

# COMMERCE ACQUISITION MANUAL

## Part 4, Chapter 3

### CONTRACT CLOSEOUT PROCEDURES

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## COMMERCE ACQUISITION MANUAL

1. **Purpose.** This Chapter provides detailed procedures and timeframes for closeout of contracts and small purchases.

2. **Policy.** Department of Commerce contracts and small purchases shall be closed out in a timely manner in accordance with the standards established by the Federal Acquisition Regulation (FAR), and this Chapter. A completed contract should not be closed if the contract is in litigation, under investigation, or pending a termination action.

### 3. References.

- a. FAR 4.804 "Closeout of contract files."
- b. FAR 42.708 "Quick-closeout procedure."
- c. CAR 1304.804 and 1342.708.
- d. Commerce Acquisition Manual (CAM), Part 15, Chapter 1 "Audits."
- e. Commerce Personal Property Management Manual, Chapter 6.
- f. DAO 205-1 "Records and Other Documents Disposition Management Program."

4. **Applicability.** This chapter applies to all Commerce contracts and small purchases in all Commerce Operating Units.

5. **Effective Date.** The procedures of this Chapter are effective August 1, 1992.

### 6. Impact On Other Procedures.

- a. The procedures of this Chapter are applicable to all operating units of this Department. All Operating Units shall revise their implementing procedures to conform to the policies and procedures contained in this chapter.
- b. The Commerce Department "Model Procedures for Closeout of Completed Contracts", dated January 31, 1984, is cancelled.

7. **Definitions.** The following terms are used in this Chapter:

- a. Contracting Officer is used throughout this Chapter, even though in most cases the actual work will be performed by contract specialists, negotiators, administrators, procurement agents, or procurement clerks. Except for those actions which require a CO warrant, the CO may delegate any of the duties of contract closeout to procurement personnel or contractor support personnel.
- b. Completion voucher/invoice means a contractor's written request for payment for all costs up to the contract amount, excluding the fee reserves or the final profit earned.
- c. Final voucher/invoice means a contractor's written request for payment of the fee

reserve or the final amount of earned profit, plus any adjustments due after the final determination on the amounts of the cumulative costs.

d. Invoice means a contractor's written request for payment under a contract for supplies delivered or services rendered. Invoices are associated usually with fixed-price contracts.

e. Physically completed means that all deliverable items have been delivered and accepted, all options have been exercised or expired, all services have been performed and accepted, a formal waiver has been granted, or a notice of complete termination has been issued.

f. Unliquidated funds means funds that remain unexpended at the close of the contract.

g. Unliquidated obligations means unliquidated funds.

h. Voucher means a contractor's written request for payment under cost-reimbursement type contracts.

**8. Responsibilities.** The Contracting Officer (CO) is responsible for closing out the contract or small purchase with the assistance of the Contracting Officer's Technical Representative (COTR), the responsible Property Administrator, General Counsel, and the Office of Inspector General, as applicable.

a. Contracting Officer. The CO shall:

- 1) Ensure that all contract actions are completed, including all outstanding claims, change orders, or value engineering change proposals, and that the file is ready for final closeout.
- 2) Request the contractor to submit the required closeout documents.
- 3) Ensure that all residual Government property remaining under the contract is properly disposed of.
- 4) Ensure that applicable patent reports are cleared.
- 5) Make the final decision on the amount of the contract.
- 6) Ensure that the contractor is paid for all work performed in a timely manner.
- 7) Ensure that any monies owed to the Government by the contractor are collected in a timely manner.
- 8) Ensure that the file is properly retired and retained in storage for the required period

b. Contracting Officer's Technical Representative. The COTR shall:

- 1) Assist the CO in the settlement of any outstanding claims, change orders, or value engineering change proposals.
- 2) Ensure that all technical requirements of the contract have been met and the contract has been satisfactorily completed.
- 3) Certify that all deliverable items, including the final report, were delivered and accepted, and that all services were performed and accepted.
- 4) Review and verify that the contractor's report of inventions is accurate.
- 5) Review and verify that the contractor's inventory of residual Government property is accurate.
- 6) Coordinate with the responsible property administrator and provide instructions to the CO for the disposition of all residual Government property.
- 7) Review the completion voucher for cost-reimbursable contracts to the costs claimed are consistent with the work performed and are reasonable.

c. Property Administrator. The property administrator shall:

- 1) Review and verify that the contractor's inventory of residual Government property is accurate.
- 2) Coordinate with the COTR in providing timely instructions to the CO disposition of all residual Government property.
- 3) Works with the CO to ensure that the contractor complies with the disposition instructions for all residual Government property.

## **9. Closeout Process.**

a. Principles. The following principles should be kept in mind when closing out contracts or small purchases:

- 1) Closing out a contract takes time and the amount of time generally varies by contract type. Closeout activities will be more difficult and time consuming for contracts under which the Government has the largest portion of risk, e.g., cost-reimbursement, level-of-effort, or incentive contracts.
- 2) Each contract is a separate entity containing specific terms, provisions, and requirements. To properly conduct a closeout, a contract must be viewed in this light. The contract should not be handled as if it is exactly like all other contracts awarded in a continual, repetitive process.

3) Prior to starting any closeout activity, the entire contract file, including all correspondence, invoices or vouchers, and other materials in the file should be reviewed. Failure to read the contract file could result in overlooking items and the possible loss of substantial amounts of funds.

4) A complete inventory of all actions needing attention under the contract should be made at the start of the closeout process. This inventory should identify the actions required and an estimated date of completion for each action.

5) The last and perhaps most important principle in contract closeout is follow up. Because the contract or small purchase has been completed, many think that the contract has fulfilled its purpose and will not give a high priority to their closeout responsibilities. A follow up plan must be developed and followed to ensure that all steps of the closeout are performed in a timely manner. The plan should include frequent and persistent follow up to see that all the information and data needed is received and that the closeout process proceeds within the time standards established by the FAR.

b. General Procedures. The following steps should be taken regardless of the contract type:

1) The CO should assemble all elements for the contract file and review its contents against the requirements contained in FAR 4.801 and 4.803. Any missing documents must be obtained and placed in the contract file. If unable to obtain the required information, the file should be documented to show the facts and circumstances that show why the document could not be obtained.

2) The full contract file should be read from cover to cover and any remaining actions must be noted.

3) After all outstanding actions have been completed, the file will then be ready for closeout. The CO shall develop a closeout action plan and proceed with the closeout process in accordance with the applicable part of this Chapter.

4) In accordance with the requirements of FAR 4.804-2(b), the CO shall prepare and sign a statement that all required contractual actions have been completed, and the contract is ready for the closeout process. This statement shall become part of the official contract file.

5) In accordance with FAR 42.708(a), COs may utilize the quick closeout procedures authorized at FAR 52.216-7 or 52.216-13, after consulting with the Office of Inspector General (OIG), Administrative and Development Division, for any contract which meets the criteria listed in FAR 42.708(a).

c. Specific Procedures for Firm Fixed-Price Contracts.

1) Time Standards. In accordance with FAR 4.804-1(a)(2), all firm fixed-price contracts must be closed out within 6 months of the month after the CO receives evidence of physical completion, using the following guidelines:

- a) The payment review and decision to deobligate unneeded funds: Within 15 days after the file is certified to be complete.
- b) Memorandum to COTR: Within 15 days after the file is certified to be complete.
- c) Letter to the contractor: Within 15 days after response from the COTR.
- d) Property inventory forwarded to COTR and property administrator: Within 15 days after receipt from the contractor.
- e) Patent report forwarded to COTR and patent counsel: Within 15 days after receipt from the contractor.
- f) Contract closeout: Within 30 days after disposition of property and patent clearances.
- g) Request to COTR. The CO shall request the COTR, in writing, to verify that all work has been delivered or performed, or that all services have been performed if applicable, and were accepted. If the contract contains Government furnished property (GFP), remind the COTR that the contractor's inventory of residual property must be reviewed and disposition instructions for this property will be required later.

2) Payment Review. After completing the steps in the General Procedures, the CO shall take all necessary actions to ensure that the contractor has been paid for all work delivered or performed and accepted by the Government in accordance with the provisions of the Prompt Payment Act. The CO shall include in the contract file documentation to verify that the final invoice has been paid.

3) Deobligation of Unliquidated Funds. The CO shall carefully review the contract to see if any unliquidated funds remain under the contract and that the contractor has been paid for all work accepted. After consulting with the COTR, Budget, and Finance, if appropriate, the CO shall issue a modification to deobligate all funds in excess of the amounts needed to meet the Government's obligations under the contract.

4) Advisory and Assistance Services. If the contract required the performance of advisory and assistance services, the CO shall ensure that the COTR has prepared the evaluation required by DAO 216-13 and will place a copy of the evaluation in the contract file.

5) Letter To Contractor. The CO shall send a letter to the contractor requesting the following information:

- a) An original and two copies of the contractor's release. Exhibit A contains a sample format of the contractor's release.
  - b) If the contract provided GFP, three copies of the contractor's inventory of GFP remaining under the control of the contractor.
  - c) If the contract or any subcontracts contained patent or technical rights in data clauses, three copies of the contractor's report of inventions and subcontracts.
- 6) Review of Contractor's Response. The CO shall review the contractor's response for completeness of the information requested and will request the contractor to provide any missing, incomplete, or incorrect data, if necessary.
- 7) Property Clearance. A copy of the contractor's inventory shall be sent to the COTR and the responsible property administrator requesting that they provide instructions for the disposition of the GFP. An information copy of the disposition instructions shall be sent to the responsible finance office.
- 8) Patent Clearance. A copy of the contractor's report of inventions and subcontracts shall be sent to the COTR and patent counsel requesting that the report be cleared. If a negative report is submitted, the project office should be contacted to ensure that this report is accurate and that no inventions or patents should have resulted from this contract.
- 9) Approval of the Final Invoice. The CO shall sign the final invoice and submit it for payment in accordance with agency procedures, within the time frames set by the Prompt Payment Act.
- 10) File Retirement. Following contract closeout, the contract file shall be prepared for retirement and storage in accordance with the Retirement and Disposal section of this chapter.

d. Specific Procedures for Other Fixed-Price Contracts.

- 1) Time Standards. In accordance with FAR 4.804-1(a)(4), all fixed-price contracts, other than firm fixed-price contracts, must be closed out within 20 months of the month after the CO receives evidence of physical completion, using the following guidelines:
- a) The payment review and decision to deobligate unneeded funds:  
Within 15 days after file is certified to be complete.
  - b) Memorandum to COTR: Within 15 days after the file is certified to be complete.
  - c) Letter to the contractor: Within 15 days after response from the COTR.
  - d) Final audit requested: Within 15 days after response from contractor.
  - e) Property inventory forwarded to COTR and property administrator:  
Within 15 days after receipt from the contractor.
  - f) Patent report forwarded to COTR and patent counsel: Within 15 days

after receipt from the contractor.

g) Desk audit completed: Within 60 days after receipt of contractor's response.

h) Final equitable adjustment of price: Within 30 days of completion of desk audit or 90 days after receipt of the final audit.

i) Final modification to contractor: Within 15 days after review and clearances on modification are completed.

j) Execution of final modification: Within 45 days after modification is sent to contractor.

k) Request for payment of final invoice: Within 15 days after receipt from contractor.

l) Contract closeout: Within 30 days after payment of final invoice.

m) Verification by the COTR. The CO shall request the COTR, in writing, to verify that all work has been delivered or performed, or that all services have been performed if applicable, and were accepted. If the contract contains Government furnished property (GFP), remind the COTR that the contractor's inventory of residual property must be reviewed and disposition instructions for this property will be required later.

2) Payment for Work Performed/Delivered. After completing the steps in the General Procedures paragraph 10.b, the CO shall take all necessary actions to ensure that the contractor has been paid for all work delivered or performed and accepted by the Government, in accordance with the provisions of the Prompt Payment Act.

3) Deobligation of Unliquidated Funds. The CO shall carefully review the contract to see if any unliquidated funds remain under the contract or that the contractor has been paid for all work accepted. After consulting with the COTR, Budget, and Finance, if appropriate, the CO shall issue a modification to deobligate all funds in excess of the amounts estimated to be needed to meet the Government's obligations under the contract.

4) Advisory and Assistance Services. If the contract required the performance of advisory and assistance services, the CO shall ensure that the COTR has prepared the evaluation required by DAO 216-13 and place a copy of the evaluation in the contract file.

5) Letter to Contractor: The CO shall send a letter to the contractor requesting the following information:

a) Three copies of a completion invoice along with documentation supporting the claimed incurred costs and profit, if applicable.

b) An original and two copies of the contractor's release. Exhibit A

contains a sample format of the contractor's release.

c) If the contract provided GFP, three copies of the contractor's inventory of GFP remaining under the control of the contractor.

d) If the contract or any subcontracts contained patent or technical rights in data clauses, three copies of the contractor's report of inventions and subcontracts.

e) Review of Contractor's Response. The CO shall review the contractor's response for completeness of the information requested and request the contractor to provide any missing, incomplete, or incorrect data.

6) Final Audit.

a) If the contract is over \$100,000, a final audit shall be requested in accordance with the requirements of the CAM chapter on Audits.

b) If the completed contract does not exceed \$100,000, the CO shall use the procedures set forth in Part 7 DESK AUDIT to establish a prenegotiation position on the contract's final price.

7) Property Clearance. A copy of the contractor's inventory shall be sent to the COTR and the responsible property administrator requesting that they provide instructions for the disposition of the GFP. An information copy of the disposition instructions shall be sent to the responsible finance office.

8) Patent Clearance. A copy of the contractor's report of inventions and subcontracts shall be sent to the COTR and patent counsel requesting that the report be cleared. If a negative report is submitted, the accuracy of the report shall be verified with the responsible project office.

9) Analysis of Costs. When the final audit report is received, the CO shall analyze the claimed costs and the audit recommendations in order to develop a prenegotiation position.

10) Equitable Agreement of Price. The CO shall then negotiate a final equitable price based upon the actual costs in relation to the target price, the target profit, the ceiling price, the share arrangement and an evaluation of the contractor's actual performance. The CO shall request additional funding if the amount of the unliquidated funding is not sufficient to cover the final equitable price negotiated.

11) Final Modification. The contractor shall be requested to sign the final modification, and submit three copies of the final invoice and a revised release form, if needed.

12) Funds Owed The Government. If the contractor has been paid funds which exceed the contract price as established in the final modification, the CO shall follow the procedures set forth in FAR 32.606 and CAR 1332.605 to ensure that the money owed the Government is collected in a timely manner.

13) Approval of the Final Invoice. The CO shall sign the final invoice and submit it for payment in accordance with agency procedures, within the time frames set by the Prompt Payment Act.

14) File Retirement. Following contract closeout, the contract file shall be prepared for retirement and storage in accordance with the RETIREMENT AND DISPOSAL section of this Chapter.

e. Specific Procedures for Cost-Reimbursement Contracts.

1) Time Standards. In accordance with FAR 4.804-1(a)(3), all cost reimbursement contracts must be closed out within 36 months of the month after the contract is completed.

a) Memorandum to COTR: Within 15 days after the file is certified to be complete.

b) Letter to the contractor: Within 15 days after response from the COTR.

c) Final audit requested: Within 15 days after response from contractor.

d) Property inventory forwarded to COTR and property administrator: Within 15 days after receipt from the contractor.

e) Patents report forwarded to COTR and patent counsel: Within 15 days after receipt from the contractor.

f) Desk audit completed: Within 120 days after receipt of contractor's response if final indirect rates have been established. If final indirect rates need to be established: Within 90 days after establishment of final indirect rates.

g) Final equitable adjustment of cost: Within 30 days of completion of desk audit or 90 days after receipt of the final audit.

h) Final modification to contractor: Within 15 days after review and clearances on modification are completed.

i) Execution of final modification: Within 45 days after modification is sent to contractor.

j) Request for payment of final voucher: Within 15 days after receipt from contractor.

k) Contract closeout: Within 30 days after payment of final voucher.

2) Initial Notice to the COTR. The CO shall request the COTR, in writing, to verify that all work has been delivered or performed, or that all services have been performed if applicable, and were accepted. If the contract contains Government furnished property (GFP), remind the COTR that the contractor's inventory of

residual property must be reviewed and disposition instructions for this property will be required later.

3) Advisory and Assistance Services. If the contract required the performance of advisory and assistance services, the CO shall ensure that the COTR has prepared the evaluation required by DAO 216-13 and place a copy of the evaluation in the contract file.

4) Letter to Contractor. The CO shall send a letter to the contractor requesting the following information:

a) Three copies of a completion voucher with a reconciliation statement supporting the claimed cost incurred, and the proposed final indirect rates for the years covered by the contract.

b) Four copies of the final voucher which should include the fee reserve.

c) An original and two copies of the contractor's release. Exhibit A contains a sample format of the contractor's release.

d) An original and two copies of the contractor's assignment of refunds, rebates, credits, and other amounts. Exhibit B contains a sample format for the contractor's assignment of refunds, rebates, credits, and other amounts.

e) Three copies of the contractor's report of inventions and subcontracts.

f) Three copies of the contractor's final inventory of residual Government owned property, including GFP, if applicable, remaining under the control of the contractor.

5) Review of Contractor's Response. The CO shall review the contractor's response for completeness of the information requested and will request the contractor to provide any missing, incomplete, or incorrect data.

6) Review of Completion Voucher. The CO shall review and sign the completion voucher, and shall take all necessary steps to ensure that this voucher is paid promptly, including obtaining additional funds if necessary.

7) Deobligation of Unliquidated Funds. After consulting with the COIR and finance, if appropriate, the CO will deobligate all funds in excess of the amounts that the CO determines is needed to meet the Government's remaining obligations under the contract. After consulting with the COTR, Budget, and Finance, if appropriate, the CO shall issue a modification to deobligate all funds in excess of the amounts estimated to be needed to meet the Government's obligations under the contract.

8) Final Audit.

a) If the completed contract exceeds \$250,000, a final audit shall be requested in accordance with the requirements of the CAM Part 15,

Chapter 1, "Audits".

b) If the completed contract does not exceed \$250,000, the CO shall use the procedures set forth in the DESK AUDIT section of this Chapter to establish a prenegotiation position on the contract's final price.

c) Property Clearance. A copy of the contractor's property inventory shall be sent to the COTR and the responsible property administrator requesting that they provide instructions for the disposition of the residual Government property, including any GFP. An information copy of the disposition instructions shall be sent to the responsible finance office.

d) Patent Clearance. A copy of the contractor's report of inventions and subcontracts shall be sent to the COTR and patent counsel requesting that the report be cleared. If a negative report is submitted, verification shall be obtained that this report is accurate from the responsible project office.

9) Analysis of Costs. When the final audit report is received, the CO shall analyze the claimed costs and the audit recommendations in order to make a final determination of the contract amount.

10) Final Determination. The CO shall determine which costs incurred are considered to be allowable, allocable and reasonable under the contract, and shall prepare a modification which reflects the final determination. The CO shall obtain additional funding, if necessary, to My fund the contract. The modification shall incorporate the final indirect rates for the years covered by the contract. If a final audit was not required, and final rates have not been established, the CO may use provisional rates to determine the final price, provided the use of the provisional rates will not have a significant impact on the costs of the contract.

11) Final Modification. Once the CO has obtained evidence that all residual Government property has been disposed of in accordance with the Government's instructions and the report of inventions has been cleared, the contractor shall be requested to sign the modification, and submit three copies of the revised final voucher (if necessary), and an original and two copies of the contractor's release. Exhibit A contains a sample format of the contractor's release.

12) Payment of Final Voucher. The CO shall sign the final voucher and ensure that it is paid promptly in accordance with the provisions of the Prompt Payment Act.

13) Funds Owed The Government. If the contractor has been paid funds which exceed the contract price as established in the final modification, the CO shall follow the procedures set forth in FAR 32. 606 and CAR 1332.605 to ensure that the money owed the Government is collected in a timely manner.

14) File Retirement. Following contract closeout, the contract file shall be prepared for retirement and storage in accordance with the RETIREMENT AND DISPOSAL section of this Chapter.

f. Specific Procedures for Purchase Orders.

1) Time Standards. All small purchases shall be closed out within 60 days after the CO receives evidence of physical completion.

2) Procedures. The CO shall require that all purchase orders be reviewed monthly to ensure that timely deliveries have been made. A purchase order can be considered complete if it contains one of the following documents which indicate that final payment has been made: A copy of the invoice marked with the date of payment, a copy of the Final Payment Notice from the finance office indicating that final payment has been made, a memorandum to the file signed by the CO that payment has been made, a computer listing, a copy of an electronic message, or a modification deobligating excess funds. In addition, a copy of the receiving report, signed by the requiring office, indicating that the items have been received should be included in the file.

3) Storage. Each completed purchase order shall be placed in a Records Center storage box for retirement and storage, in accordance with the requirements of the Retirement and Disposal section of this Chapter.

**10. Desk Audit.** For those completed contracts where a final audit is not required (see Paragraphs 508 and 609) the CO shall use the following desk audit procedures to determine the final contract price, unless the CO decides that a final audit is required.

a. Review of Contract and Completion Voucher/Invoice. The CO shall review the completion voucher/invoice and shall compare it to the terms of the contract, including all modifications. The period of performance, level of effort, estimated cost, target cost, ceiling cost, fee/profit incentives, as applicable, should all be examined in comparison to the claimed incurred costs. The contract should be checked to determine if there were any special provisions which may affect the allowability of the claimed costs, such as ceiling on labor rates, indirect rates or travel. The cumulative costs and fee or profit claimed are to be compared with the amounts negotiated. In a level-of-effort contract the fee claimed should be compared with the actual effort provided and the levels of effort specified in the contract.

b. Review of Indirect Rates. The CO should review the contract to determine the contractor's fiscal years covered by the contract. The OIG should be contacted to determine if final indirect rates have been established for the years covered by the contract. If final rates have been established for all but the final year, and the last year costs are less than 25 % of the total amount of the contract, the CO should compute the amount due by comparing the final rates for previous years with the provisional billing rates for the contract. The CO should attempt to negotiate final rates with the contractor, following the procedures outlined in FAR 42.705-1. If the CO cannot reach agreement on the final year's rates or if other years' final rates have not been established, the OIG should be requested to assist in obtaining audit determined rates for these years. If final rates cannot be obtained, the CO must wait until final government-wide rates are established before closing out the contract.

c. Analysis of Costs Claimed. Once the final indirect rates have been established, the CO shall examine the accuracy of the claimed costs by assuring that the correct rates are applied to the proper allocation base for each fiscal year. In addition, the mathematical accuracy of the cumulative claim should be verified. Any costs over the contract ceilings should also be reduced. If the supporting data is insufficient to determine the reasonableness and necessity of the claimed costs, the contractor

should be requested to furnish additional data.

d. Contracting Officer Determination. After the analysis of the cumulative costs is complete, the CO shall determine which of the claimed costs are allowable, allocable, and reasonable. Additional funds will be obtained if required. The contractor will then be requested to submit a revised final voucher/invoice and a revised release.

## 11. Retirement and Disposal.

a. Certification Statement. When all closeout actions have been completed, the CO shall certify that the contract is closed out and prepare the file for storage.

b. Records Retention. Completed contracts/purchase orders, including all supporting documents and correspondence, are classified as permanent records and must be stored until they can be disposed of in accordance with the time periods established by the FAR (see FAR Subsection 4.805, Disposal of Contract Files).

c. Preparation For Storage. The CO shall place the complete contract file in a records center carton and prepare a contract closeout list, to include the Contract Number, Box Number, Contractor's Name, and the retention period. The responsible operating unit records management officer should be contacted to request instructions for the transfer of the files to a Federal Records Center.

d. File Retrieval. The CO shall retain the inventory records for each carton and each file in order to be able to retrieve the file if necessary. The records management officer can provide assistance if a file has to be retrieved from the records center.

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Exhibit A

Contractor's Release

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**CONTRACTOR'S ASSIGNMENT OF REFUNDS, REBATES,  
CREDITS, AND OTHER AMOUNTS**

Contract  
No.: \_\_\_\_\_

Pursuant to the terms of Contract No. \_\_\_\_\_ and

in consideration of the reimbursement of costs and payment of fee, as provided in the said Contract and any assignment thereunder,

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(hereinafter called the contractor) does

hereby:

1. Assign, transfer, set over and release to the UNITED STATES OF AMERICA (hereinafter called the Government), all right, title, and interest to all refunds rebates, credits, and other amounts (including any interest thereon), arising out of the performance of the said Contract, together with all rights of action accrued or which may hereafter accrue thereunder.

2. Agree to take whatever action may be necessary to effect prompt collection of all refunds, rebates, credits, and other amounts (including any interest thereon) due or which may become due, and to promptly forward to Contracting officer checks (made payable to the Treasurer of the United States) for any proceeds so collected. The reasonable costs of any such action to effect collection shall constitute allowable costs when approved by the contracting Officer as stated in the said Contract and may be applied to reduce any amounts otherwise payable to the Government under the terms hereof.

3. Agree to cooperate fully with the Government as to any claim or suit in connection with refunds, rebates, credits, or other amounts due (including interest thereon); to execute any protest, pleading, application, power of attorney, or other papers in connection therewith; and to permit the Government to represent him at any hearing, trial, or other proceeding, arising out of such claim or suit.

IN WITNESS WHEREOF, this assignment has been executed this

\_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_

Contractor: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

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Exhibit B

Contractor's Assignment of Refunds, Rebates,  
Credits, and Other Amounts

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**CONTRACTOR'S ASSIGNMENT OF REFUNDS, REBATES,  
CREDITS, AND OTHER AMOUNTS**

Contract  
No.: \_\_\_\_\_

Pursuant to the terms of Contract No.: \_\_\_\_\_ and

in consideration of the reimbursement of costs and payment of fee, as provided in the said Contract and any assignment thereunder,

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(hereinafter called the contractor) does hereby:

1. Assign, transfer, set over and release to the UNITED STATES OF AMERICA (hereinafter called the Government), all right, title, and interest to all refunds rebates, credits, and other amounts (including any interest thereon), arising out of the performance of the said Contract, together with all rights of action accrued or which may hereafter accrue thereunder.
2. Agree to take whatever action may be necessary to effect prompt collection of all refunds, rebates, credits, and other amounts (including any interest thereon) due or which may become due, and to promptly forward to contracting Officer checks (made payable to the Treasurer of the United States) for any proceeds so collected. The reasonable costs of any such action to effect collection shall constitute allowable costs when approved by the Contracting Officer as stated in the said Contract and may be applied to reduce any amounts otherwise payable to the Government under the terms hereof.
3. Agree to cooperate fully with the Government as to any claim or suit in connection with refunds, rebates, credits, or other amounts due (including interest thereon) ; to execute any protest, pleading, application, power of attorney, or other papers in connection therewith; and to permit the Government to represent him at any hearing, trial, or other proceeding, arising out of such claim or suit.

IN WITNESS WHEREOF, this assignment has been executed this

\_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_

Contractor: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_