



Corporation
for Public
Broadcasting

CSG Non-compliance Policy

January 2016

The Corporation for Public Broadcasting (CPB) has established this CSG Non-compliance Policy to encourage stations receiving a Community Service Grant (CSG) to comply with applicable provisions of the Communications Act of 1934, 47 U.S.C. §396, et seq. (Communications Act or Act) and CPB's General Provisions and Eligibility Criteria (General Provisions). This policy replaces and supersedes CPB's 2013 Grantee Non-compliance Policy.

The General Provisions require CSG recipients to certify annually that they comply with applicable provisions of the Communications Act and the General Provisions. Stations that certify their compliance but are subsequently found to be non-compliant will be subject to the following penalties, in addition to any repayment of CSG funds as required by the General Provisions.

I. Compliance with the Communications Act

Failure to comply with the following Communications Act requirements will subject the recipient to a penalty of \$5,000 per infraction:

- A. Open Meetings, including meetings of the recipient's board, community advisory board, and their committees, documenting the reasons for closing those meetings, and making that documentation available to the public (47 U.S.C. § 396(k)(4));
- B. Open Financial Records (47 U.S.C. § 396(k)(5));
- C. Community Advisory Board (47 U.S.C. § 396(k)(8));
- D. Employment Statistical Report (47 U.S.C. § 396(k)(11)); and
- E. Donor Information (47 U.S.C. § 396(k)(12)).

II. Compliance with the General Provisions

Failure to comply with requirements of the General Provisions which results in overpayment of the recipient's CSG will subject the recipient to a penalty of ten percent of the amount of the overpayment, in addition to refunding the overpayment. In such cases, CPB may require the recipient to review its records for the prior two years and

report the results of that review to CPB, returning any CSG overpayment. The report must be signed by the station's general manager and licensee official.¹

Failure to comply with other requirements of the General Provisions will subject the recipient to a penalty of \$1,000 per infraction.

III. Penalty Increases and Reductions

CPB reserves the right to increase, reduce, or waive any penalty based on the factors below, and may require the recipient to attend a workshop or training in an effort to eliminate future infractions.

- A. The total number of Communications Act requirements the recipient has failed to comply with;
- B. For non-compliance resulting in CSG overpayments, whether the recipient's review of its prior two years of records, if required, discloses additional overpayments and their amount;
- C. Whether the applicable requirements should have been understood and applied correctly;
- D. Whether the non-compliance was egregious and/or intentional;
- E. Whether the recipient's board of directors and/or licensee official² knew or should have known of the non-compliance and failed to prevent it;
- F. The amount of the overstated Non-Federal Financial Support;
- G. Whether the recipient previously failed to comply with the same or similar provisions in the Communications Act and/or General Provisions;
- H. Whether the recipient acted in good faith, voluntarily disclosed its non-compliance, and has a history of compliance;
- I. Whether the recipient implemented substantive corrective action once the non-compliance was disclosed to ensure future compliance;
- J. The amount of the penalty in relation to the recipient's station revenue; and
- K. Other relevant factors.

IV Penalties not Exclusive

The penalties established by this policy do not supersede or limit CPB's authority to impose additional penalties for violations of the Act or the General Provisions, including disqualifying recipients from the CSG program and the return of CSG funds.

¹ As defined in the relevant year General Provisions.

² As defined in the relevant year General Provisions.

Approved and adopted effective January 1, 2016:

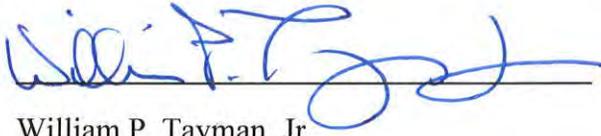


Steven ~~D.~~ Altman

Executive Vice President & Chief Operating Officer

12/24/15

Date

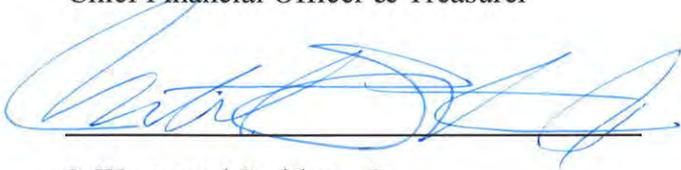


William P. Tayman, Jr.

Chief Financial Officer & Treasurer

DEC. 15, 2015

Date



J. Westwood Smithers, Jr.

Senior Vice President & General Counsel

DEC. 21, 2015

Date