

32.501-1 Customary progress payment rates.

(a) The customary progress payment rate is 80 percent, applicable to the total costs of performing the contract. The customary rate for contracts with small business concerns is 85 percent.

(b) The *contracting officer must*-

(1) Consider any rate higher than those permitted in paragraph (a) of this section an unusual progress payment; and

(2) Not include a higher rate in a contract unless advance agency approval is obtained as prescribed in [32.501-2](#).

(c) When advance payments and progress payments are authorized under the same contract, the *contracting officer must* not authorize a progress payment rate higher than the customary rate.

(d) In accordance with [10 U.S.C. 3804\(b\)](#) and [41 U.S.C. 4504\(b\)](#), the limit for progress payments is 80 percent on work accomplished under undefinitized *contract actions*. The *contracting officer must* not authorize a higher rate under unusual progress payments or other customary progress payments for the undefinitized actions.

Parent topic: [32.501 General](#).