

52.232-34 Payment by Electronic Funds Transfer-Other than System for Award Management.

As prescribed in 32.1110(a)(2), insert the following clause:

Payment by *Electronic Funds Transfer-Other than System for Award Management* (Jul 2013)

(a) Method of payment.

(1) All payments by the Government under this contract *shall* be made by *electronic funds transfer (EFT)* except as provided in paragraph (a)(2) of this clause. As used in this clause, the term "EFT" refers to the funds transfer and *may* also include the payment information transfer.

(2) In the event the Government is unable to release one or more payments by EFT, the Contractor agrees to either-

(i) Accept payment by check or some other mutually agreeable method of payment; or

(ii) Request the Government to extend payment due dates until such time as the Government makes payment by EFT (but see paragraph (d) of this clause).

(b) Mandatory submission of Contractor's EFT information.

(1) The Contractor is required to provide the Government with the information required to make payment by EFT (see paragraph (j) of this clause). The Contractor *shall* provide this information directly to the office designated in this contract to receive that information (hereafter: "designated office") by _____ *[the Contracting Officer shall insert date, days after award, days before first request, the date specified for receipt of offers if the provision at 52.232-38 is utilized, or "concurrent with first request" as prescribed by the head of the agency; if not prescribed, insert "no later than 15 days prior to submission of the first request for payment"]*. If not otherwise specified in this contract, the payment office is the designated office for receipt of the Contractor's EFT information. If more than one designated office is named for the contract, the Contractor *shall* provide a separate notice to each office. In the event that the EFT information changes, the Contractor *shall* be responsible for providing the updated information to the designated office(s).

(2) If the Contractor provides EFT information applicable to multiple contracts, the Contractor *shall* specifically state the applicability of this EFT information in terms acceptable to the designated office. However, EFT information supplied to a designated office *shall* be applicable only to contracts that identify that designated office as the office to receive EFT information for that contract.

(c) *Mechanisms for EFT payment*. The Government *may* make payment by EFT through either the Automated Clearing House (ACH) network, subject to the rules of the National Automated Clearing House Association, or the Fedwire Transfer System. The rules governing Federal payments through the ACH are contained in 31 CFR Part 210.

(d) *Suspension of payment.*

(1) The Government is not required to make any payment under this contract until after receipt, by the designated office, of the correct EFT payment information from the Contractor. Until receipt of the correct EFT information, any *invoice* or contract financing request *shall* be deemed not to be a *proper invoice* for the purpose of prompt payment under this contract. The prompt payment terms of the contract regarding notice of an improper *invoice* and delays in accrual of interest penalties apply.

(2) If the EFT information changes after submission of correct EFT information, the Government *shall* begin using the changed EFT information no later than 30 days after its receipt by the designated office to the extent payment is made by EFT. However, the Contractor *may* request that no further payments be made until the updated EFT information is implemented by the payment office. If such *suspension* would result in a late payment under the prompt payment terms of this contract, the Contractor's request for *suspension shall* extend the due date for payment by the number of days of the *suspension*.

(e) Liability for uncompleted or erroneous transfers.

(1) If an uncompleted or erroneous transfer occurs because the Government used the Contractor's EFT information incorrectly, the Government remains responsible for-

- (i) Making a correct payment;
- (ii) Paying any prompt payment penalty due; and
- (iii) Recovering any erroneously directed funds.

(2) If an uncompleted or erroneous transfer occurs because the Contractor's EFT information was incorrect, or was revised within 30 days of Government release of the EFT payment transaction instruction to the Federal Reserve System, and-

- (i) If the funds are no longer under the control of the payment office, the Government is deemed to have made payment and the Contractor is responsible for recovery of any erroneously directed funds; or
- (ii) If the funds remain under the control of the payment office, the Government *shall* not make payment and the provisions of paragraph (d) *shall* apply.

(f) *EFT and prompt payment.* A payment *shall* be deemed to have been made in a timely manner in accordance with the prompt payment terms of this contract if, in the EFT payment transaction instruction released to the Federal Reserve System, the date specified for settlement of the payment is on or before the prompt payment due date, provided the specified payment date is a valid date under the rules of the Federal Reserve System.

(g) *EFT and assignment of claims.* If the Contractor assigns the proceeds of this contract as provided for in the *assignment of claims* terms of this contract, the Contractor *shall* require as a condition of any such assignment, that the assignee *shall* provide the EFT information required by paragraph (j) of this clause to the designated office, and *shall* be paid by EFT in accordance with the terms of this clause. In all respects, the requirements of this clause *shall* apply to the assignee as if it were the Contractor. EFT information that shows the ultimate recipient of the transfer to be other than the Contractor, in the absence of a proper *assignment of claims* acceptable to the Government, is

incorrect EFT information within the meaning of paragraph (d) of this clause.

(h) *Liability for change of EFT information by financial agent.* The Government is not liable for errors resulting from changes to EFT information provided by the Contractor's financial agent.

(i) *Payment information.* The payment or disbursing office *shall* forward to the Contractor available payment information that is suitable for transmission as of the date of release of the EFT instruction to the Federal Reserve System. The Government *may* request the Contractor to designate a desired format and method(s) for delivery of payment information from a list of formats and methods the payment office is capable of executing. However, the Government does not guarantee that any particular format or method of delivery is available at any particular payment office and retains the latitude to use the format and delivery method most convenient to the Government. If the Government makes payment by check in accordance with paragraph (a) of this clause, the Government *shall* mail the payment information to the remittance address in the contract.

(j) *EFT information.* The Contractor *shall* provide the following information to the designated office. The Contractor *may* supply this data for this or multiple contracts (see paragraph (b) of this clause). The Contractor *shall* designate a single financial agent per contract capable of receiving and processing the EFT information using the EFT methods described in paragraph (c) of this clause.

(1) The contract number (or other *procurement* identification number).

(2) The Contractor's name and remittance address, as stated in the contract(s).

(3) The *signature* (manual or electronic, as appropriate), title, and telephone number of the Contractor official authorized to provide this information.

(4) The name, address, and 9-digit Routing Transit Number of the Contractor's financial agent.

(5) The Contractor's account number and the type of account (checking, saving, or lockbox).

(6) If applicable, the Fedwire Transfer System telegraphic abbreviation of the Contractor's financial agent.

(7) If applicable, the Contractor *shall* also provide the name, address, telegraphic abbreviation, and 9-digit Routing Transit Number of the correspondent financial institution receiving the wire transfer payment if the Contractor's financial agent is not directly on-line to the Fedwire Transfer System; and, therefore, not the receiver of the wire transfer payment.

(End of clause)

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