

Reclamation Manual

Directives and Standards

Subject:	Reclamation Standard Water-Related Contract Articles, Standard Article 12: Contingent on Appropriation or Allotment of Funds
Purpose:	To provide requirements for the content and application of Standard Article 12: Contingent on Appropriation or Allotment of Funds (Standard Article 12), for the benefit of supporting general policy and specific requirements set forth in Reclamation Manual Policy PEC P10, <i>Reclamation Standard Water-Related Contract Articles</i> (PEC P10).
Authority:	The Reclamation Act of 1902 (ch. 1093, 32 Stat. 388), and acts amendatory and supplementary thereto; 31 U.S.C. § 1301(a).
Approving Official:	Director, Policy and Administration
Contact:	Water and Environmental Resources Division, 84-55000

1. **Introduction.** This Directive and Standard provides the text for Standard Article 12 and addresses related requirements. Standard Article 12 is required in all contracts, directly or by reference (see Paragraph 6 of PEC P10). It states that the Government’s performance is contingent on funding and that the use of funds is limited to the purposes for which they were appropriated. It also states the effects on the parties’ contractual rights and obligations if the needed funding is not appropriated or allotted.
2. **Applicability.** This Directive and Standard applies to Reclamation staff and officials involved in the contracting process, as defined at Paragraph 3.A. of PEC P10, for contracts requiring Standard Article 12 under Paragraph 6 of PEC P10.
3. **Definitions.** See Paragraph 3 of PEC P10.
4. **Responsibilities.** See Paragraph 4 of PEC P10.
5. **Text of Standard Article 12.**

CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS¹

The expenditure or advance of any money or the performance of any obligation of the United States under this contract shall be contingent upon appropriation or allotment of funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any

¹Approved 02/71; revised 11/84; 01/02.

Reclamation Manual

Directives and Standards

obligations under this contract. No liability shall accrue to the United States in case funds are not appropriated or allotted.