



## MEMORANDUM FOR TREASURY ACQUISITION PERSONNEL

**FROM:** Michele Sharpe  
Acting Senior Procurement Executive

**SUBJECT:** Class Deviation No. 2026-00010 — Implementing the Class Deviation from the Federal Acquisition Regulation (FAR) Part 32, *Contract Financing*, in accordance with Executive Order (EO) 14275, “Restoring Common Sense to Federal Procurement”

- 1. PURPOSE:** This Acquisition Bulletin (AB) approves a class deviation to Federal Acquisition Regulation (FAR) Part 32 for purposes of implementing the FAR Council’s (the Council’s) deviation to FAR Part 32.
- 2. BACKGROUND:** On April 15, 2025, [EO 14275, Restoring Common Sense to Federal Procurement](#) was signed. Section 2 of the EO establishes the policy that the FAR “should contain provisions required by statute or essential sound procurement, and any FAR provisions that do not advance these objectives should be removed.”

The FAR is being updated to:

- Eliminate non-statutory language;
- Remove redundant or obsolete language;
- Enhance clarity through plain language;
- Align with the new FAR framework; and
- Preserve essential governmentwide acquisition standards.

This project is referred to as the [Revolutionary FAR Overhaul \(RFO\) initiative](#). This initiative will make the FAR more concise, understandable, and focused on core procurement requirements.

- 3. SUMMARY OF CHANGES:** FAR Part 32, *Contract Financing*, has been updated to simplify the part, remove outdated information, and add a new subpart (and corresponding clause) for Fast Payment Procedures (previously at Subpart 13.4) for smaller dollar purchases.

Statutory requirements retained in the RFO FAR Part 32 model deviation include, but may not be limited to, the following:

- 10 U.S.C. §§ 3801 et seq and 41 U.S.C. §§ 4501 et seq, Contract Financing
- 31 U.S.C. § 1341, Anti-Deficiency Act
- 31 U.S.C. § 3324, Advances
- 31 U.S.C. § 3711, Debt Collection Improvement Act of 1996
- 31 U.S.C. § 3727 and 41 U.S.C. § 6305, Assignment of Claims Act of 1940

- 31 U.S.C. §§ 3901 et seq, Prompt Payment Act
- 50 U.S.C. §§ 4501 et seq, Defense Production Act of 1950
- Pub. L. 102-190 Sec 806 as amended (10 U.S.C. § 4601 note prec.), Government-wide Application of Payment Protections for Subcontractors and Suppliers

Change	Description
<b>Retained</b>	<ul style="list-style-type: none"> <li>• Section 32.001, “Definitions” is retained with plain language updates.</li> <li>• Most provisions and clauses are retained (or remain reserved). Exceptions are noted in the “Moved / Updated” section below.</li> </ul>
<b>Moved / Updated</b>	<ul style="list-style-type: none"> <li>• Section 32.000, “Scope of Part”, is updated to include the statutory references for the part. <ul style="list-style-type: none"> <li>○ This section adds “(k) Fast payment procedures” to correspond with the newly introduced Subpart 32.12.</li> </ul> </li> <li>• Section 32.002, “Applicability of subparts”, adds reference to “Subpart 32.12, Fast Payment Procedure”.</li> <li>• Subpart 32.12, “Fast Payment Procedure”, formerly at Subpart 13.4 is added to the part. This procedure is a method for expediting payments on certain small-dollar supply contracts where traditional receiving and acceptance processes are impractical. Moving the procedure to Part 32 enhances acquisition agility.</li> <li>• The following clauses are updated for clarity, to mirror updates made throughout the part, and/or to update cross-references or remove outdated content: <ul style="list-style-type: none"> <li>○ 52.232-3 (Clause), Payments Under Personal Services Contracts</li> <li>○ 52.232-12 (Clause), Advance Payments <ul style="list-style-type: none"> <li>▪ Including “Advance Payments Without Special Account”</li> </ul> </li> <li>○ 52.232-16 (Clause), Progress Payments</li> <li>○ 52.232-20 (Clause), Limitation of Cost</li> <li>○ 52.232-22 (Clause), Limitation of Funds</li> <li>○ 52.232-36 (Clause), Payment by Third Party</li> </ul> </li> <li>• The following clause is added to the part: <ul style="list-style-type: none"> <li>○ 52.232-90 (Clause), Fast Payment Procedure (previously at 52.213-1)</li> </ul> </li> <li>• The FAR Companion is expected to contain best practices and guidance on the following: <ul style="list-style-type: none"> <li>○ Contract Financing Payments</li> <li>○ Advance Payments for Other Than Commercial Acquisitions</li> <li>○ Deferral of Collection</li> <li>○ Limitation of Cost</li> </ul> </li> </ul>
<b>Removed</b>	<ul style="list-style-type: none"> <li>• Paragraph (d) under Section 32.102, “Description of contract financing methods” is deleted and marked reserved. The content was largely explanatory, as the requirement to pay for accepted partial deliveries is a standard payment method governed by Prompt Payment rules in Subpart 32.9 and standard payment clauses, not a form of contract financing. See</li> </ul>

	<p>the FAR Companion for best practice.</p> <ul style="list-style-type: none"> <li>• Sections 32.304 through 32.306, under Subpart 32.3, “Loan Guarantees for Defense Production”, are deleted and marked reserved. These sections and associated subsections provided extensive procedural details for the loan guarantee program. While the program's authority remains in Sections 32.302 and 32.303, the responsibility for implementation procedures is with the individual guaranteeing agencies and does not need to be spelled out in detail in the FAR.</li> <li>• Section 32.403 “Applicability”, under Subpart 32.4, “Advance Payments for Other Than Commercial Acquisitions”, is deleted and marked reserved. The language provided a detailed list in paragraphs (a) through (h), of eight specific categories where advance payments might be appropriate. This served as illustrative guidance and a non-exhaustive checklist that is not based in statute or required in the FAR. See the FAR Companion for best practice.</li> </ul>
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This table is not an exhaustive list.

**4. AUTHORITY:** This class deviation is issued under the authority of EO 14275, [OMB Memo M-25-26](#), 48 CFR 1.4, and RFO FAR 1.304.

**5. GUIDANCE:**

- **Adopt RFO text:** Contracting Officers should no longer follow FAR Part 32, as codified at 48 CFR chapter 1, for Treasury actions subject to this deviation. The Council’s RFO Part 32 model deviation text is available at [Acquisition.gov/far-overhaul](#), and is incorporated into this class deviation.
- **New actions:** For new solicitations or contracts, when using any provisions or clauses that have been revised, utilize the RFO model deviation language at [RFO FAR Part 52](#).
- **In-process awards:** For open solicitations or awarded contracts, contracting officers have discretion to enforce or amend the provisions/clauses. Where prior provisions/clauses were removed, ensure any affected requirements are separately addressed in the contract and documented in the file.
- **Local implementation:** Contracting activities must review and update templates and standard operating procedures (SOPs) to align with this class deviation and remove unnecessary steps.

**6. EFFECTIVE DATE:** This class deviation is effective immediately and remains in effect until rescinded or incorporated into the FAR.

**7. ADDITIONAL INFORMATION:** The point of contact for this AB is Mr. Steve Kvalevog who can be reached at [Steven.Kvalevog@treasury.gov](mailto:Steven.Kvalevog@treasury.gov).