

Frequently Asked Questions:

1. What is suspension and debarment?

Suspension and debarment is an administrative tool used to protect the integrity of federal programs. It ensures federal programs conduct business only with responsible persons. See [2 CFR § 180.125](#). Suspension and debarment prevents companies and individuals from participating in government contracts, subcontracts, loans, grants and other assistance programs. See [2 CFR § 180.130](#).

2. What gives FEMA the authority?

FEMA's nonprocurement suspension and debarment authority is established under the Department of Homeland Security's (DHS) existing suspension and debarment program and is executed pursuant to the following:

- [Executive Order 12549](#), Feb. 18, 1986 (51 FR 6370)
- [2 CFR § 180](#)
- DHS Nonprocurement suspension and debarment rules, [2 CFR § 3000](#)

3. What is a nonprocurement transaction?

A nonprocurement transaction means any transaction regardless of type (except procurement contracts), including: grants, cooperative agreements, scholarships, fellowships, contracts of assistance, loans, loan guarantees, subsidies, insurance, payments for specified use, donation agreements, and any other nonprocurement transactions between a federal agency and a person. See [2 CFR § 180.200](#), [2 CFR § 180.210](#), and [2 CFR § 180.970](#).

4. Who can FEMA suspended or debar?

Any individual, corporation, partnership, association, unit of government, or legal entity, however organized, may be suspended or debarred for commission of any offense demonstrating a lack of business integrity or business honesty that seriously and directly affects the respondent's present responsibility. See [2 CFR § 180.150](#).

5. How do suspensions and debarments differ?

- [Suspensions](#) may be based on indictments, information, or adequate evidence involving crimes, contract fraud, embezzlement, theft, forgery, bribery, poor performance, non-performance, or false statements. It is a temporary action which may last up to one year and is effective immediately. See [2 CFR § 180.605](#) and [2 CFR § 180.705](#).
- [Debarments](#) may be based on convictions, civil judgments, or fact based cases involving crimes, contract fraud, embezzlement, theft, forgery, bribery, poor performance, non-performance or false statements as well as other causes. The imposition of a debarment period is for a set period of time decided on a case by case basis. See [2 CFR § 180.605](#), [2 CFR § 180.800](#), and [2 CFR § 180.845](#).

6. What is the effect if a company is suspended or debarred?

If a company is suspended or debarred, then it may not bid on or receive any federally funded contracts. It may also not receive any federal grants, cooperative agreements, scholarships, fellowships, contracts of assistance, loans, loan guarantees, subsidies, or insurance. See [2 CFR § 180.140](#), [2 CFR § 180.145](#), and [2 CFR § 180.135](#).

How to determine if an entity is suspended or debarred:

The names and addresses of all entities suspended or debarred are entered in the System for Award Management (SAM), an electronic database. See [2 CFR § 180.155](#), [2 CFR § 180.500](#).

SAM Exclusions may be accessed at <https://www.sam.gov> (free registration required).

7. What is the effect on a company if a principal is suspended or debarred?

If a principal of a company is suspended or debarred, then that company cannot receive federally funded contracts. See [2 CFR § 180.405](#). The company may also not receive federal grants, cooperative agreements, scholarships, fellowships, contracts of assistance, loans, loan guarantees, subsidies, or insurance. A principal is an officer, director, owner, partner, principal investigator, or other person with management or supervisory responsibility related to a covered transaction. See [2 CFR § 180.995](#).

8. What is the effect on an individual if suspended or debarred?

If an individual is suspended or debarred, then that individual may not receive federally funded contracts. The individual may also not receive federal grants, cooperative agreements, scholarships, fellowships, contracts of assistance, loans, loan guarantees, subsidies, or insurance. See [2 CFR § 180.140](#), and [2 CFR § 180.145](#).

9. If a company or individual is suspended or debarred by FEMA does the exclusion apply to all federal government agencies and departments?

Yes. A suspension or debarment action by FEMA is effective throughout the Federal Executive Branch, if an entity or individual is suspended or debarred by FEMA they cannot do business with any of the other approximately 125 Federal Executive Branch agencies or departments. See [2 CFR § 180.140](#), and [2 CFR § 180.145](#).

10. Is suspension or debarment a punishment?

No, suspension and debarment is not a punishment. Suspension and debarment actions are business decisions; they ensure that federal programs conduct business only with responsible persons. See [2 CFR § 180.125](#).