

232.703-1 General.

- (1) A fixed-price contract may be incrementally funded only if—
 - (i) The contract (excluding any options) or any exercised option—
 - (A) Is for severable services;
 - (B) Does not exceed one year in length; and
 - (C) Is incrementally funded using funds available (unexpired) as of the date the funds are obligated;
or
 - (ii) The contract uses funds available from multiple (two or more) fiscal years and—
 - (A) The contract is funded with research and development appropriations; or
 - (B) Congress has otherwise authorized incremental funding.
- (2) An incrementally funded fixed-price contract shall be fully funded as soon as funds are available.

Parent topic: [232.703 Contract funding requirements.](#)