

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 the text of and requirements for the 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, <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:	Reclamation Law Administration Division (84-55000)

1. **Introduction.** Standard Article 12 is required in all contracts, directly or by reference (see Paragraph 4.B. 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 Bureau of Reclamation staff and officials involved in the contracting process, as defined at Paragraph 5.A. of PEC P10.
3. **Requirements and Responsibilities.** Reclamation staff and officials involved in the contracting process will include the text below in all contracts requiring Standard Article 12 under Paragraph 4.B. of PEC P10.

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

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

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4. **Definitions.** See Paragraph 5 of PEC P10.
5. **Review Period.** The originating office will review this release every 4 years.

RECLAMATION MANUAL TRANSMITTAL SHEET

Effective Date: _____

Release No. _____

Ensure all employees needing this information are provided a copy of this release.

Reclamation Manual Release Number and Subject

Summary of Changes

NOTE: This Reclamation Manual release applies to all Reclamation employees. When an exclusive bargaining unit exists, changes to this release may be subject to the provisions of collective bargaining agreements.

Filing instructions

Remove Sheets

Insert Sheets

All Reclamation Manual releases are available at <http://www.usbr.gov/recman/>

Filed by: _____

Date: _____