

## 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.](#)