

## 242.7204 Contract clause.

Use the clause at [252.242-7004](#) , Material Management and Accounting System, in all solicitations and contracts exceeding the simplified acquisition threshold that are not for the acquisition of commercial products or commercial services and—

- (a) Are not awarded to small businesses, educational institutions, or nonprofit organizations; and
- (b) Are either—
  - (1) Cost-reimbursement contracts; or
  - (2) Fixed-price contracts with progress payments made on the basis of costs incurred by the contractor as work progresses under the contract.

**Parent topic:** [Subpart 242.72 - CONTRACTOR MATERIAL MANAGEMENT AND ACCOUNTING SYSTEM](#)