USDA Agricultural Marketing Service
U.S. DEPARTMENT OF AGRICULTURE

AMS Policy: Grant and Cooperative Agreement Suspension and Termination

This Suspension and Termination policy outlines the U.S. Department of Agriculture's (USDA) Agricultural Marketing Service (AMS) policy when recipients fail to carry out the approved project in accordance with the applicable laws and the terms and conditions of the award and other reasons as detailed in 2 CFR Part 200 Subpart D - Remedies for Noncompliance and 2 CFR Part 417.

SUSPENSION

A temporary halt to part or all federal award activities due to the recipient's failure to comply with statutory, regulatory, and/or award terms and conditions. Reasons for suspension include, but are not limited to the following:

- ***Credible allegations*** of waste, fraud, or abuse that risk federal funds or program objectives.
- ***Pending or ongoing investigations*** by authorized third parties material to the award recipient or funded project.
- ***Unresolved audit findings*** material to program integrity or success that pose undue risk.
- Other issues or circumstances that put federal funds or approved project activities and outcomes at risk and warrant suspension.

TERMINATION

A permanent end to an award, in whole or in part, prior to the end of the period of performance. Termination can occur for various reasons, including the following per 2 CFR 200.340:

- ***Termination by AMS For Cause:*** AMS can terminate an award due to the recipient's material failure to comply with the terms and conditions, including failure to meet terms of a previous award or show satisfactory progress.
- ***Termination by Mutual Agreement:*** AMS and the recipient may agree to terminate the award, in whole or in part. This requires agreement on the conditions, effective date, and scope if partial.
- ***Termination by Recipient:*** The recipient may terminate the award, in whole or in part, with written notification to AMS. AMS may terminate the entire award if the remaining portion will not achieve program goals.
- ***Termination for No Longer Effectuating Program Goals and/or Agency Priorities:*** AMS may terminate an award if it no longer meets or carries out agency policies, priorities and or programmatic goals.
- Other termination reasons, such as those delineated in termination clauses in specific award terms and conditions of grants or cooperative agreements.

TERMINATION NOTICE REQUIREMENTS

AMS must provide written notice with the reasons, effective date, and portion terminated. For terminations due to non-compliance, the notice must also state that the termination will be reported in SAM.gov and be available for five years, and that the recipients may comment. For terminations involving debarment, AMS' Compliance, Audit, Risk, and Safety Division (CARS) will prepare a Notice of Proposed Debarment (NPD), when appropriate. After the appeals period, CARS will follow up with the Notice of Decision (NOD).

APPEALS PROCESS

Recipients have the right to appeal certain termination decisions, as detailed under 2 CFR 200 and as reflected in AMS' Appeals Policy. The termination notice remains in effect while an appeal is pending.

References:

- 2 CFR 180 OMB Guidelines to agencies on government-wide debarment and suspension
- 2 CFR 200.214 Suspension and debarment
- 2 CFR Part 200 Subpart D - Remedies for Noncompliance
- 2 CFR 200.472 Termination and standard closeout costs
- 2 CFR Part 417 Nonprocurement Debarment and Suspension

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