

2432.703-1 General.

(b)

- (1) Except as described herein, a fixed-price contract may be funded incrementally only if -
 - (i) Sufficient funds are not available to the Department at the time of contract award or exercise of option to fully fund the contract or option; and
 - (ii) The contract (excluding any options) or any exercised option -
 - (A) Is for severable services; and
 - (B) Does not exceed one year in length; and
 - (C) Is incrementally funded using funds available (unexpired) as of the date the funds are obligated; and
 - (iii) If applicable, the contract uses funds available from multiple (2 or more) fiscal years and Congress has otherwise authorized incremental funding.
- (2) An incrementally funded fixed-price contract shall be fully funded as soon as funds are available.

Parent topic: [Subpart 2432.7 - Contract Funding](#)