

**Date:** September 16, 2004  
**To:** Acquisition Management Committee  
GS-1102-ListServe  
**From:** Head of the Contracting Activity and  
Director, Office of Acquisition Management and Policy, OA  
**Subject:** Advance Payments for Non-Commercial Items

**OAMP Policy Letter 2004-02**

**Background:** FAR Subpart 32.4 concerns Advance Payments for Non-Commercial Items. FAR 32.402(c)(1)(iii)(A) provides that the findings and determination authorizing advance payment be made by the agency head or designee. FAR 32.402(e) requires that agencies providing advance payments place the responsibility for making findings and determinations, and for approval of contract terms and conditions concerning advance payments, at an organizational level high enough to ensure uniform application of Subpart 32.4.

HHSAR 332.4(e) permits the findings and determination authorizing advance payments to be made by the chief of the contracting office (non-delegable).

**Policy:** To ensure consistency with FAR 32.402(e) regarding the uniform application of advance payment approvals across the NIH contracting community, the authority to approve the use of advance payments is retained at the Head of the Contracting Activity (HCA) level. Findings and determinations for advance payments are to be submitted through the Chief Contracting Officer to the HCA for approval.

**Effective Date:** Immediately.

/s/  
Diane J. Frasier