



**Open ARC Administered Grants
OIG Report 18-38**

September 30, 2018

Open ARC Administered Grants as of September 28, 2018

Summary

This report updates prior reports dealing with grants administered by ARC for which no payments have been made at least 24 months since grant approval, grants with expiration dates and remaining balances, smaller and zero balances. Overall, grants are administered in accordance with grant requirements and continued follow-up actions are recommended.

ARC.Net identified 13 grants approved prior to October 1, 2016 with no reported payments and balances totaling \$2,878,218, 30 grants with expired performance periods including \$2,698,153 in 19 grants with balances of over \$50,000, 13 smaller balances without recent payments and 36 grants with zero balances.

Emphasis was placed on actions initiated with respect to grants included in the prior report dated March 31, 2018. This included grant extensions, payments and closeouts including 8 deobligations of \$262,035.

Many grants included in prior reports are noted in this report.

Background

ARC.Net the ARC grant management system was the primary source of information for identifying grant financial and implementation status.

ARC policy specifies that States can request grant revocation if grant implementation is not started within 18 months of approval. Our reviews have concluded that few, if any, State requests for revocation are received and we have emphasized 24 months since ARC approval as a reasonable period for additional agency follow-up action on the grants with no reported expenditures.

Regulations also specify that project expenditures after the identified performance periods are ineligible for reimbursement. ARC policies provide a process for grantees to request and support an extension prior to expiration of initial performance periods.

The review was conducted in accordance with Quality Standards for Inspection and Evaluations.

Results

Table A identifies 13 grants with approvals totaling \$2,878,218 that were approved prior to October 1, 2016 for which no ARC payments were reported. 4 grants were noted in prior reports.

Table B identifies 19 grants with expired performance periods and ARC balances over \$50,000, and totaling \$2,698,153. This is considered a significant issue based on policy that project expenditures identified after the performance period are ineligible for reimbursement. The absence of supported extensions results in expenditures being at risk including grants identified where payments were significantly after the identified performance period.

Table C identifies 13 grants with smaller balances totaling \$135,979 and limited recent payments. 36 grants had zero balances and are subject to closing.

Recommendations

- Follow-up action should be initiated on identified grants to determine potential actions including deobligations and use of funds for other priority projects.
- Emphasis should be placed on supporting grant extensions to better assure avoidance of ineligible expenditures.
- Grantee should be notified about requesting and supporting grants extensions prior to the identified end date.

Table A

ARC Administered open grants approved prior to 10/1/16 with no reported
payments - Excluding CO grants

<u>Grant #</u>	<u>Approved</u>	<u>ARC funds</u>	<u>End dates</u>	
GA-17862	9/24/2014	\$158,000.00	12/31/2018	1/
GA-18453	6/13/2016	\$35,000.00	1/1/2020	
GA-18455	6/10/2016	\$195,105.00	12/31/2018	
GA-18480	7/28/2016	\$120,000.00	12/31/2018	
MD-18508	8/2/2016	\$20,079.00	6/30/2019	
NC-18030	12/3/2014	\$23,140.00	6/30/2017	1/2/
NC-18383	6/24/2016	\$20,000.00	12/31/2016	2/
NC-18637	9/14/2016	\$35,000.00	3/31/2019	
NY-18181	8/12/2015	\$150,000.00	6/30/2018	1/2/
NY-18537	9/6/2016	\$24,000.00	9/30/2017	2/
NY-18539	7/27/2016	\$55,045.00	5/31/2019	
TN-18215	8/12/2015	\$88,000.00	12/30/2018	1/
TN-18621	9/27/2016	<u>\$1,954,849.00</u>	12/31/2018	
<u>13</u>		<u>\$2,878,218.00</u>		

1/In prior report

2/Expired end date

Table B

Open ARC grants with expired end dates and
balances of \$50,000 or higher

<u>Grant #</u>	<u>Approved</u>	<u>End date</u>	<u>ARC balance</u>	
AL-18289-C1	9/30/2016	9/30/2017	\$87,570.00	
AL-18431	8/29/2016	6/30/2018	\$80,422.49	
CO-18387	3/18/2016	9/30/2018	\$101,069.00	
GA-17862	9/24/2014	12/31/2018	\$158,000.00	1/
KY-18588	9/23/2016	12/31/2018	\$167,187.21	
MS-17883-C1	8/29/2016	7/31/2018	\$150,349.61	
MS-18953	7/27/2017	6/30/2018	\$102,029.00	
NC-18320	9/25/2015	7/31/2018	\$96,819.55	
NC-18970	9/28/2017	4/30/2018	\$50,000.00	1/
NY-18181	8/12/2015	6/30/2018	\$150,000.00	1/
PA-18967	8/18/2017	6/30/2018	\$96,848.21	
PA-18968	7/20/2017	8/31/2018	\$82,402.00	
SC-17832-C1	6/15/2016	9/30/2018	\$82,181.21	
SC-18423	9/29/2016	6/30/2018	\$218,223.10	
SC-18903	6/2/2017	9/30/2018	\$250,000.00	1/
TN-17937	9/18/2014	12/31/2017	\$425,735.28	
TN-18892	6/2/2017	8/31/2018	\$100,000.00	1/
WV-14334-C14	2/24/2017	8/31/2018	\$125,000.00	1/
<u>WV-19113</u>	1/18/2018	8/31/2018	<u>\$130,000.00</u>	1/
= <u>19</u>			<u>\$2,698,153.72</u>	

1/No reported payments on ARC.Net

Table C

Open ARC Administered grants with smaller balances

<u>Grant #</u>	<u>Approved</u>	<u>End Date</u>	<u>ARC funds</u>	<u>Balance</u>	<u>Last payment</u>
AL-18080 C-1	9/15/2016	9/30/2018	\$75,000.00	\$17,385.00	11/1/2017
CO-17194	4/12/2012	3/15/2018	\$175,000.00	\$5,000.00	11/26/2016
CO-18278	9/25/2015	8/31/2018	\$100,000.00	\$15,083.00	10/30/2017
CO-19072	9/22/2017	5/31/2018	\$20,000.00	\$2,000.00	10/30/2017
GA-18483	9/16/2016	8/31/2018	\$228,178.00	\$22,818.00	12/6/2017
MS-18957	9/12/2017	9/30/2018	\$79,004.00	\$9,221.00	10/23/2017
NC-18014	9/25/2015	9/30/2018	\$200,000.00	\$20,000.00	3/2/2016
NC-18719	1/30/2017	8/31/2018	\$100,000.00	\$2,018.00	10/5/2017
OH-18473	9/12/2016	8/30/2018	\$75,000.00	\$13,102.00	7/20/2017
OH-18598	8/29/2016	10/1/2017	\$23,985.00	\$4,302.00	5/29/2017
PA-18409	7/28/2016	12/31/2017	\$65,242.00	\$6,524.00	1/4/2017
TN-18218	11/2/2015	10/31/2016	\$49,600.00	\$11,267.00	12/14/2016
<u>VA-17674</u>	9/26/2013	12/31/2018	\$32,000.00	<u>\$7,259.00</u>	8/11/2016
				<u>\$135,979.00</u>	