3.3 Contract Funding and Payment Revised 10/2011
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3.3 Contract Funding and Payment Revised 10/2011

3.3.1 Contract Funding and Payment

Contract payment processes expedite the performance of essential contracts. The FAA will structure payment plans and schedules that are conducive to efficient and economical contract performance.

3.3.1.1 Applicability

This section applies to all contracts except real property and utilities. This section includes:

- Payments;
- Prompt payment;
- Non-delivery payments (commercial and noncommercial);
- Contract funding; and
- Debt collection.

3.3.1.2 Policy

3.3.1.2.1 Payment

Prudent contract payment schemes expedite the performance of essential contracts. The CO should strive to structure the contract to allow frequent partial deliveries. If partial deliveries are not possible or the interval between deliveries is long, non-delivery payments may be necessary for efficient and economical contract performance.

3.3.1.2.2 Prompt Payment Revised 4/2012

The FAA should make payments for all acceptable deliveries within 30 days after receipt of a proper invoice and receiving report (15 days for contracts with small businesses, whenever practicable). Interest will apply to any payment later than 30 days. However, except under contracts for services, interest will not apply to late payments on interim vouchers under time-and-material, labor-hour, and cost reimbursement contracts.

3.3.1.2.3 Non-delivery Payments (Commercial and Noncommercial)

The CO may use any of the non-delivery payment methods available for use. Other types of non-delivery payments may be made as long as they are mutually agreed upon and the interest of the FAA and the U.S. taxpayer are protected (e.g., security, adequate accounting system, etc.). All non-delivery payment plans not described in this section require approval one level above the CO.

3.3.1.2.4 Contract Funding

The FAA must comply with the Anti-Deficiency Act and other fiscal laws.

3.3.1.2.5 Debt Collection

Debt collection is the responsibility of the CO in coordination with the payment office. Interest must be assessed on all uncollected debt in accordance with this section.

3.3.2 Reserved **Revised 10/2011**