

PART 332 - CONTRACT FINANCING

[Subpart 332.4 - Advance Payments for Non-Commercial Items](#)

[332.402 General.](#)

[332.407 Interest.](#)

[Subpart 332.5 - Progress Payments Based on Cost](#)

[332.501 General.](#)

[332.501-2 Unusual progress payments.](#)

[Subpart 332.7 - Contract Funding](#)

[332.702 Policy.](#)

[332.703 Contract funding requirements.](#)

[332.703-1 General.](#)

[332.703-71 Incrementally funded cost-reimbursement contracts.](#)

[332.703-72 Incremental Funding Table.](#)

[332.706 Solicitation provision and contract clauses.](#)

[332.706-2 Provision and clauses for limitation of cost or funds.](#)

Subpart 332.4 - Advance Payments for Non-Commercial Items

332.402 General.

(e) The head of the contracting activity (HCA) (non-delegable) shall make determinations related to advanced payments and assure compliance with FAR 32.402.

332.407 Interest.

(d) The HCA (non-delegable) shall make the determinations in FAR 32.407(d).

Subpart 332.5 - Progress Payments Based on Cost

332.501 General.

332.501-2 Unusual progress payments.

(a)(3) The HCA (non-delegable) shall approve unusual progress payments.

Subpart 332.7 - Contract Funding

332.702 Policy.

Departmental employees shall report any suspected violation of the Anti-Deficiency Act (31 U.S.C. 1341, 13 U.S.C. 1342, and 31 U.S.C. 1517) immediately to the Operating Division's Chief Financial Officer (CFO), who in turn will report the matter to the HHS Deputy CFO.

332.703 Contract funding requirements.

332.703-1 General.

(b) The following requirements govern all solicitations and contracts using incremental funding, as appropriate:

(1) The contracting officer shall consider the estimated total cost of the contract, including all planned increments of performance when determining the requirements that must be met before contract execution (e.g., Justification and Approvals, clearances, and approvals).

(2) The solicitation and resultant contract shall include a statement of work or performance work statement that describes the total project, covers all proposed increments of performance, and contains a schedule of planned increments of performance. No funding increment may exceed 1 year, and the services rendered during each increment of performance must provide a specific material benefit that can stand alone if the remaining effort is not funded. The resultant contract shall also include the corresponding amount of funds planned for obligation for each increment of performance.

(3) The contracting officer shall request that offerors respond to the solicitation with technical and cost proposals for the entire project, and shall require distinct technical and cost break-outs of the planned increments of performance.

(4) Proposals shall be evaluated and any discussions and negotiations shall be conducted based upon the total project, including all planned increments of performance.

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.

severable services using incremental funding is contemplated. The provision requires the contracting officer to insert a specific increment of performance that the initial funding is expected to cover.