

**427—23.14(PL100-77) Suspension of EHP funding.**

**23.14(1)** *Suspension in general.* The division administrator of DCAA may suspend EHP funds to an eligible entity if monitoring, evaluations, or audits reveal significant noncompliance with established state or federal policies, contract requirements, DCAA directives, fiscal procedures, program performance targets, or other willful or negligent failure on the part of the eligible entity to perform its responsibilities. Action to suspend funding will only be taken after less drastic remedies have been tried unless DCAA determines that immediate action is necessary due to the seriousness of the violation or is necessary to protect EHP funds or property. Serious violations would include, but would not necessarily be limited to, evidence of fraud, embezzlement or gross mismanagement.

**23.14(2)** *Written notification of suspension.* DCAA shall provide a written “notification of suspension” by certified mail to the chairperson of the governing board of the eligible entity to effectuate the process of suspension. The “notification of suspension” shall specify the reason(s) for the suspension and the effective date of the suspension. In all but extreme cases, eligible entities will be given a reasonable period of time, but in no case more than 60 days, to make the necessary improvements, whereupon funding may resume. In extreme cases, when the division administrator of DCAA has determined termination of EHP funding is appropriate in accordance with rule 22.14(216A), the “notification of suspension” shall be accompanied by a “notification of intent to terminate” as described in rule 23.15(PL100-77).