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### SMC PGI 5332.703-2-90 Contracts Conditioned Upon Availability of Funds

(a) FAR 32.703-2 identifies a very narrow set of circumstances in which conditioning contract actions on the availability of funds is allowed. For most SMC actions, contracting officers should have a certified purchase request in hand before executing the contract action. A contracting officer may release a request for proposal (RFP) conditioned upon the availability of funds only when authorized under FAR 32.703-2 or when following the procedures in AFFARS [MP5332.7](MP5332_7.dita#AFFARS_MP5332_7).

(b) FAR 43.105 identifies one additional set of circumstances in which a contracting officer may execute a contract action without having first obtained a certification of funds availability, namely when the action is incrementally funded and a limitation of costs or funds clause in contained in the contract. However, in these circumstances the contracting officer should obtain written evidence that the funding is being reserved in-house by the program control office or that the program/requirement has been included in the President’s budget as submitted to Congress and that, although not presently available, a reasonable expectation exists that funding will be authorized and available upon the enactment of the Authorization and Appropriations Acts. At SMC, this documentation is captured in a report from the Comprehensive Cost and Requirement System (CCaRS) tool. The CCaRS report should be included in Tab 1 of the contract file as evidence of funds availability.