

§ 1303.33 Termination of delegate agencies.

- (a) If a grant recipient shows cause why termination is appropriate or demonstrates cost effectiveness, the grant recipient may terminate a delegate agency's contract.
- (b) The grant recipient's decision to terminate must not be arbitrary or capricious.
- (c) The grant recipient must establish a process for defunding a delegate agency, including an appeal of a defunding decision and must ensure the process is fair and timely.
- (d) The grant recipient must notify the responsible HHS official about the appeal and its decision.