

52.232-17 Interest.

As prescribed in [32.611](#) (a) and (b), insert the following clause:

Interest (*May 2014*)

(a) Except as otherwise provided in this contract under a Price Reduction for Defective *Certified Cost or Pricing Data* clause or a Cost Accounting Standards clause, all amounts that become payable by the Contractor to the Government under this contract *shall* bear simple interest from the date due until paid unless paid within 30 days of becoming due. The interest rate *shall* be the interest rate established by the Secretary of the Treasury as provided in [41 U.S.C. 7109](#), which is applicable to the period in which the amount becomes due, as provided in paragraph (e) of this clause, and then at the rate applicable for each six-month period as fixed by the Secretary until the amount is paid.

(b) The Government *may* issue a demand for payment to the Contractor upon finding a debt is due under the contract.

(c) *Final Decisions*. The *Contracting Officer* will issue a final decision as required by [33.211](#) if-

(1) The *Contracting Officer* and the Contractor are unable to reach agreement on the existence or amount of a debt in a timely manner;

(2) The Contractor fails to liquidate a debt previously demanded by the *Contracting Officer* within the timeline specified in the demand for payment unless the amounts were not repaid because the Contractor has requested an installment payment agreement; or

(3) The Contractor requests a deferment of collection on a debt previously demanded by the *Contracting Officer* (see [32.607-2](#)).

(d) If a demand for payment was previously issued for the debt, the demand for payment included in the final decision *shall* identify the same due date as the original demand for payment.

(e) Amounts *shall* be due at the earliest of the following dates:

(1) The date fixed under this contract.

(2) The date of the first written demand for payment, including any demand for payment resulting from a default termination.

(f) The interest charge *shall* be computed for the actual number of calendar days involved beginning on the due date and ending on-

(1) The date on which the designated office receives payment from the Contractor;

(2) The date of issuance of a Government check to the Contractor from which an amount otherwise payable has been withheld as a credit against the contract debt; or

(3) The date on which an amount withheld and applied to the contract debt would otherwise have become payable to the Contractor.

(g) The interest charge made under this clause *may* be reduced under the procedures prescribed in [32.608-2](#) of the Federal *Acquisition* Regulation in effect on the date of this contract.

(End of clause)

Parent topic: [52.232 \[Reserved\]](#)