

Escambia Children's Trust (ECT)

Policy: Contract Suspension and Enforcement

Policy Number: [Assign Number]

Effective Date: [Insert Date]

Approved By: Escambia Children's Trust Board of Directors

Responsible Department: Grants Management and Compliance

I. Purpose

This policy establishes the conditions and procedures under which ECT may **suspend a provider's contract** for causes that jeopardize the protection of children, undermine contractual performance, or call into question the integrity or compliance of the provider or key personnel. It is intended to promote contractual accountability, client safety, and fiscal and programmatic responsibility.

II. Policy Statement

ECT may, at its sole discretion and consistent with contractual and legal requirements, impose a **suspension of a provider contract** in response to serious concerns about provider conduct, performance, compliance, or other circumstances described herein. A suspension is a temporary halt in contract performance and ECT funding until issues are resolved, investigated, or otherwise addressed.

III. Applicability

This policy applies to all providers under contract with ECT, including sub-recipients and subcontractors, and covers all aspects of performance, financial management, program administration, and legal compliance, and provider conduct, as described below.

IV. Definitions

For purposes of this policy:

- **Suspension:** A temporary halt of contract performance and/or ECT payment pending review, investigation, or corrective actions.
- **Key Personnel:** Individuals whose qualifications, background, or actions are essential to the operation or oversight of the provider's ECT-funded programs or whose

qualifications, background, or actions were relied upon when ECT approved the grant award (e.g., Executive Director, Compliance Officer).

- **Contractual Compliance:** Adherence to all contractual terms, conditions, and required performance standards.

V. Causes for Contract Suspension

ECT may suspend a provider contract for any of the following, without limitation:

A. Criminal Investigation or Legal Proceedings

- The provider organization or key personnel are the subject of an active **criminal investigation, whether the basis for said criminal investigation is for conduct or activity occurring in relation to ECT-funded programs or services or outside of those ECT-funded programs or services if the conduct can reasonably be considered to (i) place the health or welfare of children receiving ECT-funded services at risk of injury or other harm; (ii) result in potential liability to the provider or ECT; or (iii) jeopardize provider's capability to continue to meet its obligations under the terms of the Agreement effectively and safely that could materially affect the provider's ability to safely or effectively deliver services; or**
- A principal, officer, board member, or other key staff is under investigation for conduct that may result in disqualification from working with children (e.g., criminal charges involving abuse, neglect, fraud, or misrepresentation), whether the basis for said investigation is for conduct or activity occurring in relation to ECT-funded programs or services or outside of those ECT-funded programs or services if the conduct can reasonably be considered to (i) place the health or welfare of children receiving ECT-funded services at risk of injury or other harm; (ii) result in potential liability to the provider or ECT; or (iii) jeopardize provider's capability to continue to meet its obligations under the terms of the Agreement effectively and safely.

B. Open Reports with the Florida Department of Children and Families (DCF)

- There is an open, unresolved investigation, monitoring finding, or compliance report with DCF, including but not limited to child welfare, licensing, or safety concerns, that indicates potential risk to participants or contractual non-compliance.

C. Continued or Persistent Inappropriate Reimbursement Requests

- Repeated submission of reimbursement claims that are inappropriate, unsupported, or inconsistent with contract terms, including patterns that suggest errors, overbilling, or misuse of funds.

D. Suspected Fraud or Financial Misconduct

- Reasonable cause exists in ECT's sole discretion to believe the provider has engaged in **fraudulent activity**, misrepresentation, falsification of records, or other financial misconduct related to contract performance or reimbursement.
 - If there is evidence of suspected fraud, ~~ECT may suspend the provider pending the outcome of an investigation~~, including but not limited to actions by the Department of Financial Services, state auditors, or other authorized entities.

E. Contractual Non-Compliance Related to Performance or Program Administration

- Significant or persistent failure to meet performance standards, deliver services as required, or comply with contract reporting, monitoring, or quality expectations.
 - Examples include chronic missed deliverables, failure to implement corrective action plans, or unresolved material audit findings.
 - ECT may require corrective action plans, enhanced monitoring, or technical assistance prior to or concurrent with any suspension action.
- The commencement or conclusion of key personnel that calls into question the integrity or compliance of the provider or key personnel, or that could reasonably jeopardize the provider's capability to continue to meet its obligations under the terms of the Agreement effectively and safely.

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F. Other Material Legal, Regulatory, or Ethical Violations

- Any other material violation of law, regulation, or ethical standard that threatens client safety, program integrity, or ECT's fiduciary responsibilities, whether the basis for said violation of law is for conduct or activity occurring in relation to ECT-funded programs or services or outside of those ECT-funded programs or services.

VI. Suspension Procedures

A. Notice of Suspension

- ECT must provide **written notice** to the provider specifying the reasons for suspension, the effective date, and any required immediate actions.
- By two-thirds vote, the Executive Committee, on its own or upon recommendation by the Executive Director, has the authority to make the suspension decision in accordance with the policies and procedures governing suspension. At the next meeting of the Board of Directors following the suspension decision, the board may vote to ratify or reverse the Executive Committee's decision to suspend.

B. Duration of Suspension

- A suspension remains in effect until ECT determines that conditions have been satisfactorily resolved, investigations are complete, or corrective actions have been implemented. ECT may also elevate a suspension to contract termination if warranted.

C. Provider Response Rights

- Providers may be afforded the opportunity to submit documentation, corrective action plans, or explanations in response to the suspension notice, as provided in the contract or applicable law.

VII. Documentation and Monitoring

All actions related to suspensions must be fully documented in ECT contract files, including:

- Notices issued and provider responses
- Supporting evidence or findings
- Records of corrective actions, investigations, or consultations

VIII. Enforcement and Related Remedies

Suspension actions may be accompanied by:

- Enhanced monitoring or reporting
- Corrective action requirements
- Financial penalties in accordance with contract terms
- Referral to law enforcement, auditors, or regulatory agencies
- Termination of the contract for cause if issues remain unresolved or if investigations results or findings otherwise warrant such termination.

Legal and contractual procedures for appeals, dispute resolution, or hearings shall be followed as required.

IX. Review and Updates

This policy shall be reviewed periodically by ECT staff and updated to reflect changes in law, contract requirements, and best practices in provider oversight and risk management.