.* The Presidential delegation makes such determinations of need subject to further guidance issued by the Office of Federal *Procurement* Policy. The following guidance has been provided:

Use of the no-setoff provision *may* be appropriate to facilitate the *national defense*; in the event of a national *emergency* or natural disaster; or when the use of the no-setoff provision *may* facilitate private financing of contract performance. However, in the event an *offeror* is significantly indebted to the *United States*, the *contracting officer should* consider whether the inclusion of the *no-setoff commitment* in a particular contract is in the best interests of the *United States*. In such an event, the *contracting officer should* consult with the Government officer(s) responsible for collecting the debt(s).

(e) When an assigned contract does not include a *no-setoff commitment*, the Government *may* apply against payments to the assignee any liability of the contractor to the Government arising independently of the assigned contract if the liability existed at the time notice of the assignment was received even though that liability had not yet matured so as to be due and payable.

Parent topic: Subpart 32.8 - Assignment of Claims