332.703-71 Incrementally funded cost-reimbursement contracts.

Incremental funding may be used in cost-reimbursement contracts for severable services only when all of the following circumstances are present:

(a) Funding of increments after the initial increment of performance is provided from the appropriation account available for obligation at that time;

(b) The project represents a *bona fide* need of the fiscal year in which the contract is awarded and initially funded (*i.e.,* the initial increment of performance) and is also a *bona fide* need of each subsequent fiscal year whose appropriation will be used; and

(c) The project's significance provides reasonable assurance that subsequent year appropriations will be made available to fund the project's continuation and completion.

Parent topic: Subpart 332.7—Contract Funding