

CHAPTER 3**CLAIMS FROM CONTRACTORS AND OTHERS**0301 OVERVIEW

030101. This chapter sets forth the policy and procedures relating to claims (including claims involving loss or damage arising from transportation services) against the United States, as represented by NASA, which must be adjudicated by the responsible Government agency before payment is made or denied; waiver of claims of the United States for erroneous payment of pay and allowances, travel and transportation, relocation expenses and allowances, which must be adjudicated by the Director of the Office of Management and Budget; and assignment of claims of monies due, or to become due, under government contracts.

0302 AUTHORITY AND REFERENCES

030201. Relevant references to published regulations are made throughout this chapter where applicable. Refer to the specific section for citations. Citations are made primarily from the following sources.

- A. United States Code (USC) (e.g., 5 USC 5584)
- B. Federal Acquisition Regulations (FAR) (e.g., FAR Part 32.8)
- C. Comptroller General Procedures (Comp. Gen.) (e.g., 5 Comp. Gen. 749)

0303 ROLES AND RESPONSIBILITIES

030301. Headquarters. Headquarters (HQ) responsibility regarding the handling of claims is limited to the following areas.

A. The HQ Chief Financial Officer acts as the liaison between the responsible government agency and the Center, Chief Financial Office, when claims can not be disposed of administratively.

B. The CFO handles the development of claim vouchers, which are issued to the Centers for payment.

030302. Centers. Center Chief Financial Officer and staff have primary responsibilities in the handling of claims.

A. Centers are responsible for handling and filing the initial claims that are received from the responsible government agency. The Center, Chief Financial Officer, handles the disposing of claims administratively.

B. Center CFO takes action for those claims that require adjudication by responsible government agency. Submission requirements, discussed under 0305 Policies and Procedures, must be followed.

C. Center CFO makes payment to assignees of claims after documentation has been received, reviewed, and approved.

D. Center CFO is responsible for settling commercial accounts for which they have responsibility.

E. Center CFO refers doubtful claims.

030303. Center Chief Counsel. Center Chief Counsel has a minor role in the claims handling process. There are times where it is necessary for Chief Counsel to get involved, particularly when it has been determined that a false claim has been submitted. Additionally, the Center CFO coordinates claims that require adjudication through the Center Chief Counsel.

0304 DEFINITIONS

030401. Claims. Claim means a written demand or written assertion by one of the contracting parties seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to the contract. However, a written demand or written assertion by the contractor seeking the payment of money exceeding \$100,000 is not a claim under the Contract Disputes Act of 1978 until certified as required by the Act. A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a claim. The submission may be converted to a claim, by written notice to the contracting officer as provided in 33.206(a), if it is disputed either as to liability or amount or is not acted upon in a reasonable time.

030402. Responsible Government Agency. The Responsible Government Agency is the Federal Office that is required by statute or regulation to pay a specific type of claim.

030403. Assignment. Assignment is defined as a transfer of assignment of any part of a claim against the United States Government or of an interest in the claim or the authorization to receive payment for any part of the claim. An assignment maybe made only after a claim is allowed, the amount of the claim is decided, and a warrant for payment of the claim has been issued.

030404. Surety. Surety is an individual or corporation legally liable for the debt, default, or failure of a principal to satisfy a contractual obligation. The types of sureties referred to are as follows: 1) An individual surety is one person, as distinguished from a business entity, who is liable for the entire penal amount of the bond, 2) A corporate surety is licensed under various insurance laws and, under its charter, has legal power to act as surety for others, and 3) A cosurety is one of two or more sureties that are jointly liable for the penal sum of the bond. A limit of liability for each surety may be stated.

0305 POLICIES AND PROCEDURES

030501. NASA's policy is to promptly process claims received and pay if appropriate. Denial of claims are based on laws, statutes, decisions of the Comptroller General or the Executive Branch agency out of whose activity the claim arose, and other legal written documentation. Denial of waiver of claims is based on laws, statutes, decisions of the Comptroller General (CG), Code of Federal Regulations, and promulgations of central regulatory agencies, or other legal written documentation.

030502. In cases where an overpayment concerns a debt which clearly does not fall within the provisions of 5 USC 5584 "Claims for Overpayment of Pay and Allowances, and of Travel, Transportation and Relocation Expenses and Allowances" as amended, the NASA Headquarters, Chief Financial Officer and Center, Chief Financial Officer, or the Personnel Director shall advise the applicant that waiver may not be considered because the debt does not fall within the provisions of the law.

030503. This policy does not apply to payments to other than NASA employees, or an advance made to an employee under the provisions of Subchapters I and II, Chapter 57 of Title 5, United States Code. Sums advanced to an employee and not used for allowable expenses are recoverable from the employee or his/her estate by: (1) setoff against accrued pay, retirement credit, or other amounts due the employee; (2) deduction from an amount due from the United States; and (3) other method provided by law.

0306 CIVIL CLAIMS AGAINST NASA.

030601. Filing requirements for claimants. NASA will not consider claims unless presented in writing with the signature and address of the claimant or with the signature of the claimant's authorized agent or attorney and is filed through the responsible Government agency. The responsible Government agency varies depending on the claim. A claim filed by an agent or attorney must be supported by a duly executed power of attorney or other documentary evidence of the agent's or attorney's right to act for the claimant. The claimant with the Center where the activities arose will file initial

claims. If the claim cannot be administratively disposed of it will be transmitted through the NASA Headquarters, Chief Financial Officer to the responsible Government agency. Claimants must be cognizant of the statutory limitations for the filing of claims as provided in paragraph 030302. The claimant should send requests for review or reconsideration of claims disallowed by the responsible Government agency directly to the responsible Government agency.

030602. Statutory time limitation for filing claims. Every claim against NASA (except a claim by a State, Territory, Possession, or the District of Columbia) that requires a determination by NASA must be submitted within 6 years after the date such claim first was submitted, unless otherwise provided for by law (28 USC 2501). The responsible Government agency will determine whether the claim has been made within the time prescribed by law. If the claim is not received by the responsible Government agency within the statutory time period, it will be returned to the claimant and no further action will be deemed necessary. NASA Headquarters, Chief Financial Office will be notified of the action taken by the responsible Government agency. All matters relating to claims will be handled promptly. Claimants must also file court actions against NASA within 6 years after the date their claim first was submitted (31 USC 3702 (b)).

030603. Non-receipt of check claims. Pursuant to 31 USC 3702, a claim for non-receipt of a check which the records of the responsible Government agency or the Department of the Treasury show as being paid must be presented to the responsible Government agency or the Treasury within 1 year after the date of issuance of the check. The claimant may present a claim directly to the Treasury or to the responsible Government agency if the statutory period of limitation is about to expire. Since the Treasury has the paid check records and processes the related claims, the preferred procedure is to make the submission to the Treasury. A check claim that is received by a Center, which might be adversely affected by the 1-year limitation, should be immediately transmitted to the Treasury.

0307 SUBMISSION REQUIREMENTS

030701. NASA Centers Chief Financial Officer shall take the following actions in connection with claims against NASA which require adjudication by the responsible Government agency:

A. Obtain pertinent data and supporting documents. The original claim signed by the claimant, the original of the administrative report and the original or one copy of any supporting documents is required for submission to the responsible Government agency to support the claim and settlement action.

B. Coordinate the claim with the Center's Chief Counsel to assure propriety of submission.

C. Prepare a transmittal letter and send it to NASA Headquarters, Chief Financial Officer. The letter will then be submitted to the responsible Government agency. The submission letter will contain the following information:

1. The claimant's name or business name and the social security number or Employee's Identification Number (EIN).
2. A statement of the facts, which gave rise to the claim.
3. A statement of the doubt or other reason for forwarding the claim.
4. A recommendation for the proper disposition of the claim.
5. Citations to pertinent supporting documents, such as the original claim, contracts and vouchers.
6. A statement that the claim has not been paid and will not be paid except pursuant to a certification in the name of the responsible agency for approval.
7. A complete appropriation symbol citation.

D. Notify the claimant of the submission to the responsible Government agency.

E. Submit supplemental reports to the responsible Government agency as conditions may warrant.

030702. Assistance to claimants. Pursuant to 18 USC 205, a Government employee may neither assist nor act, on behalf of a claimant in prosecuting any claim against the United States other than in the proper discharge of official duties; and may not receive any gratuity, or any share of or interest in any such claim, in consideration of assistance in the prosecution of such claim.

030703. False claims. When there are suspicions of fraud or irregularities regarding a claim either prior to payment or subsequent to payment, the Chief Counsel of the Center should be informed to determine appropriate action. Also, upon discovery of fraud or irregularities, the NASA Headquarters, Chief Financial Officer and the NASA Office of Inspector General must be immediately notified by telephone and submission of a written notice.

030704. Processing of claims by the responsible Government agency. Claims submitted to the responsible Government agency are settled on the basis of the facts established by the Center and the written and documentary evidence submitted by

the claimant. Settlements are determined by establishing the legal liability of NASA in the situation, supported by the written record only. The responsible Government agency will determine if a claim is allowed, partially disallowed or wholly disallowed (28 USC 2401).

030705. Processing allowed claims for payment. In cases when the full or partial amount is allowed and there is no set-off for debt due, NASA Headquarters, Chief Financial Officer will forward the voucher to the applicable Center. The Center will effect payment, utilizing the procedures in Chapter 2, Contract Payment, of this Volume. In cases when the full amount allowed or part of the amount allowed is withheld for application to a debt due NASA or another agency, NASA Headquarters, Chief financial Officer will determine procedures that should be used to effect the charges and credits due.

030706. Processing wholly disallowed claims. When a claim is disallowed in full, the responsible Government agency will prepare and issue a memorandum to NASA Headquarters, Chief Financial Officer. NASA Headquarters will forward all correspondence to the applicable Center (28 USC 2401).

030707. Claims for Erroneous Payments. Policy and guidance for claims of NASA or the United States against a person arising out of an erroneous payment of pay or allowances, travel, transportation or relocation expenses and allowances can be found in Volume 6, Chapter 3 of the FMR. Authority is contained in 5 USC 5584.

0308 ASSIGNMENT OF CLAIMS UNDER GOVERNMENT CONTRACTS

030801. Authority for Assignments. The authorities contained in 41 U.S.C 15 and 31 USC 3727 authorize assignments to banks, trust companies, or any financing institution (including federal ending agencies) of monies due, or to become due, under Government contracts totaling \$1,000 or more.

A. Assignment of Claims Act. Under the Assignment of Claims Act, a contractor may assign moneys due or to become due under a contract if all the following conditions are met:

1. The contract specifies payments aggregating \$1,000 or more.
2. The assignment is made to a bank, trust company, or other financing institution, including any Federal lending agency.
3. The contract does not prohibit the assignment.

4. Unless otherwise expressly permitted in the contract, the assignment:

a. Covers all unpaid amounts payable under the contract;

b. Is made only to one party, except that any assignment may be made to one party as agent or trustee for two or more parties participating in the financing of the contract; and

c. Is not subject to further assignment.

5. The assignee sends a written notice of assignment together with a true copy of the assignment instrument to the:

a. Contracting officer or the agency head;

b. surety on any bond applicable to the contract; and

c. disbursing officer designated in the contract to make payment.

030802. Policy and Procedures. Federal Acquisition Regulation (FAR) Part 32.8, prescribes policies and procedures for the assignment of claims under the Assignment of claims Act of 1940.

0309 TRANSFER OF ASSIGNMENT

030901. Title 41 USC 15 prohibits transfer of Government contracts from the contractor to a third party. The Government may, when in its interest, recognize a third party as the successor in interest to a Government contract when the third party's interest in the contract arises out of the transfer of, (1) All the contractor's assets; or (2) The entire portion of the assets involved in performing the contract.

Examples include, but are not limited to:

A. Sale of these assets with a provision for assuming liabilities.

B. Transfer of these assets incident to a merger or corporate consolidation.

C. Incorporation of a proprietorship or partnership, or formation of a partnership.

030902. Policy and Procedures. Federal Acquisition Regulation Part 42.12 prescribes policy and procedures for the transfer of assignments.

030903. Transfers not Considered Assignments.

A. Rental payments may be made to the agent of a lessor, if supported by evidence the agent is acting for the lessor. The rent also may be assigned even though the title to the property is not transferred (11 Comp Gen 278 (1932)) and (5 Comp Gen 749 (1926)).

B. Bankruptcy or receiverships by operation of law. Payment properly due may be made to the receiver (3 Comp Gen 623 (1924)) or trustee if approved by general counsel.

C. Assumption of contract surety.

1. When the contractor defaults and the surety assumes the contract, certain payments may be made to the surety (15 Comp Gen 409 (1935)) and (12 Comp Gen 507 (1933)). If there are any aspects regarding conflicting claims, tax indebtedness, etc., the matter is handled as a claim to the General Accounting Office.

2. Settle with the contractor and surety as:

a. A surety, which completes work under a contract on which they have assumed, is subrogated to the rights of the contractor against the Government for the unpaid balance due from the United States on that contract. It is also subrogated to the rights of the Government against the contractor for the excess cost of completing the work of furnishing the materials and supplies. Therefore, the surety is entitled to be paid by the Government the cost of completing the work, but no profit.

b. The contractor is entitled to be paid for work they performed if any funds are available on the contract for such payment after reimbursing the surety.

c. The total payments by the Government must not exceed the contract price

d. Payment into court of the balance should not be made. The amount remaining is paid to the assignee of a receiver where the court orders the receiver to accept the assignee's offer to complete the work in consideration of receiving all the payment and retaining percentages due.

030904. Documents Required To Be Filed in Connection With Assignments.

A. The Center financial management office designated in the contract shall pay assignees only after receipt of these assignment documents:

1. Three copies of the notice of assignment acknowledged by the contracting officer.
2. Original and one copy of the signed notice and a true copy of the instrument of assignment from the assignee.
3. Two copies of the notice acknowledged from the surety or sureties, if any. These copies are received from the surety or sureties via the assignee.

B. The Center financial management office:

1. Signs and returns a copy of the notice to the assignee.
2. Files the true copy of the instrument of assignment, the original notice, and a copy of the notice acknowledged by the contracting officer, with the disbursing office copy of the contract. Files a copy of the notice acknowledged by the surety or sureties, if any.
3. Signs, dates and returns the receipt, if applicable, to the assignee.

030905. Documents Required To Be Filed If Assignment is Cancelled

A. If the assignee releases the contractor from the assignment of claims under the existing contract, the Center financial management office makes remaining payments to the contractor only after receipt of these release documents:

1. A true copy of the instrument of release of assignment; and
2. The original and two copies of the release notice.

B. The Center financial management office:

1. Signs and returns a copy of the release notice to the contractor.
2. Files the true copy of the instrument of release of assignment and the original release notice with the disbursing office copy of the contract. Acknowledgment by the contracting officer and surety is not required. For additional guidance see FAR 32.805(e).

3. Signs, dates, and returns the receipt, if applicable, to the assignee.

030906. Letter Contract Assignments. When assignments of claims under letter contracts are made, notices (with copies of assignments) are given to contracting officers and disbursing offices. If a letter contract is assigned, that assignment is not voided by a subsequent definitization of the contract. Contracting officers and Center financial management offices accept, receipt for, and honor the second assignment of the proceeds of a definitive contract superseding a letter contract. The two instruments of assignments are thereafter treated as if they were only one instrument, and payments continue to the assignee.

030907. Open-End, Call-Type, or Indefinite Delivery-Type Contracts

A. Assignment of claims under open-end or call-type contracts or indefinite delivery type contracts are authorized provided orders placed prior to assignment obligate the Government to pay \$1,000 or more or provided the basic contract imposes a minimum obligation of \$1,000 or more.

B. When the Center financial management office questions whether an assignment of claims applies to an individual call or order under indefinite, delivery-type contracts, payments under the call or order are withheld pending determination of the status and validity of the assignment by the contracting officer.

030908. Purchase Orders

A. A notice of assignment on a purchase order of \$1,000 or more will not be acknowledged unless it has been established that such order is a legally binding contract.

B. Payment of the purchase order is withheld pending determination of the status of the assignment by the contracting officer.

C. If the contracting officer rejects the assignment, the Center financial management office returns the acknowledged notice and copy of the assignment to the assignee and advises that the assignment cannot be recognized for the reasons stated by the contracting officer.

D. If the contracting officer has determined that the assignment is valid, the Center financial management office acknowledges the notice of assignment and takes the required action as detailed in FAR 32.8.

030909. Blanket Purchase Agreements. A notice of assignment will not be acknowledged on a blanket purchase agreements. The center financial management office returns the notice and copy of the assignment to the assignee and advises that

assignments may be acknowledged on individual orders in excess of \$1,000. It should be noted that these agreements require a notice of assignment for each delivery order/supplemental procurement identification number. If there is any doubt on any of these types of contracts, they should be referred to your legal office for determination.

030910. Financing Companies A business concern which, incidental to its principal business of acting as selling agent, advances money to pay for raw materials, labor, etc., is not a "Financing Institution" to which money due, or to become due, under a Government contract may be assigned (54 Comp Gen 80 (1984)). A company regularly engaged in the financing business is not disqualified from accepting assignments as a "financing institution" solely because it consists of an individual or partnership (20 Comp Gen 415 (1941) as distinguished by 54 Comp Gen 80 (1984)). When a contractor factors or sells accounts receivable at a discount, they are non-allowable assignments. In such cases and others of similar nature, legal counsel should be consulted in order to protect the Government's interest.

030911. Special Considerations

A. Two assignments of the same contract may not exist since the second assignment without release from the first assignment would be null and void. After the first assignment is released and the original parties are notified, a second assignment may be made (22 Comp Gen 520 (1942)).

B. The performance of work under the contract may not be assigned (41 USC 15).

C. If the dollar amount of the contract is increased, it is not necessary to execute an additional assignment (23 Comp Gen 943 (1944)).

D. Date of assignment shall not be before date of contract.

0310 DOUBTFUL CLAIMS

031001. General Information

A. The Center financial management office settles commercial accounts for which they have payment responsibilities. The local office of counsel or staff judge advocate furnishes legal guidance on claims involving questions of law. Local counsel should coordinate their efforts with NASA Headquarters, General Counsel.

B. Claims by the Government may not be compromised by an agent of the Government except as authorized by law. Demand for the full amount is required. The action for indebted contractors in Volume 6, Chapter 3 of the FMR is required if payment in full is not received on time.

C. Doubtful claims exclude claims applicable to the Prompt Payment Act. The Comptroller General has held that the Prompt Payment Act interest must be paid from the funds available for the administration of the program for which interest was incurred.

031002. Responsibility of Contracting Officer and Center Financial Managers.

A. The Contract Disputes Act of 1978 provides a fair, balanced, and comprehensive statutory system of legal and administrative remedies in resolving Government contract claims. The Act's provisions help to induce resolution of more contract disputes by negotiation prior to litigation; to equalize the bargaining power of the parties when a dispute exists; to provide alternate forums suitable to handle the different types of disputes; and to ensure fair and equitable treatment to contractors and Federal agencies.

B. A doubtful claim exists when the Center financial management office is unable to decide positively that the claim is or is not payable. The Center financial management office refers such claims to the contracting officer with an explanation of the doubtful aspects. Primary responsibility may shift between one or more types of contracting officers during the process of developing a claim. With assistance from the Center financial management office, the contracting officer establishes additional facts and develops the claim to its final stage, including recommendations.

1. All claims by the Government against a contractor relating to a contract shall be the subject of a decision by the contracting officer. The contracting officer shall issue the decision in writing and shall mail or otherwise furnish a copy of the decision to the contractor. The decision shall state the reasons for the decision reached and shall inform the contractor of the right to appeal. The contracting officer's decision on the claim is final and conclusive unless an appeal or suit is instituted by the contractor.

2. All related paperwork of the claim is then sent to the legal office for the Center financial management office. Claims that are filed directly with the Government Accountability Office (GAO) by contractors are returned to the Centers financial management office for development and recommendation and disbursing. Every claim against the United States that is forwarded to the Claims Division, GAO, as well as all correspondence relating to the claim, must contain the employer's identification number.

031003. Claims Requirements. The Center financial management office prepares the administrative report and attaches the claim before routing it through the channels described in paragraph 031002 B. Open the report with the statement, "This is a report of a doubtful claim." The second and succeeding paragraphs should contain

complete statements of the facts and the doubtful questions involved. The Center financial management office reviews the claim file to ensure it is complete before forwarding it for review and evaluation.

031004. Documents Required. Information in this paragraph is furnished for guidance and is not mandatory. The documents and information listed should contain sufficient facts so that the GAO will not return the claim for more documents.

A. The following data are common to all claims. Additional documents are furnished in specific cases as indicated:

1. Original signed claim.
2. Copy of contract, purchase order, (or both if applicable), lease, or other contracting document.
3. Copies of all related correspondence between the claimant and NASA.
4. A signed statement by the disbursing office that:
 - a. Payment has not been made and will not be made except by certification in the name of the Comptroller General, or
 - b. Partial settlement in amount has been made and no further payment will be made except by certification in the name of the Comptroller General, or
 - c. Funds have been reserved (citing the appropriation from which the payment will be made, if approved by GAO) or that funds have not been reserved, as applicable.
5. Cite all vouchers covering payments or collections, as applicable, made under the contracting document.
6. A signed report by the contracting officer as to what the records of that office show concerning the claim and the administrative recommendation. The report should include the intent of the contracting document.
7. Certified true copies or Photostat copies of the invoices or other billing documents.
8. Copies of the receiving reports, other receiving documents, or if not available, a signed statement that the supplies and services were received.

9. SF 1034, Public Voucher for Purchases and Services Other Than Personal, (or other applicable voucher), in an original and six copies. The original is certified.

10. Copy of claimant's bid, if applicable.

11. Any other data considered appropriate.

B. Mistake in Bid. With a copy of the claimant's bid, include an abstract of all other bids.

C. Discount. Include the document containing the claimant's discount offer. If claimant contends that discount was taken after discount period, include a certified true copy of the invoice. The invoice should show the date received in the office designated by the contracting document.

031005. Amounts Due Deceased or Mentally Incompetent Creditors

A. Deceased Public Creditors. Claims for amounts alleged to be due the estates of deceased individual public creditors that cannot be settled locally, by reason of doubt, are submitted to the GAO for settlement. An element of doubt exists when there is a question as to the amount and the validity of the claim or a question as to whom payment may be made under the laws of the domicile of the decedent.

1. The claimant presents the claim against the United States for amounts due in the case of a deceased creditor. The claim is supported by the applicable documents listed in paragraph 031004. The contracting officer's statement will show there is (or there is not) an outstanding debt to the Government. Obtain a statement of legal review and recommendation from the local office of counsel or staff judge advocate.

2. Claims involving current non-negotiated U. S. Government checks in the possession of the claimant, which are drawn to the order of a deceased public creditor, should be returned to the Center financial management office that issued the checks. Checks that are undeliverable because of the death of the creditor will be stamped "Not Negotiable" on the face of the check. Attach a copy of SF 1098, Schedule of Cancelled or Undelivered Checks, to the claim.

B. Incompetent Public Creditors.

1. GAO Action. Claims for amounts due incompetent public creditors of the United States are submitted to the GAO for settlement. No form is prescribed for this class of claim; however, such claim must be in writing over the signature and address of the guardian, committee, or other person claiming on behalf of the incompetent and must set forth the connection of the incompetent with NASA. Those authorized to claim for an incompetent are:

a. Guardian or committee of the estate of an incompetent. A short certificate of the court showing the appointment and qualification of the claimant as guardian or committee is attached to the claim.

b. Persons other than a guardian or committee who supports the claim with a statement to show: 1) That no guardian or committee has been or will be appointed; 2) The claimant's relationship to the incompetent, if any; 3) The name and address of the person having care and custody of the incompetent; and 4) That any amount paid to the claimant will be applied to the use and benefit of the incompetent.

2. Administrative Action. After the first payment has been certified by the GAO to a guardian or committee, recurring payments may be made in the same form and capacity by the disbursing office as long as the appointment as guardian or committee remains in effect and the matter is otherwise free from doubt. Later claims for recurring payments need not be accompanied by a court certificate; however, they must be supported by a statement that the appointment is still in full force and effect.

0311 DISPUTES

031101. Contracts Disputes Act of 1978.

A. The Contract Disputes Act of 1978 establishes procedures and requirements for asserting and resolving claims subject to the Act. In addition, the Act provides for:

1. The payment of interest on contractor claims;
2. Certification of contractor claims; and
3. A civil penalty for contractor claims that are fraudulent or based on a misrepresentation of fact.

031102. Policy and Procedures. Federal Acquisition Regulation Part 33.2 prescribes policies and procedures for contract disputes that may result in a claim against NASA.

031103. Payments to Reimburse Treasury for Payments in Settlement of Contractor Claims

A. Upon certification by the GAO, the amounts of contractor claims settled pursuant to the Contract Disputes Act of 1978 may be paid to the contractor by the Treasury Department from the permanent judgment fund. Amounts paid to contractors are reimbursable to the U.S. Treasury from the appropriation available for the purpose of the contract or by obtaining additional funds for such purpose. The Treasury Department will bill the contract Center financial management office. If funds are not available in the proper account to cover invoices received from the Treasury Department, request additional funds through appropriate channels. Amounts reimbursed to the Treasury Department must be charged to current funds. Expired funds cannot be used (63 Comp Gen 308 1984).