

117TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

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.

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IN THE SENATE OF THE UNITED STATES

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Ms. ERNST introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**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).