

§ 205.30

conduct an audit of the State to determine interest owed to the Federal government, and to implement procedures to recover such interest;

(4) Initiate a debt collection process to recover claims owed to the United States; or

(5) Take other remedies legally available.

§ 205.30 What are the Federal oversight and compliance responsibilities?

(a) A Federal Program Agency must designate an official representative to coordinate all interaction with us and the States concerning this subpart A, and must notify us in writing of the representative's name and title. A Federal Program Agency must notify us immediately of any change in the official representative.

(b) A Federal Program Agency's implementation of this subpart A is subject to review pursuant to procedural instructions that we issue.

(c) We will consult with Federal agencies as necessary and appropriate before entering into or amending a Treasury-State agreement.

(d) We will distribute Annual Reports to Federal agencies, as set forth in § 205.26. Upon our request, a Federal Program Agency must review a State's Annual Report for reasonableness and must report its findings to us within 30 days.

(e) A Federal Program Agency must notify us in writing if the program agency has knowledge, at any time, that:

(1) A State's clearance pattern does not correspond to a Federal assistance program's clearance activity; or

(2) Corrective action needs to be taken by a State, us, or another Federal Program Agency, with respect to the implementation of this subpart. We will notify the State or Federal Program Agency as appropriate in writing with a description of the Federal Program Agency's assertion.

(f) A Federal Program Agency must notify us in writing of new Federal assistance programs listed in the Catalog of Federal Domestic Assistance.

(g) If a Federal Program Agency causes an interest liability by failing to comply with this subpart A, we may

31 CFR Ch. II (7-1-11 Edition)

collect a charge from the Federal Program Agency. A Federal interest liability resulting from circumstances beyond the control of a Federal Program Agency does not constitute noncompliance. We will determine the charge using the following procedures:

(1) We will issue a Notice of Assessment to the Federal Program Agency, indicating the nature of the noncompliance, the amount of the charge, the manner in which it was calculated, and the right to file an appeal.

(2) To the maximum extent practicable, a Federal Program Agency must pay a charge for noncompliance out of appropriations available for the Federal Program Agency's operations and not from the Federal Program Agency's program funds.

(3) If a Federal Program Agency does not pay a charge for noncompliance within 45 days after receiving a Notice of Assessment, we will debit the appropriate Federal Program Agency account.

(4) In the event a Federal Program Agency appeals a charge imposed under the Notice of Assessment, we will defer the charge until we decide the appeal. If we deny the appeal, the effective date of the charge may be retroactive to the date indicated in the Notice of Assessment.

§ 205.31 How does a State or Federal Program Agency appeal a determination made by us and resolve disputes?

(a) This section documents the procedures for:

(1) A State to appeal the net interest charge that we have assessed;

(2) A State to appeal a determination we have made regarding the State's claim for Interest Calculation Costs in accordance with § 205.27;

(3) A Federal Program Agency to appeal a charge for noncompliance that we have assessed in accordance with § 205.30; or

(4) A State or a Federal Program Agency to resolve other disputes with us or between or among each other concerning the implementation of this subpart A.

(b) A State or Federal Program Agency must submit a written petition (Petition) to the Assistant Commissioner,