

32.706-2 Clauses for limitation of cost or funds.

(a) The *contracting officer shall* insert the clause at [52.232-20](#), Limitation of Cost, in *solicitations* and contracts if a fully funded cost-reimbursement contract is contemplated, whether or not the contract provides for payment of a fee.

(b) The *contracting officer shall* insert the clause at [52.232-22](#), Limitation of Funds, in *solicitations* and contracts if an incrementally funded cost-reimbursement contract is contemplated.

Parent topic: [32.706 Contract clauses.](#)