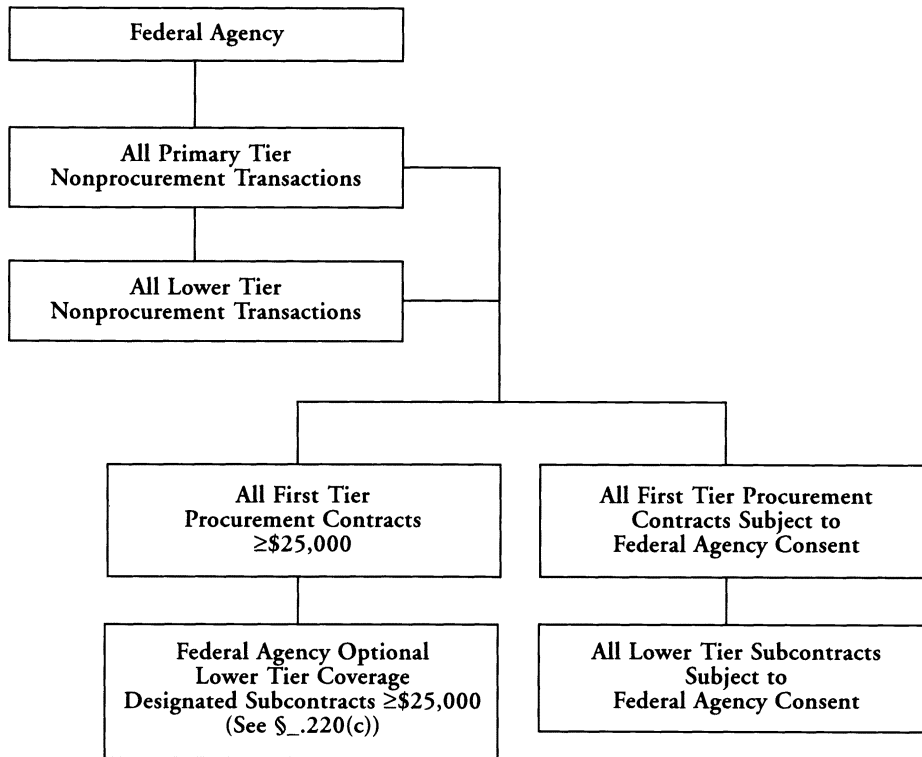


APPENDIX TO PART 76—COVERED TRANSACTIONS

COVERED TRANSACTIONS



PART 77—REMEDIAL ACTIONS APPLICABLE TO LETTER OF CREDIT ADMINISTRATION

- Sec.
- 77.1 Purpose.
- 77.2 Scope.
- 77.3 Conditions that may give rise to remedial actions.
- 77.4 Remedial actions.
- 77.5 Remedial action procedures.
- 77.6 Emergency procedures.

AUTHORITY: 5 U.S.C. 301.

SOURCE: 50 FR 781, Jan. 7, 1985, unless otherwise noted.

§ 77.1 Purpose.

Letters of credit with the United States Treasury, issued by the Department to States or other grantees and

contractors, are a convenient means for disbursing Federal funds to recipients of grant awards or contracts (recipient organizations) under the programs of this and other Executive Departments. The sound and efficient operation of the letter-of-credit system is dependent in large part upon the honesty, good faith, and responsible financial management of recipient organizations that receive funds pursuant to letters of credit. This part sets forth conditions that may prompt the Department to seek remedial action against a recipient organization operating under a letter of credit and the procedures that will be used to reach a final decision regarding the taking of remedial actions against a recipient organization.