the payment by that date, and whether or not the contractor's financial agent credits the contractor's account on that date

32.911-4 Assignment of claims.

The use of EFT payment methods is not a substitute for a properly executed assignment of claims in accordance with Subpart 32.8. EFT information which shows the ultimate recipient of the transfer to be other than the contractor, in the absence of a proper assignment of claims, is considered to be incorrect EFT information within the meaning of the "Suspension of Payment" paragraphs of the EFT clauses section 52.232–00, Mandatory Information for Electronic Fund Transfer, and section 52.232–01, Optional Information for Electronic Fund Transfer.

PART 52—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

542.232-28 [Reserved]

- 6. Section 52.232–28 is removed and reserved.
- 7. Sections 52.232–00 and 52.232–01 are added to read as follows:

52.232–00 Mandatory Information for Electronic Fund Transfer Payment.

As prescribed in 32.908(d), insert the following clause:

MANDATORY INFORMATION FOR ELECTRONIC FUND TRANSFER PAYMENT (DATE)

- (a) Method of payment. Payments by the Government under this contract, including invoice and contract financing payments, may be made by check or electronic fund transfer (EFT) at the option of the Government. If payment is made by EFT, the Government may at its option, also forward the associated payment information by electronic transfer. For this clause, the term EFT includes both the fund transfer and the information transfer.
- (b) Mandatory submission of contractor's EFT information. (1) The Contractor is required, as a condition to any payment under this contract, to provide the Government with the information required to make payment by EFT as described in paragraph (d) of this clause.

(2) If the Contractor provides EFT information applicable to multiple contracts, the Contractor shall specifically state the applicability of this EFT information in terms acceptable to the payment office.

(c) Contractor's EFT information. Prior to submission of the first request for payment (whether for invoice or contract financing payment) under this contract, the Contractor shall provide the information required to make contract payment by EFT, as described in paragraph (d) of this clause, directly to the Government payment office named in this contract. If more than one payment office is named for the contract, the Contractor shall provide a separate notice to each office. In the event that the EFT information changes,

the Contractor shall be responsible for providing the changed information to the designated payment office(s).

(d) Required EFT information. The Government may make payment by EFT through either the Automated Clearing House (ACH) or Federal Reserve System wire transfer at the Government's option. The Contractor shall provide the following information for both methods in a form acceptable to the designated payment office. The Contractor may supply this data for this or multiple contracts (see paragraph b of this clause).

- (1) The contract number to which this notice applies.
- (2) The Contractor's name and account number at the Contractor's financial agent.
- (3) The signature, title, and telephone number of the Contractor Official authorized to provide this information.
- (4) For ACH payments only:(i) Name, address, and 9-digit RoutingTransit Number of the Contractor's financial
- (ii) Contractor's account number and the type of account (checking, saving, or lockbox).
- (5) For Federal Reserve System Wire Transfer payments only:
- (i) Name, address, telegraphic abbreviation, and the 9-digit Routing Transit Number for the Contractor's financial agent.
- (ii) If the Contractor's financial agent is not directly on-line to the Federal Reserve System's wire transfer network, and therefore not the receiver of the wire transfer payment, the Contractor shall also provide the name, address, and 9-digit Routing Transit Number of the correspondent financial agent receiving the wire transfer payment.
- (e) Suspension of payment. (1)
 Notwithstanding the provisions of any other clause, the Government is not required to make any payment under this contract until after receipt from the Contractor of the correct EFT payment information by the designated payment office. Until receipt of the correct EFT information, any invoice or contract financing request shall be deemed not to be a valid invoice or contract financing request as defined in the Prompt Payment clause of this contract.
- (2) If the EFT information changes, after submission of correct EFT information, the Government shall begin using the changed EFT information no later than the 30th day after its receipt. However, the Contractor may request that no further payments be made until the changed EFT information is implemented by the payment office. If such suspension would result in a late payment under the Prompt Payment clause of this contract, the Contractor's request for suspension shall extend the due date for payment by the number of days of the suspension.
- (f) Contractor EFT arrangements. The Contractor shall designate a single financial agent capable of receiving and processing the electronic fund transfer and associated electronic payment information transfer, using the EFT methods described in paragraph (d) of this clause. The Contractor shall pay all fees and charges for receipt and processing of transfers.

- (g) Liability for uncompleted or erroneous transfers. (1) If an uncompleted or erroneous transfer occurs because the Government failed to use the Contractor-provided EFT information in the correct manner, the Government remains responsible for (i) making a correct payment, (ii) paying any prompt payment penalty due, and (iii) recovering any erroneously directed funds.
- (2) If an uncompleted or erroneous transfer occurs because Contractor-provided EFT information was incorrect at the time of Government release of the EFT payment transaction instruction to the Federal Reserve System, and:
- (i) If the funds are no longer under the control of the payment office, the Government is deemed to have made payment and the Contractor is responsible for recovery of any erroneously directed funds, or
- (ii) If the funds remain under the control of the payment office, the Government retains the rights to either make payment by mail or suspend the payment in accordance with paragraph (e) of this clause.
- (h) EFT and prompt payment. (1) A payment shall be deemed to have been made in a timely manner in accordance with the Prompt Payment clause of this contract if, in the EFT payment transaction instruction given to the Federal Reserve System, the date specified for settlement of the payment is on or before the prompt payment due date, provided the specified due date is a valid date under the rules of the Federal Reserve System.
- (2) When payment cannot be made by EFT because of incorrect EFT information provided by the Contractor, no interest penalty is due after the date of the uncompleted or erroneous payment transaction, provided that notice of the defective EFT information is issued to the Contractor within seven days after the Government is notified of the defective EFT information.
- (i) EFT and assignment of claims. If the Contractor assigns the proceeds of this contract as provided for in the clause at section 52.232–23, Assignment of Claims, the assignee shall provide the EFT information required by paragraph (d) of this clause for the assignee. In all respects, the requirements of this clause shall apply to the assignee as if it were the Contractor. EFT information which shows the ultimate recipient of the transfer to be other than the Contractor, in the absence of a proper assignment of claims acceptable to the Government, is incorrect EFT information within the meaning of paragraph (e) of this clause.
- (j) Payment office discretion. If the Contractor does not wish to receive payment by EFT methods for one or more payments, a request may be submitted to the designated payment office to refrain from requiring EFT information or using the EFT payment method. The decision to grant the request is solely that of the Government.

(End of clause)

52.232–01 Optional information for electronic fund transfer payment.

As prescribed in 32.908(e), insert the following clause: