

PART 32

CONTRACT FINANCING

TABLE OF CONTENTS

32.004 Contract performance in foreign countries.

SUBPART 32.1 - NON COMMERCIAL-ITEM PURCHASE FINANCING

32.171 Contract Finance Committee.
32.173 Reduction or suspension of contract payments upon finding of fraud.
32.173-1 General.
32.173-2 Definitions.
32.173-3 Responsibilities.
32.173-5 Reporting.
32.190 Submission of contractual instruments for audit by the U.S. General Accounting Office.

SUBPART 32.3 - LOAN GUARANTEES FOR DEFENSE PRODUCTION

32.304 Procedure.
32.304-1 Application for guarantee.

SUBPART 32.4 - ADVANCE PAYMENTS FOR NON-COMMERCIAL ITEMS

32.409 Contracting officer action.
32.409-1 Recommendation for approval.
32.409-2 Recommendation for disapproval.

SUBPART 32.5 - PROGRESS PAYMENTS BASED ON COSTS

32.501 General.
32.501-2 Unusual progress payments.
32.502 Preaward matters.
32.502-1 Use of customary progress payments.
32.502-3 Solicitation provisions.

SUBPART 32.6 - CONTRACT DEBTS

32.690 Claims processing.

SUBPART 32.7 - CONTRACT FUNDING

32.703 Contract funding requirements.
32.703-2 Contracts conditioned upon the availability of funds.

SUBPART 32.9 - PROMPT PAYMENT

32.905 Reserved.
32.906 Contract financing payments.

32.004 Contract performance in foreign countries.

(a) Foreign currencies owned by the U.S. Government shall be used, when feasible, to make payments under contracts in foreign countries. The provisions of DODD 7360.11, Use of Foreign Currencies, will govern.

SUBPART 32.1 - NON-COMMERCIAL ITEM PURCHASE FINANCING

32.171 Contract Finance Committee.

(b)(2) Deviations. Requests for authority to deviate from the provisions of FAR Part 32, DFARS Part 232, or Part 32 of this directive shall be submitted to HQ DLA, ATTN: MMPPP.

32.173 Reduction or suspension of contract payments upon finding of fraud.

32.173-1 General.

(b) Level IV of the Executive Schedule is the Under Secretary of Defense (Acquisition and Technology).

32.173-2 Definitions.

(a) DLA's remedy coordination official is the Associate General Counsel, Fraud Remedies Program.

32.173-3 Responsibilities.

(b) Instances of suspected fraud shall be promptly forwarded by the chief of the contracting office to local fraud counsel for appropriate action.

32.173-5 Reporting.

The DLA remedy coordination official shall prepare the report which shall be submitted by memorandum by the Director, DLA or his deputy to the Under Secretary of Defense (Acquisition and Technology) through the Director of Defense Procurement.

32.190 Submission of contract instruments for audit by the U.S. General Accounting Office.

DLA contractual instruments required by the U.S. General Accounting Office for audit purposes must be submitted to one of the military service finance centers. The appropriate center for a specific DLA contract instrument can be determined by reference to the accounting and finance (disbursing) office designated to make payment under the basic contractual instrument, e.g., if the disbursing office operates under an Army disbursing station number, the contractual instruments should be transmitted to Indianapolis. The addresses of these centers are as follows:

Army	DFAS - Indianapolis Center 8899 East 56th Street Indianapolis, IN 46249 -1326
Navy	DFAS - Cleveland Center 1240 East 9th Street Cleveland, OH 44199 -2055
Air Force	DFAS - Denver Center 6760 East Irvington Place Denver, CO 80279 -5000
Marine Corps	DFAS - Kansas City Center 1500 East 95th Street Kansas City, MO 64197 -0001

Contracts issued by Army, Navy, Air Force, or other buying offices that are DCMC -administered should be assigned for payment to DFAS-CO, P.O. Box 182317, Columbus, OH 43218 -2317.

SUBPART 32.3 - LOAN GUARANTEES FOR DEFENSE PRODUCTION

32.304 Procedure.

32.304-1 Application for guarantee.

(a) Any application based on a contract which cites or will cite DLA funds will be transmitted to HQ DLA, ATTN: FO. This address will be used regardless of the office responsible for administration of or payment under the contract.

SUBPART 32.4 - ADVANCE PAYMENTS FOR NON-COMMERCIAL ITEMS

32.409 Contracting officer action.

32.409-1 Recommendation for approval.

The contracting officer's report, containing all the information specified in FAR 32.409 -1, shall be forwarded by the chief of the contracting office to HQ DLA, ATTN: FO, with a copy to HQ DLA, ATTN: MMPPP. The items indicated in FAR 32.409 -1(b) and (c) require submission and investigation of all information cited in FAR 32.408. Information on how advance payments, in lieu of all other financing methods, are necessary for performance of the contract, and how the authorization of advance payment is in the public interest or, as applicable (see FAR 32.402), will facilitate the national defense, shall be included in documentation to be furnished pursuant to FAR 32.409-1(d).

32.409-2 Recommendation for disapproval.

If the contracting officer determines that the request should be disapproved, the determination shall be forwarded for approval by the chief of the contracting office. The response to the contractor should include suggestions as to alternate financing methods. If the

contract cites DLA funds, an information copy of the documents should be transmitted to HQ DLA following the distribution cited in 32.409-1 above. (The office administering or making payments under the contracts or maintaining the allotment records to which the payment will finally be charged is not pertinent.)

SUBPART 32.5 - PROGRESS PAYMENTS BASED ON COSTS

32.501 General.

32.501-2 Unusual progress payments.

(a) All unusual progress payments provisions along with supporting information, shall be submitted for coordination and approval to HQ DLA, ATTN: FO, with a copy to HQ DLA, ATTN: MMPPP, if the request concerns a contract which cites DLA funds.

32.502 Preaward matters.

32.502-1 Use of customary progress payments.

The use of a progress payments clause in orders with the Federal Prison Industries (FPI) and in orders with the workshops of the National Industries for the Blind (NIB) and the National Industries for the Severely Handicapped (NISH) shall be based on the criteria in FAR 32.502 -1. These entities shall be afforded the same privileges for and rate of progress payments as are permitted for large business concerns.

32.502-3 Solicitation provisions.

(90) To specify the applicable progress payment rate, a provision substantially as follows shall be included in orders with FPI and the workshops of NIB/NISH that authorize progress payments.

"Paragraph (a) of the clause at DFARS 252.232-7004, DoD Progress Payment Rates, which is hereby incorporated by reference, specifies the progress payment rate applicable to this order."

SUBPART 32.6 - CONTRACT DEBTS

32.690 Claims processing.

Follow directions contained in DLAM 7000.1, chapter 12.

SUBPART 32.7 - CONTRACT FUNDING

32.703 Contract funding requirements.

32.703-2 Contracts conditioned upon the availability of funds.

It is recognized that there may be instances, other than those described in FAR 32.703 -2, when it may be necessary to initiate a purchase prior to the availability of funds. In such instances, the action will only be taken after the facts concerning the proposed solicitation are presented to HQ DLA, ATTN: MMPPP, for review as to the necessity for such action and the obtaining of the required FAR deviation permitting use of the provisions set forth in FAR 52.232-18.

SUBPART 32.9 - PROMPT PAYMENT

32.905 Reserved.

32.906 Contract financing payments.

(a) The DFARS 232.906(a) requirement that the contracting officer coordinate payment terms with offices involved in the payment process applies only when a timeframe longer than the normal 7 or 14 day requirements specified in the Prompt Payment clause at FAR 52.232 -25(a)(6) and at FAR 52.232-25(b)(2) is used.