**Section 261.620 Project Suspension**

a) In the event of any violation of this Part or noncompliance with any provision of the grant agreement, the Agency may, by written notice and order, require the grant recipient to suspend all or any part of the project scope of work for a period of not more than 30 calendar days after the date of the order, and for any further period to which the parties may agree. Any such order shall include a list of the project activities to which it applies. Upon receipt of a project suspension order, the grant recipient shall immediately comply with its terms and shall minimize the incurrence of costs allocable to the work covered by the order during the period of suspension. Within 30 days after the date of the project suspension order, or within the period of any extension to which the parties have agreed, the Agency may:

1) Cancel the project suspension order upon resolution of the violation or cause leading to that project suspension order; or

2) Terminate the work covered by the project suspension order, as provided in Section 261.630 (Grant Termination by the Agency) of this Subpart.

b) If a project suspension order is cancelled or the period of the order or any extension thereof expires, the grant recipient shall resume work. An adjustment may be made in the grant period, the grant amount, or any combination of these, and the grant amended accordingly, if the grant recipient submits a written claim for such an adjustment to the Agency within 30 calendar days after the end of the project suspension. Any such adjustment is at the discretion of the Agency.

c) All costs that are incurred by the grant recipient after the receipt of a project suspension order, or during any extension of the project suspension order period to which the Agency and the grant recipient have agreed, shall be deemed unallowable costs unless otherwise authorized by the Agency in writing.