

# Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards – Noncompliance with Federal Requirements

1. Ref.: [2 CFR Part 200.338-339](#); [2 CFR Part 200.207](#)

2. Effective Date: July 1, 2015

3. Originating Office/Agency: Office of Management and Budget

4. Key Words: specific conditions; remedies; termination; sanctions

## Scope

If Eastern Washington University (EWU) fails to comply with Federal statutes, regulations, or the terms and conditions of a Federal award, the Federal agency that made the award may sanction the university. Such sanctions range from imposing additional terms and conditions to a Federal program or, more seriously, taking action to terminate the award or suspend or debar the university from future awards. The responsibility for ensuring compliance with the Federal requirements pertains to EWU as a whole but such compliance is also the specific obligation of employees who are responsible for carrying out a Federal program as well as those who provide oversight for an award.

Initially, the Federal funding agency may impose additional conditions on the award in situations of noncompliance. The specific conditions are found in [2 CFR Part 200.207](#) and include provisions for requiring additional, more detailed financial reports, further project monitoring, and establishing extra prior approvals. However, if the Federal funding agency determines that the noncompliance cannot be addressed by imposing additional conditions, one or more of the following actions may be taken.

## **[2 CFR Part 200.338](#) – Remedies for Noncompliance**

(a) Temporarily withhold cash payments pending correction of the deficiency by the university or more severe enforcement by the Federal funding agency.

(b) Disallow all or part of the cost of the activity or action not in compliance (This includes costs supported by Federal funds as well as applicable matching or cost-sharing).

(c) Suspend or terminate the Federal award.

(d) Initiate suspension or debarment proceedings as authorized under [2 CFR Part 180 - OMB Guidelines to Agencies on Government-wide Debarment and Suspension](#).

(e) Withhold further federal awards for the project or program determined to be noncompliant.

(f) Carry out other remedies that are legally available.

## **2 CFR Part 200.339 – Termination**

When a Federal award is terminated in whole or in part, both the Federal funding agency and EWU are responsible for compliance with the requirements of [2 CFR Part 200.343 – Closeout](#) and [2 CFR Part 200.344 – Post-closeout Adjustments and Continuing Responsibilities](#). A Federal award may be terminated in part or in whole under the following conditions:

- (a) If EWU fails to comply with the terms and conditions of the Federal award.
- (b) For cause.
- (c) With the consent of EWU in which case both EWU and the Federal funding agency must agree on the termination conditions, the effective end date, and, in the case of partial termination, the portion of the project to be terminated.
- (d) By EWU upon written notification to the Federal funding agency identifying the reasons for termination, the effective date, and, in the case of partial termination, the portion of the project to be terminated.

## **Recommendations**

Principal Investigators, Project Directors, and EWU employees responsible for administering or managing a Federal grant or contract can help ensure compliance with Federal regulations and the award terms and conditions by becoming familiar with the information contained in the *EWU Post Award Manual: A Guide for Principal Investigators and Project Directors*.

Employees responsible for Federal grants and contracts should also be mindful of their obligations to comply with the following requirements:

- The False Claims Act [U.S. Code Title 18, Section 1001](#) and [Title 31 U.S. Code §§ 3729-3730](#).
- Conflict of Interest ([2 CFR Part 200.112](#)) and Promoting Objectivity in Research ([45 CFR Part 50, Subpart F](#)) and the State Ethics in Public Service Law ([RCW Chapter 42.52.020](#)).
- Level of Effort Reporting ([2 CFR Part 200.430](#)).
- Responsible Conduct of Research (guidance provided by the Office of Research Integrity at <https://ori.hhs.gov/ori-introduction-responsible-conduct-research>).