

expiration date; a projected timetable to complete the portion(s) of the project for which the extension is being requested; and signature of the AR and the PD.

(3) *Requests for no-cost extensions of time after expiration date.* CSREES may consider and approve requests for no-cost extensions of time up to 120 days following the expiration of the award. These will be approved only for extenuating circumstances, as determined by CSREES. The awardee's AR must submit the requirements identified under paragraph (b)(2) of this section as well as an "extenuating circumstance" justification and a description of the actions taken by the awardee to minimize these requests in the future.

(4) *Other requirements.* No-cost extensions of time may not be exercised merely for the purpose of using unobligated balances. All extensions are subject to any statutory term limitations as well as any expiring appropriation limitations under § 3430.63.

§ 3430.59 Review of disallowed costs.

(a) *Notice.* If the CSREES Office of Extramural Programs (OEP) determines that there is a basis for disallowing a cost, CSREES OEP shall provide the awardee written notice of its intent to disallow the cost. The written notice shall state the amount of the cost and the factual and legal basis for disallowing it.

(b) *Awardee response.* Within 60 days of receiving written notice of CSREES OEP's intent to disallow the cost, the awardee may respond with written evidence and arguments to show the cost is allowable, or that CSREES, for equitable, practical, or other reasons, shall not recover all or part of the amount, or that the recovery should be made in installments. The 60-day time period may be extended for an additional 30 days upon written request by the awardee; however, such request for an extension of time must be made before the expiration of the 60-day time period specified in this paragraph. An extension of time will be granted only in extenuating circumstances.

(c) *Decision.* Within 60 days of receiving the awardee's written response to the notice of intent to disallow the cost, CSREES OEP shall issue a man-

agement decision stating whether or not the cost has been disallowed, the reasons for the decision, and the method of appeal that has been provided under this section. If the awardee does not respond to the written notice under paragraph (a) of this section within the time frame specified in paragraph (b) of this section, CSREES OEP shall issue a management decision on the basis of the information available to it. The management decision shall constitute the final action with respect to whether the cost is allowed or disallowed. In the case of a questioned cost identified in the context of an audit subject to 7 CFR part 3052, the management decision will constitute the management decision under 7 CFR 3052.405(a).

(d) *Demand for payment.* If the management decision under paragraph (c) of this section constitutes a finding that the cost is disallowed and, therefore, that a debt is owed to the Government, CSREES OEP shall provide the required demand and notice pursuant to 7 CFR 3.11.

(e) *Review process.* Within 60 days of receiving the demand and notice referred to in paragraph (d) of this section, the awardee may submit a written request to the CSREES OEP Deputy Administrator for a review of the final management decision that the debt exists and the amount of the debt. Within 60 days of receiving the written request for a review, the CSREES OEP Deputy Administrator (or other senior CSREES official designated by the CSREES OEP Deputy Administrator) will issue a final decision regarding the debt. Review by the CSREES OEP Deputy Administrator or designee constitutes, and will be in accordance with, the administrative review procedures provided for debts under 7 CFR part 3, subpart F.

§ 3430.60 Suspension, termination, and withholding of support.

(a) *General.* If an awardee has failed to materially comply with the terms and conditions of the award, CSREES may take certain enforcement actions, including, but not limited to, suspending the award pending corrective action, terminating the award for cause, and withholding of support.

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(b) *Suspension.* CSREES generally will suspend (rather than immediately terminate) an award to allow the awardee an opportunity to take appropriate corrective action before CSREES makes a termination decision. CSREES may decide to terminate the award if the awardee does not take appropriate corrective action during the period of suspension. CSREES may terminate, without first suspending, the award if the deficiency is so serious as to warrant immediate termination. Termination for cause may be appealed under the CSREES award appeals procedures specified in §3430.62.

(c) *Termination.* An award also may be terminated, partially or wholly, by the awardee or by CSREES with the consent of the awardee. If the awardee decides to terminate a portion of the award, CSREES may determine that the remaining portion of the award will not accomplish the purposes for which the award was originally made. In any such case, CSREES will advise the awardee of the possibility of termination of the entire award and allow the awardee to withdraw its termination request. If the awardee does not withdraw its request for partial termination, CSREES may initiate procedures to terminate the entire award for cause.

(d) *Withholding of support.* Withholding of support is a decision not to make a non-competing continuation award within the current competitive segment. Support may be withheld for one or more of the following reasons: Adequate Federal funds are not available to support the project; an awardee failed to show satisfactory progress in achieving the objectives of the project; an awardee failed to meet the terms and conditions of a previous award; or for whatever reason, continued funding would not be in the best interests of the Federal Government. If a non-competing continuation award is denied (withheld) because the awardee failed to comply with the terms and conditions of a previous award, the awardee may appeal that determination under §3430.62.

§ 3430.61 Debt collection.

The collection of debts owed to CSREES by awardees, including those

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resulting from cost disallowances, recovery of funds, unobligated balances, or other circumstances, are subject to the Department's debt collection procedures as set forth in 7 CFR part 3, and, with respect to cost disallowances, §3430.59.

§ 3430.62 Award appeals procedures.

(a) *General.* CSREES permits awardees to appeal certain post-award adverse administrative decisions made by CSREES. These include: termination, in whole or in part, of an award for failure of the awardee to carry out its approved project in accordance with the applicable law and the terms and conditions of award or for failure of the awardee otherwise to comply with any law, regulation, assurance, term, or condition applicable to the award; denial (withholding) of a non-competing continuation award for failure to comply with the terms of a previous award; and determination that an award is void (*i.e.*, a decision that an award is invalid because it was not authorized by statute or regulation or because it was fraudulently obtained). Appeals of determinations regarding the allowability of costs are subject to the procedures in §3430.59.

(b) *Appeal Procedures.* The formal notification of an adverse determination will contain a statement of the awardee's appeal rights. As the first level in appealing an adverse determination, the awardee must submit a request for review to the CSREES official specified in the notification, detailing the nature of the disagreement with the adverse determination and providing supporting documents in accordance with the procedures contained in the notification. The awardee's request to CSREES for review must be received within 60 days after receipt of the written notification of the adverse determination; however, an extension may be granted if the awardee can show good cause why an extension is warranted.

(c) *Decision.* If the CSREES decision on the appeal is adverse to the awardee or if an awardee's request for review is rejected, the awardee then has the option of submitting a request to the CSREES OEP Deputy Administrator for further review. The decision of the