

TOPIC	INTERNAL CONTROL	SUB-SECTION 30.70.40
SECTION	POLICIES	ISSUANCE DATE May 13, 2011
SUB-SECTION	FEDERAL DEBARMENT	REVISED - 2018

### **FEDERAL DEBARMENT**

2 CFR 215 – Uniform Administrative Requirements For Grants And Agreements With Institutions Of Higher Education, Hospitals, And Other Non-Profit Organizations (OMB Circular A-110) establishes the principles for management of grants and cooperative agreements between the Federal Agencies and State, local, and federally recognized Indian tribal governments. Section 215.13 Debarment and Suspension reads as follows:

#### **215-13 Debarment and suspension**

Federal awarding agencies and recipients shall comply with Federal Agency regulations Implementing E. O.s 12549 and 12689, "Debarment and Suspension." Under those regulations, certain parties who are debarred, suspended, or otherwise excluded may not be participants or principals in Federal assistance awards and subawards, and in certain contracts under those awards and subawards.

The General Services Administration of the Federal Government maintains the exclusion records of parties who are excluded from receiving Federal contracts and subcontracts. This information is located at the system for Award Management (SAM) at <https://www.sam.gov/SAM/>. Agencies who are receiving federal grants and awards are required to check the SAM website before awarding grants and contracts for the federal monies received.

State agencies should establish a policy regarding federal debarment compliance. A sample federal debarment compliance policy is found in Section 31 – References (31.10.40) at:  
<https://www.dfa.ms.gov/media/6488/311040-sample-agency-federal-debarment-policy.doc>

In compliance with 2 CFR 215.13, state agencies should establish procedures to confirm that their grantees, subgrantees, vendors and/or subvendors are not excluded on SAM. The Procurement Officer or Awarding Officer should check this information before awarding a contract or grant to verify that the prospective contractor or grantee has not been debarred by the Federal Government, which would indicate an unsatisfactory record of performance and integrity. OMB also recommends that state agencies check SAM on a regular basis to confirm that their grantees, subgrantees, vendors or subvendors have not been excluded during the contract period. If one has been excluded, it may indicate a need for closer supervision or additional monitoring procedures.

The policy regarding federal debarment compliance should extend to subgrants awarded by the agency. Sub-recipients and sub-allocants should be required to confirm that their grantees, subgrantees, vendors or subvendors are not excluded on SAM. It is recommended that sub-recipients and sub-allocants check SAM on a regular basis to confirm that their grantees, subgrantees, vendors or subvendors have not been excluded during the contract period. If one has been excluded, it may indicate a need for closer supervision or additional monitoring procedures. Contracts and agreements with sub-recipients and sub-allocants may need revision to reflect this requirement.

The policy should also include a means of documenting the process and procedures. A sample Federal Debarment Checklist is found in Section 31 – References (31.10.41) at: <https://www.dfa.ms.gov/media/6486/311041-sample-federal-debarment-checklist.doc>. A sample Federal Debarment Interim Checklist is found in Section 31 – References (31.40.42) at: <https://www.dfa.ms.gov/media/6483/311042-sample-federal-debarment-interim-checklist.doc>.

The policy should include a process for updating the vendor documentation and verifying the status of the vendor in SAM at specified intervals. Additional supervisory activities or monitoring procedures should be documented on an as needed basis. Internal control procedures should include verifying the documentation outlined by the policy.