

49.109-3 Government property.

Before execution of a *settlement agreement*, the TCO *shall* determine the accuracy of the Government property account for the terminated contract. If an audit discloses property for which the contractor cannot account, the TCO *shall* reserve in the *settlement agreement* the rights of the Government regarding that property or make an appropriate deduction from the amount otherwise due the contractor.

Parent topic: [49.109 Settlement agreements.](#)