



Ohio Administrative Code

Rule 3704-4-11 Grant and subgrant closeout, suspension, and termination.

Effective: October 17, 2013

(A) Definitions

(1) "Grant closeout" means the process by which the commission determines that all applicable administrative actions and all required work of the grant have been completed by the grantee and the commission.

(2) "Suspension" of a grant means temporary withdrawal of the grantee's authority to obligate grant funds pending corrective action by the grantee or a decision to terminate the grant.

(3) "Termination" of a grant means permanent withdrawal of the grantee's authority to obligate previously awarded grant funds before authority would otherwise expire. It also means the voluntary relinquishment of the authority by the grantee.

"Termination" does not include:

(a) Withdrawal of funds awarded on the basis of grantees underestimate of the unobligated balance in a prior period;

(b) Refusal by the commission to extend a grant or award additional funds;

(c) Withdrawal of the unobligated balance of the expiration of the grant; or

(d) Annulment, i.e. voiding of a grant upon determination that the award was obtained fraudulently, or was otherwise illegal or invalid from inception.

(B) Violation of terms

(1) When a grantee has materially failed to comply with the terms of a grant, the granting agency



may suspend or terminate the grant, in accordance with the U.S. department of health and human services, Federal Code of Regulations, Title 45, Sections 74.60 - 74.62, or take such other remedies as may be legally available and appropriate to the circumstances.

(2) If a project or program is supported over more than one funding period, a grant may be suspended or terminated in the current period for failure to submit a report still due from a prior period.

(C) Suspensions

(1) When a grantee has materially failed to comply with the terms of a grant, the granting agency may, upon reasonable notice to the grantee, suspend the grant in whole or in part. The notice of suspension will state the reasons for the suspension, any corrective action required of the grantee and the effective date. The suspension may be made effective at once if a delayed effective date would be unreasonable considering the granting agency's responsibility to protect the state's interest.

Suspensions shall remain in effect until the grantee has taken corrective action satisfactory to the granting agency, or given evidence satisfactory to the granting agency that such corrective action will be taken, or until the granting agency terminates the grant.

(2) New obligations incurred by the grantee during the suspension period will not be allowed unless the granting agency expressly authorizes them in the notice of suspension or an amendment to it. Necessary and otherwise allowable costs which the grantee could not reasonably avoid during the suspension period will be allowed if they result from obligations properly incurred by the grantee before the effective date of the suspension and not in anticipation of suspension or termination.

(3) Appropriate adjustments to payments under the suspended grant will be made either by withholding subsequent payments or by not allowing the grantee credit for disbursements made in payment of unauthorized obligations incurred during the suspension period.

(D) Termination

(1) Termination for cause.



The commission may terminate any grant in whole, or in part, at any time before the date of expiration, whenever it determines that the grantee has materially failed to comply with the terms of the grant. The commission shall promptly notify the grantee in writing of the determination and the reasons for termination, together with the effective date.

(2) Termination on other grounds.

Except as provided in paragraph (D)(1) of this rule, grants may be terminated in whole or in part as follows:

(a) By the commission with the consent of the grantee, in which case the two parties shall agree upon the termination conditions, including the effective date in the case of partial terminations, the portions to be terminated, or

(b) By the grantee, upon written notification to the commission, setting forth the reasons for such termination, the effective date, and in the case of partial terminations, the portion to be terminated. However, if, in the case of a partial termination, the commission determines that the remaining portion of the grant will not accomplish the purposes for which the grant was made, the commission may terminate the grant in its entirety under either paragraph (A) or (B)(1) of this rule.

(3) Termination of settlements.

When a grant is terminated, the grantee shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. The commission shall allow full credit to the grantee for the state share of non-cancelable obligations incurred by the grantee prior to termination.