

118TH CONGRESS
1ST SESSION

S. 1807

To require agencies to notify the Director of the Office of Management and Budget when the agency suspends or terminates a Federal award, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 6, 2023

Ms. ERNST introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

A BILL

To require agencies to notify the Director of the Office of Management and Budget when the agency suspends or terminates a Federal award, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Stop the Outlay of
5 Payments Act”.

6 **SEC. 2. FEDERAL GRANTS.**

7 (a) DEFINITIONS.—In this section:

8 (1) AGENCY.—The term “agency” means—

1 (A) an Executive agency, as defined in sec-
2 tion 105 of title 5, United States Code; and

3 (B) an independent regulatory agency, as
4 defined in section 3502 of title 44, United
5 States Code.

6 (2) DIRECTOR.—The term “Director” means
7 the Director of the Office of Management and Budg-
8 et.

9 (3) FEDERAL AWARD.—The term “Federal
10 award” means a grant, subgrant, contract, sub-
11 contract, loan, award, or cooperative agreement
12 awarded by an agency.

13 (4) SUSPENDED ENTITY.—The term “sus-
14 pended entity” means a recipient of a Federal
15 award, any portion of which the head of an agency
16 suspends or terminates for a reason described in
17 subsection (b)(2).

18 (b) NOTIFICATION.—

19 (1) IN GENERAL.—Not later than 120 days
20 after the date on which an agency suspends or ter-
21 minates any portion of a Federal award to the re-
22 cipient of the Federal award for a reason described
23 in paragraph (2), the head of an agency shall notify
24 the Director of the suspension or termination.

1 (2) REASON FOR SUSPENSION OR TERMI-
2 NATION.—A reason for a suspension or termination
3 of a Federal award described in this paragraph is a
4 failure of the recipient of the Federal award to com-
5 ply with—

6 (A) the terms and conditions of the Fed-
7 eral award;

8 (B) a Federal law or regulation; or

9 (C) a request by the agency awarding the
10 Federal award for information or materials re-
11 lating to the Federal award.

12 (3) LIST OF SUSPENSIONS.—The Director shall
13 maintain an up-to-date list of suspended entities on
14 the website of the Office of Management and Budg-
15 et.

16 (c) EFFECT ON OTHER GRANTS.—

17 (1) IN GENERAL.—Subject to paragraph (2),
18 the head of an agency may not award a Federal
19 award or disburse funds under a Federal award to
20 a suspended entity until the date on which the sus-
21 pended entity remedies the reason for a suspension
22 or termination of a Federal award of the suspended
23 entity under subsection (b)(2).

1 (2) EXCEPTIONS.—The head of an agency may
2 award a Federal award and disburse funds under a
3 Federal award to a suspended entity if—

4 (A) the suspended entity has been classi-
5 fied as a suspended entity as a result of a cler-
6 ical error; or

7 (B) the suspended entity has an agreement
8 with the agency that suspends or terminates the
9 Federal award of the suspended entity to re-
10 solve the reason for the suspension or termi-
11 nation described in subsection (b)(2).

12 (3) COMPLIANCE.—For the purpose of com-
13 plying with paragraph (1), the head of an agency
14 shall reference the list of suspended entities main-
15 tained by the Director under subsection (b)(3).

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