

PGI 242.71 -VOLUNTARY REFUNDS

Parent topic: [PGI Part 242 - CONTRACT ADMINISTRATION](#)

PGI 242.7100 General.

- (1) A voluntary refund may be solicited (requested by the Government) or unsolicited.
 - (i) Generally, request voluntary refunds only after determining that no contractual remedy is readily available to recover the amount sought.
 - (ii) Acceptance of unsolicited refunds does not prejudice remedies otherwise available to the Government.
- (2) Before soliciting a voluntary refund or accepting an unsolicited one, the contracting officer should have legal counsel review the contract and related data to—
 - (i) Confirm that there are no readily available contractual remedies; and
 - (ii) Advise whether the proposed action would jeopardize or impair the Government's rights.
- (3) Request voluntary refunds only when—
 - (i) The contracting officer concludes that the contractor overcharged under a contract, or inadequately compensated the Government for the use of Government-owned property, or inadequately compensated the Government in the disposition of contractor inventory; and
 - (ii) Retention of the amount in question by the contractor or subcontractor would be contrary to good conscience and equity.
- (4) Do not solicit voluntary refunds without approval of the head of the contracting activity, or as provided in department/agency regulations.
- (5) Voluntary refunds may be requested during or after contract performance.
- (6) A contract modification, rather than a check, is the preferred means of effecting a solicited or unsolicited refund transacted before final payment.
 - (i) For modifications, adjust the price for the refund and credit the refund to the applicable appropriation cited in the contract.
 - (ii) For checks—
 - (A) Advise the contractor to—
 - (1) Make the check payable to the agency that awarded the contract;
 - (2) Forward the check to the contracting officer or, when the contract is assigned to another office for administration, to that office; and
 - (3) Include a letter with the check—

- (i) Identifying it as a voluntary refund;
 - (ii) Giving the contract number involved; and
 - (iii) Where possible, giving the appropriation and account number to be credited; and
- (B) Forward the check to the office responsible for control of funds.