Part 5332 - Contract Financing

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DAF Contracting Compass Part 32

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Subpart 5332.1 – FINANCING FOR OTHER THAN A COMMERCIAL PURCHASE

5332.104 Providing Contract Financing

(a)(5) Report known adverse developments affecting a contractor or subcontractor to the contract administration office, other interested Government parties, and the SCO. If there is an adverse development affecting a contractor receiving a bank loan guaranteed by the Department of the Air Force, progress payments, or advance payments, the contracting office must report the adverse development, its expected impact upon continued satisfactory performance under the contract, remedial actions taken to date (if any), and any recommendations for further action through the SCO to the cognizant HCA Workflow.

(c)(2) See 5332.114 Unusual Contract Financing. .

5332.114 Unusual Contract Financing.

The Director, Defense Pricing, Contracting, and Acquisition Policy (DPCAP), on a non-delegable basis, shall approve unusual contract financing arrangements as stated in FAR 32.114 and DFARS 201.402(1)(vi). The contracting officer must submit any unusual financing requests by a contractor through the SCO to SAF/AQC for review and concurrence prior to SAF/AQC forwarding request to DPCAP for approval. The SCO must submit a memorandum outlining the pertinent facts together with a recommendation on the action to be taken through the SAF/AQC Workflow with a courtesy copy to SAF/FMF [SP1] no later than 30 days before the needed effective date of the proposed financing arrangement. For Space Force, follow internal coordination procedures prior to submission to SAF/AQC Workflow for review and submission by SAF/AQC to DPCAP.

Subpart 5332.2 – COMMERCIAL PRODUCT AND COMMERCIAL SERVICE PURCHASE FINANCING

5332.202-1 Policy

(b) *Authorization*. For commercial interim payments and commercial advance payments authorized by FAR 32.202-1(b) that does not require OUSD(A&S)/DPCAP approval of an individual or class deviation from FAR Part 32 requirements (see DFARS 201.402(1)(vi)), the contracting officer shall submit all commercial interim payment requests and commercial advance payment requests through the SCO to local FM for review and approval. Prior to submitting to the local FM for approval, the SCO must determine the package is adequate, complete, and justified. The request must include the following: a determination that the applicable circumstances outlined in FAR 32.202-1(b) have been met to include the contracting officer's determination in accordance with FAR 32.202-1(b)(3) and preliminary payment office concurrence with liquidation provisions per FAR 32.202-1(b)(8) when required by FAR 32.206(e), legal review, J&A (if applicable), background paper such as a Milestone Payment Plan that outlines the reason(s) for the request, and the proposed payment schedule. Submit a copy of the approved package to the cognizant HCA Workflow.

(d) *Unusual contract financing*. See 5332.114 Unusual Contract Financing. . Unusual contract financing arrangements must be approved by DPCAP.

Subpart 5332.4 – ADVANCE PAYMENTS FOR OTHER THAN COMMERCIAL ACQUISITIONS

5332.402 General

(c)(1)(iii) See MP5301.601(a)(i).

(e)(2) The contracting officer must submit each advance payment request through the SCO to the cognizant HCA Workflow for submission to SAF/FMF for review and approval. See MP5332.402 for processing advance payment requests.

5332.470 Advance payment pool

(a) See MP5332.470 for processing advance payment pool requests.

Subpart 5332.5 – PROGRESS PAYMENTS BASED ON COSTS

5332.501-2 Unusual Progress Payments

(a)(3) The contracting officer must submit contractor requests for unusual progress payments through the SCO to the cognizant HCA Workflow with a recommendation to approve or disapprove the request. The cognizant HCA will forward all requests for unusual progress payments, whether recommended for approval or disapproval, to SAF/FMF with all pertinent data supporting the recommended action for approval and submission to OUSD(A&S)/DPCAP.

5332.501-3 Contract Price

(a) When the estimated contract costs increase such that the estimate of the unusual progress payments increase $20 million or more over the approved unusual progress payment estimate, the contracting officer must notify SAF/FMF through their SCO, with a courtesy copy to the cognizant HCA Workflow .

Subpart 5332.6 – CONTRACT DEBTS

5332.604 Demand for Payment

(b) Payment information for the demand for payment letter can be found at:

https://www.dfas.mil/contractorsvendors/governmentremittance/returnfunds.html

(e) Contracting officers must retain a copy of all contract debt documentation in the contract file and must keep the contract file open until the debt is collected and/or written-off.

5332.607 Installment Payments and Deferment of Collection

(a) When a request for deferment of a contract debt is received from a contractor, the contracting officer must forward the request for deferment to the SCO. The SCO must submit, on a priority basis, an evaluation of the contractor's request with the necessary reporting information and recommendation through the cognizant HCA Workflow to SAF/FMF.

Subpart 5332.7 – CONTRACT FUNDING

5332.703-2 Contracts Conditioned Upon Availability of Funds

(a) *Fiscal year contracts.* See MP5332.7 on contract funding. See DFARS 204.7103 for guidance on considering severability when forming contracts and determining contract funding.

Subpart 5332.9 – PROMPT PAYMENT

5332.901 Applicability

(1)(ii) See MP5301.601(a)(i).

5332.906 Making Payments

(a) See MP5301.601(a)(i).

Subpart 5332.11 – ELECTRONIC FUNDS TRANSFER

5332.1106 EFT Mechanisms

(b) See MP5301.601(a)(i).