

## Section 7.4: Failure to Comply with Award Requirements

### PURPOSE AND POLICY

If a subrecipient fails to comply with subaward terms and conditions, state and federal laws and regulations, the grantor may impose additional conditions. Uniform Guidance ([§200.338 Remedies for noncompliance](#)) authorizes remedies when a subrecipient is noncompliant with the terms and conditions of the subaward or violates applicable laws and regulations.

### PROCEDURE

If the grantor determines that noncompliance cannot be remedied by imposing additional conditions, the grantor may take one or more of the following actions, as appropriate in the circumstances:

- Temporarily withhold cash payments pending corrective action by the subrecipient
- Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
- Wholly or partly suspend or terminate the subaward.
- Recommend that the federal sponsoring agency initiate suspension or debarment proceedings as authorized under [2 CFR part 180](#) and federal awarding agency regulations.
- Withhold further awards for the project or program.
- Take other remedies that may be legally available.