



DEPARTMENT OF THE INTERIOR

DEPARTMENT OF THE INTERIOR ACQUISITION REGULATION (DIAR)

PART 1432 CONTRACT FINANCING

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SUBPART 1432.1 -- GENERAL

1432.102 Description of contract financing methods

(e)(1) Use of progress payments based on a percentage or stage of completion are authorized for construction contracts. Progress payments for other than construction, alteration, and repair contracts require the CO to write a determination that:

1. Payments based on costs would be impracticable; and
 2. Adequate measures exist for determining quality standards and the percentage of work accomplished.
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SUBPART 1432-3 -- LOAN GUARANTEES FOR DEFENSE PRODUCTION

1432.304 Procedures

1432.304-2 Certificate of eligibility

(h) Guaranteed loan applications shall be authorized and transmitted to the Federal Reserve Board by the AS/PMB.

SUBPART 1432.4 -- ADVANCE PAYMENTS

1432.402 General

e)The HCA is authorized to approve determinations and findings as well as contract terms for advance payments. The CO shall submit a recommendation for approval or disapproval of the contractor's request through the head of the bureau finance office to the HCA.

1432.407 Interest

(d) The HCA may authorize advance payments without interest pursuant to [FAR 32.407](#)

SUBPART 1432.5 -- PROGRESS PAYMENTS BASED ON COSTS

1432.501 General

1432.501-1 Customary progress payment rates

(b) The CO shall obtain the advance approval of the HCA, or designee, before providing a progress payment rate higher than the customary rates. Advance approval to provide progress payment rates higher than the customary rates shall not be delegated lower than the CCO.

1432.502-2 Contract finance office clearance

The CO shall obtain approval of the bureau finance office prior to taking actions listed in [FAR 32.502-2](#).

SUBPART 1432.6 -- CONTRACT DEBTS

1432.605 Responsibilities and cooperation among Government officials

(b) 344 DM contains policy, standards, and guidelines for collection of debts within the Department. Each bureau and office is responsible for developing an internal debt collection system and prescribing internal procedures for collection of debts, including debts covered under [FAR Subpart 32.6](#).

1432.616 Compromise actions

If the CO recommends compromise of contractor actions, the CO shall consult 344 DM and SOL for further action.

SUBPART 1432.9 -- PROMPT PAYMENT

1432.906 Contract financing payments

(a) The CO may modify the timing of payment specified in section(b)(2) of the clause [FAR 52.232-26](#), Prompt Payment for Fixed-Price A&E Contracts, and/or paragraph (b) of the clause at [FAR 52.232-27](#), Prompt Payment for Construction Contracts, as appropriate, to provide for a period shorter than 30 days (but not less than 7 days) for making contract financing payments based on geographical site location, workload, contractor ability to submit a proper request for payment, or other factors. When considering a modification to these FAR standard(s), the CO should alert the finance and program officials involved in the payment process to ensure that such shorter contract payment terms to be specified in the solicitation and resulting contract will be met. A CO determination justifying a shorter payment period will be issued in writing, and incorporated into the solicitation/contract file.

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