

# Requirements for Federal Contractors/Grantees

The most important piece of legislation regulating federal contractors/grantees is the Drug Free Workplace Act (D.F.W.A.). This Act requires any organization that receives a federal contract worth \$100,000 or more to establish a drug free workplace policy. It also requires all organizations receiving a federal grant of any size to maintain such a policy.

At a minimum, the organization must:

1. **Prepare and distribute a formal drug free workplace policy statement.** This statement should clearly prohibit the manufacture, use, and distribution of controlled substances in the workplace as well as spell out the specific consequences of violating this policy.
2. **Establish a drug free awareness program.** This program should inform employees of the dangers of workplace substance abuse, review the requirements of the organization's drug free workplace policy, and offer information about any counseling, rehabilitation, or employee assistance programs that may be available.
3. **Ensure that all employees working on the federal contract understand their personal reporting obligations.** Under the terms of the Act, an employee must notify the employer within 5 calendar days if he or she is convicted of a criminal drug violation.
4. **Notify the federal contracting agency of any covered violation.** Under the terms of the Act, the employer has 10 days to report that a covered employee has been convicted of a criminal drug violation.
5. **Take direct action against an employee who is convicted of a workplace drug violation.** This action may involve imposing a penalty of some kind or requiring the offender to participate in an appropriate rehabilitation or counseling program.
6. **Maintain an ongoing good faith effort to meet all the requirements of the Act throughout the life of the contract.** Covered organizations must demonstrate their intentions and actions toward maintaining a drug free workplace. Their failure to comply with terms of the D.F.W.A may result in a variety of penalties, including suspension or termination of their grants/contracts and being prohibited from applying for future government funding.