

# 15-1. Contract Payments

- a. The GPC may be used as a payment method on contracts. See FAR 32.1108. The Contracting Officer will make the determination to use the GPC as the payment method for CHs to make contract payments on formal contract vehicles up to the limit of the Contracting Officer's warrant when the GPC payment method is proven to be more advantageous to the Government. Benefits to increasing GPC contract payments include greatly increased refunds per effort expended, exemption from GPC data mining, and faster receipt of payments. Contracting Officers normally appoint CHs residing in the contracting office as GPC contract payment CHs. The Contracting Officer or an A/OPC with the appropriate delegating authority may appoint GPC contract payment CHs outside the contracting office providing the Contracting Officer or A/OPC with the appropriate delegating authority provides adequate training and oversight.
- b. All modifications impacting payment and/or funding (including options exercised) must be re-coordinated with the RM, CH, and BO to ensure the financial management system and the bank's EAS are properly updated. Failure to do so will result in the servicing bank not being paid which may result in a possible account delinquency. The CH will maintain supporting documentation in the bank's EAS for each contract payment made using the GPC.
- c. At a minimum, procedures must be in place to ensure proper separation of duties to safeguard Government resources and to avoid the posting of double obligations associated with the use of the GPC to make payment on existing contract vehicles. Contracts where the GPC is used as the method of payment are required to be fully funded. No progress (finance) payments are authorized.
- d. **FPDS-NG.** Contracting Officers are responsible for ensuring the FPDS reporting is completed. When the GPC is used as a method of payment against a contract, the action must be reported in an individual contract action report (CAR), and "Yes" must be selected for "Purchase Card as Payment Method" in FPDS. See FPDS reporting requirements of FAR 4.6, DFARS 204.6, and DFARS PGI 204.606. Open-market micro-purchases made with the GPC and valued less than the MPT will not be reported to FPDS. (See FAR 4.606(c) for a list of additional actions that are not to be reported.)
- e. FAR policy requires the consent of contractors when contemplating the use of GPC as the payment method. Consent is typically obtained by including FAR clause 52.232-36 in the solicitation and, if the contractor does not object, the contract. Existing contracts may be modified to include the clause, with the consent of the contractor. The GPC may be used as a contract payment method if the vendor accepts the payment.
- f. **Contract Payment Processes.** The servicing bank has two different methods for contract payments: a payment card process and a Payment Plus process. See paragraph 15-4 and Figure 15-1 for a description of the payment card process. See paragraph 15-5 and Figure 15-2 for a description of the Payment Plus process.

**Parent topic:** [CHAPTER 15 - CONTRACT PAYMENTS](#)