

# **PGI 208.7004-7 Termination for default.**

(1) When the acquiring department terminates a contract for default, it will ask the requiring department if the supplies or services to be terminated are still required so that repurchase action can be started.

(2) The requiring department will not deobligate funds on a contract terminated for default until receipt of a settlement modification or other written evidence from the acquiring department authorizing release of funds.

(3) On the repurchase action, the acquiring department will not exceed the unliquidated funds on the defaulted contract without receiving additional funds from the requiring department.

**Parent topic:** [PGI 208.7004 Procedures.](#)