

32.601 General.

(a) Contract debts are amounts that-

(1) Have been paid to a contractor to which the contractor is not currently entitled under the terms and conditions of the contract; or

(2) Are otherwise due from the contractor under the terms and conditions of the contract.

(b) Contract debts include, but are not limited to, the following:

(1) Billing and price reductions resulting from contract terms for price redetermination or for determination of prices under incentive type contracts.

(2) Price or cost reductions for defective *certified cost or pricing data*.

(3) Financing payments determined to be in excess of the contract limitations at [52.232-16\(a\)\(7\)](#), Progress Payments, or [52.232-32\(d\)\(2\)](#), Performance-Based Payments, or any *contract clause* for financing of *commercial products* or *commercial services*.

(4) Increases to financing payment liquidation rates.

(5) Overpayments disclosed by quarterly statements required under price redetermination or incentive contracts.

(6) Price adjustments resulting from Cost Accounting Standards (CAS) noncompliances or changes in cost accounting practice.

(7) Reinspection costs for nonconforming *supplies* or services.

(8) Duplicate or erroneous payments.

(9) Damages or excess costs related to defaults in performance.

(10) Breach of contract obligations concerning progress payments, performance-based payments, advance payments, financing of *commercial products* or *commercial services*, or Government-furnished property.

(11) Government expense of correcting defects.

(12) Overpayments related to errors in quantity or billing or deficiencies in quality.

(13) Delinquency in contractor payments due under agreements or arrangements for deferral or postponement of collections.

(14) Reimbursement of amounts due under [33.102\(b\)\(3\)](#) and [33.104\(h\)\(8\)](#).

Parent topic: [Subpart 32.6 - Contract Debts](#)