

§ 264.61 What happens if a state fails to report or demonstrate it has implemented and maintained the policies and practices required in § 264.60?

(a) Pursuant to Section 409(a)(16) of the Act and in accordance with 45 CFR part 262, a penalty of not more than five percent of the adjusted SFAG will be imposed for failure to report by February 22, 2014 and each succeeding fiscal year on the state's implementation of policies and practices required in § 264.60. The penalty will be imposed in the succeeding fiscal year, subject to § 262.4(g) of this chapter.

(b) Pursuant to Section 409(a)(16) of the Act and in accordance with 45 CFR part 262, a penalty of not more than five percent of the adjusted SFAG will be imposed for FY 2014 and each succeeding fiscal year in which the state fails to demonstrate the state's implementation of policies and practices required in § 264.60. The penalty will be imposed in the succeeding fiscal year subject to § 262.4(g) of this chapter.

(c) A penalty applied under paragraphs (a) and (b) of this section may be reduced based on the degree of noncompliance of the state.

(d) Fraudulent activity by any individual in an attempt to circumvent the policies and practices required by § 264.60 shall not trigger a state penalty under paragraphs (a) and (b) of this section.

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