

32.1108 Payment by Governmentwide commercial purchase card.

A *Governmentwide commercial purchase card* charge authorizes the third party (e.g., financial institution) that issued the purchase card to make immediate payment to the contractor. The Government reimburses the third party at a later date for the third party's payment to the contractor.

(a) The clause at [52.232-36](#), Payment by Third Party, governs when a contractor submits a charge against the purchase card for contract payment. The clause provides that the contractor *shall* make such payment requests by a charge to a Government account with the third party at the time the payment clause(s) of the contract authorizes the contractor to submit a request for payment, and for the amount due in accordance with the terms of the contract. To the extent that such a payment would otherwise be approved, the charge against the purchase card *should* not be disputed when the charge is reported to the Government by the third party. To the extent that such payment would otherwise not have been approved, an authorized individual (see [1.603-3](#)) *shall* take action to remove the charge, such as by disputing the charge with the third party or by requesting that the contractor credit the charge back to the Government under the contract.

(b)

(1) Written contracts to be paid by purchase card *should* include the clause at [52.232-36](#), Payment by Third Party, as prescribed by [32.1110\(d\)](#). However, payment by a purchase card also *may* be made under a contract that does not contain the clause to the extent the contractor agrees to accept that method of payment.

(2)

(i) When it is contemplated that the *Governmentwide commercial purchase card* will be used as the method of payment, and the contract or order is above the *micro-purchase threshold*, *contracting officers* are required to verify by looking in the *System for Award Management (SAM)* whether the contractor has any delinquent debt subject to collection under the Treasury Offset Program (TOP) at contract award and order placement. Information on TOP is available at <http://fms.treas.gov/debt/index.html>.

(ii) The *contracting officer* *shall* not authorize the *Governmentwide commercial purchase card* as a method of payment during any period the SAM indicates that the contractor has delinquent debt subject to collection under the TOP. In such cases, payments under the contract *shall* be made in accordance with the clause at [52.232-33](#), Payment by *Electronic Funds Transfer-System for Award Management*, or [52.232-34](#), Payment by *Electronic Funds Transfer-Other Than System for Award Management*, as appropriate (see FAR [32.1110\(d\)](#)).

(iii) *Contracting officers* *shall* not use the presence of the SAM debt flag indicator to exclude a contractor from receipt of the contract award or issuance or placement of an order.

(iv) The *contracting officer* *may* take steps to authorize payment by *Governmentwide commercial purchase card* when a contractor alerts the *contracting officer* that the SAM debt flag indicator has been changed to no longer show a delinquent debt.

(c) The clause at [52.232-36](#), Payment by Third Party, requires that the contract-

(1) Identify the third party and the particular purchase card to be used; and

(2) Not include the purchase card account number. The purchase card account number *should* be provided separately to the contractor.

Parent topic: [Subpart 32.11 - Electronic Funds Transfer](#)