

**COMMERCE ACQUISITION MANUAL  
1304.804**

DEPARTMENT OF COMMERCE  
CONTRACT CLOSEOUT

# COMMERCE ACQUISITION MANUAL 1304.804

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# Contract Closeout

## SECTION 1 – OVERVIEW

### 1.1 Background

Effective contract administration is essential for ensuring that the federal government’s needs are met in a cost-effective and timely manner and that all the requirements of a contract or order are fulfilled. The final and paramount contract administration function is the closeout of the contract or order which includes verification of contract completion, a final assessment of contractor performance, disposition of fund balances, and release of various conditions which may have been included in the contract or order. Timely contract closeout is critical to the Department meeting its acquisition and fiscal responsibilities and requires coordination with program and finance offices as well as with the contractor.

### 1.2 Purpose

This policy prescribes policy and procedures for closeout of Department of Commerce contracts and simplified acquisitions.

### 1.3 Applicability

This chapter applies to all Department of Commerce contracts and orders, including simplified acquisitions, which are physically completed.

### 1.4 Policy

Department of Commerce contracts and simplified acquisitions shall be closed out in a timely manner in accordance with the standards established by the Federal Acquisition Regulation (FAR) and this policy. Contracts and orders shall not be closed if the contract or order is in litigation or under appeal; or if, in the case of termination, all termination actions have not been completed.

### 1.5 Time Standards for Closeout

All contract closeout activities for physically completed contracts and orders should be accomplished within the specific timeframes, as outlined in Table 1, based on contract type. The timeframes begin when the contracting officer receives evidence of physical completion.

<b>Table 1 – Closeout Timeframes</b>	
<b>Contract Type</b>	<b>Timeframe</b>
Simplified Acquisition	60 days
Fixed Price	6 months
Contracts requiring settlement of indirect cost rates	36 months
Time-and-Material/Labor-Hour and all Other Contract Types	20 months

### 1.6 Roles and Responsibilities

#### 1.6.1 Senior Procurement Executive

The Senior Procurement Executive (PE) is responsible for development of policy and procedures for timely, complete and accurate documentation and reporting associated with contract closeout of physically completed contracts. The PE is further responsible for ensuring effective oversight of contract closeout activities.

**1.6.2 Senior Bureau Procurement Official**

The Senior Bureau Procurement Official (BPO) is responsible for implementation of contract closeout requirements within their operating units including documentation; retention, storage and disposal; and reporting, The BPO is further responsible for development and oversight of the closeout management plan.

**1.6.3 Head of Contracting Office**

The Head of Contracting Office (HCO) is responsible for ensuring performance of contract closeout requirements within their contracting office.

**1.6.4 Contracting Officer**

The Contracting Officer (CO), in conjunction with the Contracting Officer Representative, is responsible for conduct and documentation of contract closeout requirements for contracts within their purview.

**1.6.5 Contracting Officer Representative**

The Contracting Officer Representative (COR) is responsible for supporting contract closeout activities and providing documentation of contractor performance and funding information as requested by the Contracting Officer.

**1.6.6 Property Administrator**

When government property is included in performance of a contract or order, the Property Administrator is responsible for disposition of Government Furnished Property in the contract closeout process, in accordance with FAR Subparts 45.4 and 45.6.

**1.6.7 Patent Counsel**

When patent(s) result from performance of a contract or order, the cognizant patent counsel is responsible for reviewing the contractor's release and any conditions of the patent(s) prior to contract closeout.

**END OF SECTION 1**

## **SECTION 2 – CONTRACT CLOSEOUT PROCESS**

### **2.1 General**

In accordance with FAR Subpart 4.8, each contract/order file shall include documentation addressing each of the applicable requirements within the contract closeout process. The time involved in contract closeout activities varies by contract type and complexity. Proper conduct of contract closeouts requires careful review of each aspect of the contract and contract file.

Generally, documentation in the contract files shall be sufficient to constitute a complete history of the transaction for the purposes of providing a complete background as a basis for informed decisions at each step in the acquisition process; supporting all actions taken; providing information for reviews and investigations; and furnishing essential facts in the event of litigation or congressional inquiries. The contracting officer should assemble all elements for the contract file in accordance with FAR Subparts 4.801 and 4.803. Any missing documentation must be obtained and placed in the contract file. If the required information is not obtainable, the file should be documented to show the facts and circumstances that support why the document could not be obtained.

Checklists for closeout of contracts and orders under simplified acquisition procedures (Appendix B), firm-fixed price contracts and orders (Appendix C), and cost reimbursement and all other contracts, including time-and-material and labor-hour (Appendix D) identify the specific considerations for each of the contract or order types to be addressed and documented. The COR checklist found at Appendix E should be utilized to ensure that required input from the COR is received. In addition, the contracting officer shall review FAR Subpart 4.8 to ensure that all current requirements for closeout of a specific contract or order are met.

### **2.2 Terminations**

Regardless of contract type, contracting officers must comply with FAR Part 49 which prescribes specific requirements for closeout of terminated contracts. Required modifications and other documentation must be included in the contract file. Contracts and orders shall not be closed if all required termination actions have not been completed.

### **2.3 Subcontracting Plans and Reporting**

For contracts, task orders or delivery orders requiring subcontracting plans and reporting in accordance with FAR Subpart 19.7, contracting officers must ensure that all requirements have been met and document the contract file accordingly.

## **2.4 Audits - General**

### **2.4.1 Closeout Audit Required**

Audits shall be conducted in accordance with FAR Part 42; Commerce Acquisition Regulation (CAR) 1342.102-70; and this policy. Generally, the final invoice shall not be approved until a closeout audit has been performed and all outstanding issues have been negotiated or resolved on the following types of contracts valued at \$750,000 and above:

- a. Cost-reimbursement type contracts;
- b. Cost-reimbursement portion of fixed-price contracts;
- c. Letter contracts which provide for reimbursement of costs;
- d. Time-and-materials contracts; and
- e. Labor-hour contracts.

### **2.4.2 Closeout Audit Not Required**

If a closeout audit is not required, an audit may be requested regardless of the contract value when the contracting officer determines that an audit is justified under one of the following circumstances:

- a. There is some evidence of fraud or waste;
- b. The contractor's performance under the contract has been questionable;
- c. The contractor had a high incidence of unallowable costs under a previous contract; or
- d. The contract is with a newly-established firm, or a firm that has just begun dealing with the Government.

### **2.4.3 Audit Sources**

Normally, for contractors other than educational institutions and nonprofit organizations, the Defense Contract Audit Agency (DCAA) is the responsible Government audit agency. However, there may be instances where an agency other than DCAA prefers or holds cognizance for a particular contractor. The contracting officer shall determine the appropriate, cognizant audit agency to be utilized for formal closeout audits.

## **2.5 Litigation and Appeal**

Regardless of contract type, no contract or order shall be closed if there is pending litigation or a pending appeal.

## **2.6 Potential Closeout Issues – All Contract Types**

### **2.6.1 General**

Traditional closeout procedures are, for the most part, dictated by payment clauses contained in affected contracts. However, circumstances may exist that preclude the use of traditional methods. In these instances, the contracting officer shall perform a cost risk analysis and exercise business judgment to ensure that the Government's interests are protected and administrative actions are reasonable. The following guidelines may be used, as appropriate.

### **2.6.2 Contractor Is No Longer in Business**

Unfortunately, it is not uncommon to have open contracts with companies that are no longer conducting business. In these instances, the Government shall take every reasonable measure to locate the company and/or its principals.

The contract file should be documented with every attempt made to locate the company and its officials. If all of the above attempts prove unsuccessful, it is recommended that

an administrative unilateral closeout process be implemented. In addition to the documentation required for the specific contract type, the following factors should be addressed, as applicable:

- a. Is the contract physically complete and has Government acceptance of goods/services been received?
- b. Was the contractor previously paid any funds?
- c. What is the status of indirect cost rate settlement (if contract is other than firm fixed price)?
- d. Have all reasonable measures been taken to locate the company and documented in the contract file?
- e. Has the contract been terminated for convenience or default?
- f. Any other pertinent information relative to the contractor or performance of the contract (e.g., unsettled subcontract cost, litigation, etc.) should be considered. It is recommended that the contracting officer check with Office of General Counsel and the Office of Inspector General to ascertain if any actions are pending.

### **2.6.3 Bankruptcies**

The contracting officer should coordinate with counsel on any closeout action for contractors who are bankrupt. Typically, the final contract price is established at the amount previously paid to the contractor and any excess funds are deobligated.

### **2.6.4. Exception for Contracts Over Six (6) Years Old**

Under the Contract Disputes Act of 1978, 41 U.S.C. § 605(a), a contractor must bring a contract claim against the Government within six years of when the claim accrues. Accordingly, under a contract that has been completed with no outstanding disputes, the Department would expect that any invoice for outstanding contract payments would be presented to the contracting officer within six years from the end of its period of performance. Thus, in the rare case where a contracting officer is attempting to close a firm fixed price, time and material, or labor hour contract that is over six (6) years past the end of its period of performance, and is not in litigation, under appeal, or involved in final rate determination activities, the contracting officer may close the contract using an administrative unilateral closeout process provided for in the operating unit closeout management plan.

**END OF SECTION 2**



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## **SECTION 3 – SIMPLIFIED ACQUISITIONS**

### **3.1 General**

Orders placed under the simplified acquisition threshold should be considered closed when the contracting officer receives evidence of receipt of property or service; and final payment. However, as applicable, the requirements for disposition of government property, deobligation of excess funding and release of conditions associated with the order must be addressed prior to closing the order file. Department of Commerce (DOC) policy recommends closeout of contracts and orders within 60 days from when the contracting officer receives notification of physical completion.

### **3.2 Specific Procedures**

The contracting officer shall use the checklist provided in Appendix B as a guide when closing out orders placed under the simplified acquisition threshold. At a minimum, the contracting officer shall ensure that the following procedures are followed:

- a. Obtain documentation of receipt of supplies or services from the COR.
- b. Approval of final invoice is based on review and recommendation of the COR.
- c. Evidence of final payment (disbursement) is received from the finance office and documented in the contract file.
- d. File retention and disposal is conducted in accordance with the FAR and operating unit procedures.

**END OF SECTION 3**

## SECTION 4 – FIRM-FIXED PRICE CONTRACTS

### 4.1 General

In accordance with FAR Subpart 4.804-1, all firm-fixed price contracts should be closed within six (6) months after the contracting officer receives evidence of physical completion. The contracting officer shall review the contract and 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 contract.

### 4.2 Specific Procedures

The contracting officer shall use the checklist provided in Appendix C as a guide when closing out firm-fixed price contracts. At a minimum, the contracting officer shall ensure that the following procedures are followed:

- a. Verification received from contracting officer representative that all work has been delivered or performed and were accepted and disposition of Government property has occurred (Appendix E).
- b. Invoice approved for all work delivered or performed and accepted by the Government.
- c. Obligation of additional funding, if required, through modification to the contract, task order or delivery order.
- d. File contains documentation of payment of final invoice.
- e. Deobligation of funds in excess of the amount needed to meet the Government's obligation under the contract through modification to the contract, task or delivery order.
- f. If the contract involved the performance of advisory and assistance services as defined in FAR Subpart 2.101, the determination required in FAR Subpart 37.204 is included in the contract file.
- g. If the contract involved subcontracting plans and the submission of either Summary Subcontract Reports or Individual Subcontracting Reports in the Electronic Subcontracting Reporting System (eSRS), verification of contractor compliance must be obtained and documented. (Appendix F)
- h. The following information is obtained from the contractor, if applicable:
  - i. Contractor's Release (Appendix G)
  - ii. Contractor's inventory of government furnished property
  - iii. Contractor's report of rights in data, assignment of copyright
- i. Disposition of Government furnished property.
- j. Final contractor performance assessment is conducted.

- k. In accordance with FAR Subpart 4.804-5(b), Contract Completion Statement is signed and placed in contract file.
- l. File retention and disposal is conducted in accordance with FAR Subpart 4.8 and operating unit procedures.

### **4.3 Potential Closeout Issues**

#### **4.3.1 Contractor Fails to Submit Final Invoice**

On occasion, contractors complete performance but fail to submit a final invoice on firm-fixed price contracts. After making a reasonable number of requests to the contractor, the following actions, in addition to those described above, should be taken:

- a. Verify that the government has accepted all shipments/performance.
- b. Send the contractor a letter asking if paid complete or when they will submit final invoice.
- c. If contractor fails to respond by suspense date in first letter, send a certified letter; return receipt requested, to the contractor advising them of the intent to administratively close the contract.
- d. If the contractor responds that an amount is owed, but they will not submit a final invoice or if the contractor fails to respond by the suspense date in the certified letter, the contract should be closed.

**END OF SECTION 4**

## SECTION 5 – COST REIMBURSEMENT AND ALL OTHER CONTRACTS

### 5.1 Contracts Requiring Settlement of Indirect Cost Rates

In accordance with FAR Subpart 4.804-1(a)(3), all contracts requiring settlement of indirect cost rates should be closed within thirty-six (36) months after the contracting officer receives evidence of physical completion.

### 5.2 Time-and-Material, Labor-Hour and All Other Contracts

In accordance with FAR 4.804-1(a)(4), time-and-material, labor-hour, cost reimbursement not requiring indirect cost settlement, and all other contracts should be closed within twenty (20) months after the contracting officer receives evidence of physical completion.

### 5.3 Specific Procedures

The contracting officer shall use the checklist provided in Appendix D as a guide when closing out contracts that require settlement of indirect cost rates, time-and-material, labor-hour, and all other contracts. At a minimum, the contracting officer shall ensure that the following actions are taken:

- a. Verification received from contracting officer representative that all work has been delivered or performed and were accepted and disposition of Government property has occurred (Appendix E).
- b. If the contract involved the performance of advisory and assistance services as defined in FAR Subpart 2.101, the determination required in FAR Subpart 37.204 must be included in the contract file.
- c. If the contract involved subcontracting plans and the submission of either Summary Subcontract Reports or Individual Subcontracting Reports in eSRS, verification of contractor compliance must be obtained and documented (Appendix F).
- d. The following information is obtained from the contractor:
  - i. Completion voucher with reconciliation statement supporting the claimed cost incurred and the proposed final indirect rates for the years covered by the contract;
  - ii. Final voucher including fee reserve;
  - iii. Contractor's Release (Appendix G);
  - iv. Contractor's inventory of government furnished property, if applicable;
  - v. Contractor's report of rights in data and/or assignment of copyright, if required
- e. The completion voucher is reviewed and signed and necessary steps are taken to ensure that the invoice is paid promptly including provision of additional funding through modification to the contract, task order or order, if necessary.
- f. Excess funds are deobligated through modification to the contract, task or delivery order.

- g. If the contract exceeds \$750,000 a final audit shall be requested in accordance with the requirements of CAR 1342.102-70. Upon receipt of final audit report claimed costs and audit recommendations are analyzed in order to make a final determination of the contract amount. If the completed contract does not exceed \$750,000 the procedures set forth in Section 6 – Desk Audits of this policy shall be used to establish a prenegotiation position on the contractor's final price.
- h. Determination of which costs incurred are considered to be allowable, allocable and reasonable under the contract, and execution of modification which reflects the final determination.
- i. Disposition of Government furnished property.
- j. Final contractor performance assessment is conducted.
- k. Approval and payment of final voucher.
- l. Collection of funds owed the Government.
- m. In accordance with FAR Subpart 4.804-5(b) Contract Completion Statement is signed and placed in contract file.
- n. File retention and disposal is conducted in accordance with the FAR and operating unit procedures.

#### **5.4 Quick Closeout Procedures**

In accordance with FAR Subpart 42.708, contracting officers shall negotiate the settlement of direct and indirect costs for a specific contract, task order, or delivery order to be closed, in advance of the determination of final direct costs and indirect costs set forth in 42.705, if:

- a. The contract, task order, or delivery order is physically complete;
- b. The amount of unsettled direct costs and indirect costs to be allocated to the contract, task order, or delivery order is relatively insignificant. Cost amounts will be considered relatively insignificant when the total unsettled direct costs and indirect costs to be allocated to any one contract, task order, or delivery order does not exceed the lesser of:
  - i. \$1,000,000; or
  - ii. 10 percent of the total contract, task order, or delivery order amount;
- c. The contracting officer performs a risk assessment and determines that the use of the quick-closeout procedure is appropriate. The risk assessment shall include:
  - i. Consideration of the contractor's accounting, estimating, and purchasing systems
  - ii. Other concerns of the cognizant contract auditor
  - iii. Any other pertinent information, such as, documented history of Federal Government approved indirect cost rate agreements, changes to contractor's rate structure, volatility of rate fluctuations during affected

periods, mergers or acquisitions, special contract provisions limiting contractor's recovery of otherwise allowable indirect costs under cost reimbursement or time-and-materials contracts

- d. Agreement can be reached on a reasonable estimate of allocable dollars

#### **5.4.1 Limitations on Final Indirect Cost Rates**

Determinations of final indirect costs under the quick-closeout procedure provided for by the FAR Clause 52.216-7 Allowable Cost and Payment shall be final for the contract it covers and no adjustment shall be made to other contracts for over- or under-recoveries of costs allocated or allocable to the contract covered by the agreement. Indirect cost rates used in the quick closeout of a contract shall not be considered a binding precedent when establishing the final indirect cost rates for other contracts.

### **5.5 Potential Closeout Issues**

#### **5.5.1 Contractor Has Failed to Submit Indirect Cost Data**

In accordance with FAR Clauses 52.216-7, 52.216-16 or 52.216-17, the contractor is required to submit a final indirect cost proposal to the Government within the 6-month period following the expiration of each of its fiscal years. Regardless of whether rates are contracting officer or audit determined, it is the contracting officer's responsibility to secure certified final rate claims pursuant to FAR 42.705. The contracting officer should work with DCAA or other cognizant audit agency to obtain overdue proposals.

If the contractor fails to submit indirect cost data after a reasonable period of time, based on consultation with the cognizant audit agency, the contracting officer may proceed with unilateral determination of indirect cost rates and/or unilateral determination of final contract price. The contracting officer may grant, in writing, reasonable extensions, for exceptional circumstances only, when requested in writing by the contractor.

#### **5.5.2 Contractor Is Unable to Support Indirect Cost Data**

On rare occasions, contractors are unable to provide final vouchers because they have not retained their financial records for a fiscal year. When this happens, the contractor does not have the ability to support an audit or the incurred cost previously billed on contracts. In this circumstance, the contracting officer should:

- a. Contact the cognizant DCAA office and obtain an opinion as to the administrative unilateral closeout of the contract.
- b. Calculate the final price based on previous amounts paid to date.
- c. Issue a modification establishing the final price at the amount previously paid to date and deobligate any excess funds.

#### **5.5.3 Contractor Fails to Submit Final Voucher**

In situations where indirect cost rates have been settled and the contractor has failed to submit the final voucher, it is recommended that the contracting officer research and determine the reason for non-submission. The contracting officer should seek guidance from the cognizant audit agency for available remedies and the appropriate course of action.

**END OF SECTION 5**

## **SECTION 6 – DESK AUDITS**

### **6.1 General**

For those physically completed contracts for which a final audit is not required as prescribed in FAR Subpart 42 and CAR 1342.102-70, and where the contracting officer has determined that a final audit is not otherwise required, the following desk audit procedures should be used to determine the final contract price.

### **6.2 Review of Contract and Completion Voucher/Invoice**

The contracting officer should 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 cost 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.

### **6.3 Review of Indirect Cost Rates**

The contracting officer should review the contract to determine the contractor's fiscal years covered by the contract. The cognizant audit agency (typically Defense Contract Audit Agency (DCAA)) should be contacted to determine if final indirect rates have been established for the years covered by the contract. If final indirect rates have not been established for some or all of the period of contract performance, a review of the quick closeout procedures and requirements should be conducted to determine whether that process is applicable and advantageous to the government. If quick closeout procedures are not applicable or appropriate, final rates must be obtained prior to closeout.

### **6.4 Analysis of Costs Claimed**

Once the final indirect rates have been established, the contracting officer shall examine the accuracy of the claimed costs by assuring that the correct indirect rates are applied to the proper allocation base(s) for each fiscal year. In addition, the mathematical accuracy of the cumulative claim should be verified. Any costs over the contract ceilings should 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.

### **6.5 Contracting Officer Determination**

After the analysis of the cumulative costs is complete, the contracting officer should determine which of the claimed costs are allowable, allocable, and reasonable and include documentation of the determination in the contract file. Additional funds must be obtained if required and obligated through modification to the contract, task order or delivery order.

**END OF SECTION 6**

## SECTION 7 – RETENTION, HANDLING AND DISPOSAL OF FILES

### 7.1 Retention of Contract Files

The lengths of time required for retention of contract files prescribed in FAR Subpart 4.8 are outlined in Table 2 below. The Senior Bureau Procurement Official shall ensure that complete contract files are retained and easily retrievable for the appropriate period in accordance with practices within their operating unit. Electronic media can be used for contract file retention as long as the electronic image reproduces the original document, including signatures and other written and graphic images completely, accurately and clearly; and the information is easily retrievable. Data transfer, storage and retrieval procedures must protect the original data from alteration.

<b>TABLE 2 – Retention of Contract Files</b>	
<b>Record</b>	<b>Retention Period</b>
(1) Contracts (and related records or documents, including successful and unsuccessful proposals, except see paragraph (2) of this table regarding contractor payrolls submitted under construction contracts).	6 years after final payment.
(2) Contractor's payrolls submitted under construction contracts in accordance with Department of Labor regulations (29 CFR 5.5(a)(3), with related certifications, anti-kickback affidavits, and other related records.	3 years after contract completion unless contract performance is the subject of an enforcement action on that date (see paragraph (8) of this table).
(3) Unsolicited proposals not accepted	6 years after date unsolicited proposal not accepted
(4) Files for cancelled solicitations	6 years after cancellation.
(5) Other copies of procurement file records used for administrative purposes	When business use ceases
(6) Documents pertaining generally to the contractor as described at FAR 4.801(c)(3).	Until superseded or obsolete
(7) (Data submitted to the Federal Procurement Data System (FPDS), containing unclassified records of all procurements exceeding the micro-purchase threshold, and information required under FAR 4.603.	6 years after submittal to FPDS
(8) Investigations, cases pending or in litigation (including protests), or similar matters (including enforcement actions).	Until final clearance or settlement, or, if related to a document identified in paragraphs (1) through (7) of this table, for the retention period specified for the related document, whichever is later.



## **7.2 Handling and Storage of Contract Files**

Closed contracts and orders shall be handled and stored in a manner that reflects the sensitivity of the information contained within the files. Long-term storage arrangements, whether physical or electronic, must provide protection of the data in accordance with the requirements of FAR Subpart 4.8. Senior Bureau Procurement Officials are responsible for storage, protection and retrievability of contract files regardless of the method and place(s) of storage.

## **7.3 Disposal of Contract Files**

Following the appropriate retention period as specified above, contract files shall be disposed of in a secure and, if practicable, environmentally considerate manner in accordance with operating unit-specific practices.

**END OF SECTION 7**

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## **SECTION 8 – MANAGEMENT AND REPORTING**

### **8.1 Contract Closeout Management**

Bureau Procurement Officials are responsible for developing a closeout management plan addressing the processes, roles and responsibilities for closeout of all contract actions within the requirements of this policy. The plan shall include a schedule for closeout of all physically completed contracts. The plan should be reviewed and updated as needed.

### **8.2 Contract Closeout Reporting Requirements**

Senior Bureau Procurement Officials shall submit an annual report of contract closeout activity no later than November 30 following the end of each fiscal year. The report shall address the following factors:

- a. Total Physically Completed Contracts/Orders by contract type (closed during prior fiscal year)
- b. Total Closed Contract/Orders by contract type (closed during prior fiscal year)
- c. Total Contracts/Orders Scheduled for Physical Completion by contract type (pending closure for current fiscal year)

The report should be directed to the OAM mailbox at [OAM\\_Mailbox@doc.gov](mailto:OAM_Mailbox@doc.gov).

**END OF SECTION 8  
END OF CAM 1304.804**

## APPENDIX A - DEFINITIONS

**Completion voucher/invoice** - a contractor's written request for payment for all costs up to the contract amount, excluding the fee reserves or the final profit earned.

**Final voucher/invoice** - 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.

**Deobligation** – the cancelation, downward adjustment, or deletion of previously recorded obligations.

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

**Physically completed** - 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.

**Unliquidated funds** - funds that remain unexpended at the close of the contract.

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

## APPENDIX B – SAMPLE SIMPLIFIED PROCEDURES CLOSEOUT CHECKLIST

(The BPO may specify use of alternative formats/checklists, such as those available in contract writing systems)

Action	Requested	Completed
Acceptance of Work		
Contractor Performance Assessment		
Final Payment		
Others		

## APPENDIX C – SAMPLE FIRM-FIXED PRICED CLOSEOUT CHECKLIST

(The BPO may specify use of alternative formats/checklists, such as those available in contract writing systems)

Action	Date Requested	Date Completed
Acceptance of Work		
Contractor Performance Assessment		
Final Invoice		
Contractor Closeout Request Letter		
Obtain Patent/Royalty Clearance		
Obtain Property Clearance		
Final Release		
Approve Final Invoice for Payment		
Verify Final Payment		
Contract Completion Statement		

## APPENDIX D – SAMPLE CLOSEOUT CHECKLIST - COST REIMBURSEMENT AND ALL OTHER CONTRACTS

(The BPO may specify use of alternative formats/checklists, such as those available in contract writing systems)

Action	Date Requested	Date Completed
Acceptance of Work		
Contractor Performance Assessment		
Complete Funds Review		
Contractor Closeout Request Letter and Forms		
Review Contractor Forms		
Request DCAA Audit or Audit Waiver		
Obtain Patent/Royalty Clearance		
Obtain Property Clearance		
Receive DCAA Audit and resolve Audit Questions		
Summary Settlement Statement Review & Concurrence		
General Assignment and Final Release		
Approve Final Invoice for Payment		
Funding Adjustment		
Confirm Final Payment		
Contract Completion Statement		

## APPENDIX E – Sample COR Checklist

(The BPO may specify use of alternative formats/checklists, such as those available in contract writing systems)

### Contracting Officer Representative Checklist

Subject: Closeout of Contract/Order

This is to certify that the subject contract/order is physically completed and is ready for closeout.

1. Has the Government received, inspected, and/or accepted all required contract deliverables or services?	Yes	N o	N/ A
Comments:	<input type="checkbox"/>	<input type="checkbox"/>	
2. Has disposition of classified material been completed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments:			
3. Have all patent and/or royalty reports been cleared?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments:			
4. Are there any outstanding value engineering change proposals?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments:			
5. Has the plant clearance report been received?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments:			
6. Have all actions relating to disposition of Government property been taken?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments:			
7. The Contractor Performance Report is attached.			
8. Comments regarding other aspects of the contract:			
Signature _____		Date _____	

## APPENDIX F – SAMPLE SUBCONTRACTING COMPLIANCE CHECKLIST

(The BPO may specify use of alternative formats/checklists, such as those available in contract writing systems)

Date:

From: Contracting Officer

Subject: Subcontracting Compliance

To: File

Contractor

Contract No. \_\_\_\_\_ expired on \_\_\_\_\_. In accordance with FAR Part 19, the undersigned Contracting Officer has reviewed the file and determined that one of the following is the case:

1. Neither the original contract nor any subsequent modification exceeded \$700,000 or \$1.5 M for construction in value and as a result, no Small Business/Small Disadvantaged Business Subcontracting Plan was ever required. [ ]
2. The Contractor was successful in obtaining their goals for both Small Business and Small Disadvantaged Business in accordance with their SB/SDB Subcontracting Plan and in accordance with P.L. 95-507. [ ]
3. The Contractor was unsuccessful in obtaining their goals for either Small Business or Small Disadvantaged Business (or both). However, the contracting officer has determined that, for the reasons described below, the contractor did make a good faith effort to reach those goals in accordance with the requirements of P.L. 95-507. [ ]
4. The Contractor was unsuccessful in obtaining their goals for either Small Business or Small Disadvantaged Business (or both). Further the Contracting Officer has determined that, for the reasons described below, the Contractor did not make a good faith effort to reach those goals in accordance with the requirements of P.L. 95-507. [ ]
5. The Contractor was an 8(a) firm or Small Business and no plan was required. [ ]

cc:

Small Business Specialist  
SBA Procurement Center Representative



## APPENDIX G – SAMPLE CONTRACTOR’S RELEASE CHECKLIST

(The BPO may specify use of alternative formats/checklists, such as those available in contract writing systems)

### CONTRACTOR’S ASSIGNMENT OF REFUNDS, REBATES OR CREDITS (Required with final/completion voucher)

Pursuant to the terms of Contract No. \_\_\_\_\_ and in consideration of the reimbursement of costs and payment of fee, as provided in said contract and any assignment thereunder,

\_\_\_\_\_ (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, or credits (including any related interest), arising out of the materials portion of said contract, together with all the 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, or credits, (including any related interest) due or which may become due, and to promptly forward to the Contracting Officer checks (made payable to the Treasury 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 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, or credits (including any related interest); 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 THEREOF, this assignment of refunds, rebates, or credits has been executed this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

CONTRACTOR: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

WITNESSES:(1) \_\_\_\_\_

(2) \_\_\_\_\_

(NOTE: In the case of a corporation, witnesses are not required, but the certificate below must be completed).

**CERTIFICATE**

I, \_\_\_\_\_, certify that I am the  
\_\_\_\_\_ (official title) of the corporation  
named as Contractor in the foregoing assignment; that \_\_\_\_\_  
who signed said assignment on behalf of the Contractor, was the  
\_\_\_\_\_ (official title) of said corporation; that said assignment  
was duly signed for and in behalf of said corporation by authority of its governing body and is  
within the scope of its corporate powers.

Signed: \_\_\_\_\_

(CORPORATE SEAL)