

Financial Management Circular: #2007-1
Effective Date: February 15, 2007
General Subject: Contracts
Specific Subject: Language for Termination of contracts
for lack of funds
Authority: IC 4-12-1-13
IC 5-22-17-5
Application: This circular applies to any contract
which requires State Budget Agency
approval.

The following language for termination of contracts must be in any contract.
Contracts will not be approved by the State Budget Agency without this
termination language.

“When the Director of the State Budget Agency makes a written determination
that funds are not appropriated or otherwise available to support continuation of
performance of this contract, the contract shall be canceled. A determination by
the Director of the State Budget Agency that funds are not appropriated or
otherwise available to support continuation of performance shall be final and
conclusive.”

This Circular rescinds FMC #86-1.



Charles E. Schalliol
Director, Office of Management and Budget