



**Open State Administered Grants  
OIG Report 18-39**

**September 30, 2018**

## Open State Administered Grants as of September 28, 2018

### Summary

This report updates prior reports dealing with grant management issues for grants administered for ARC by State agencies. Continued follow-up action is recommended with respect to grants without payments several years after approvals and grants with expired performance periods and ARC balances.

ARC.Net identified 21 grants with approvals or obligations prior to October 1, 2016 and no reported payments totaling \$6,276,238, 9 grants with expired performance periods and balances totaling \$407,671 including 2 grants with balances exceeding \$50,000 and totaling \$275,415. 45 grants had zero balances.

Actions on grants included in prior report dated March 31, 2018 included 2 deobligations totaling \$126,130, grants extended and payments initiated.

### Background

ARC.Net the ARC grant management system was the primary source of information for identifying grant financial and implementation status. This included the Basic Agency Monitoring Report (BAMR) to be submitted at least annually by State administering agencies that identifies the grant status and issues restricting grant implementation.

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 or basic or State agency obligations as a reasonable period for additional agency follow-up action on 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 21 grants approved or obligated prior to October 1, 2016 with no reported payments and balances totaling \$6,276,238.

Basic Agency Monitoring Reports (BAMR) were available for these grants. Comments with respect to grant status ranged from identifying projects status, changed construction schedules, issues resulting in project delays and limited comments identifying reasons for delays or time frames for resolution of issues. In several instances comments note significant issues delaying projects.

Table B identifies 9 grants with expired performance periods and ARC balances of \$407,671. This includes 2 grants with balances over \$50,000 or totaling \$275,415.

45 grants had zero balances. Although zero balance grants have little impact on grant administration they appear 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 problems.
- Emphasis should be placed on supportable extensions to preclude ineligible reimbursements.

Table A

Open State Administered grants approved prior to 10/1/16  
and no payments on ARC.Net

| <u>State</u> | <u>Grant #</u>  | <u>ARC approval</u> | <u>End date</u> | <u>ARC funds</u>      |    |
|--------------|-----------------|---------------------|-----------------|-----------------------|----|
| AL           | AL-17894        | 6/19/2015           | 11/15/2018      | \$300,000.00          | 2/ |
|              | AL-18096        | 6/19/2015           | 4/30/2019       | \$200,000.00          | 2/ |
|              | AL-18151        | 9/3/2015            | 12/31/2018      | \$58,344.00           | 2/ |
|              | AL-18195        | 8/12/2015           | 4/30/2021       | \$296,000.00          |    |
|              | AL-18411        | 6/20/2016           | 9/30/2018       | \$125,000.00          |    |
|              | AL-18412        | 7/8/2016            | 4/30/2019       | \$150,000.00          |    |
|              | AL-18618        | 9/19/2016           | 12/31/2019      | \$696,894.00          |    |
| GA           | GA-17588        | 8/1/2013            | 12/29/2018      | \$200,000.00          | 2/ |
|              | GA-17898        | 9/10/2014           | 10/1/2018       | \$150,000.00          | 2/ |
|              | GA-18247        | 7/28/2016           | 7/31/2019       | \$150,000.00          |    |
|              | GA-18454        | 6/6/2016            | 8/31/2019       | \$300,000.00          |    |
|              | GA-18478        | 7/1/2016            | 10/31/2019      | \$300,000.00          |    |
|              | GA-18481        | 8/19/2016           | 10/30/2019      | \$150,000.00          |    |
|              | GA-18520        | 7/8/2016            | 7/31/2019       | \$300,000.00          |    |
| MD           | MD-18628        | 9/15/2016           | 11/23/2018      | \$500,000.00          |    |
| NC           | NC-18024        | 9/10/2015           | 6/30/2019       | \$300,000.00          | 2/ |
| OH           | OH-18576        | 9/26/2016           | 7/31/2018       | \$250,000.00          | 1/ |
|              | OH-18597        | 9/16/2016           | 8/31/2019       | \$250,000.00          |    |
| TN           | TN-18689        | 9/30/2016           | 1/31/2020       | \$600,000.00          |    |
| VA           | VA-18523        | 9/29/2016           | 9/30/2019       | \$500,000.00          |    |
|              | <u>VA-18583</u> | 9/16/2016           | 9/30/2019       | <u>\$500,000.00</u>   |    |
|              | 21              |                     |                 | <u>\$6,276,238.00</u> |    |

1/Expired end dates

2/In prior report

**Table B**

State administered grants with expired end dates as of  
9/28/18 and ARC balances

| <u>State</u> | <u>Grant #</u>   | <u>ARC funds</u> | <u>End date</u> | <u>ARC balance</u> |
|--------------|------------------|------------------|-----------------|--------------------|
| AL           | 18121 C-1        | \$198,000.00     | 9/30/2017       | \$87,000.00        |
| GA           | 18236            | \$200,000.00     | 6/30/2018       | \$22,527.00        |
| NC           | 18022            | \$300,000.00     | 2/28/2018       | \$188,415.00       |
| NC           | 18068 C-1        | \$45,000.00      | 12/31/2017      | \$45,000.00        |
| OH           | 17681            | \$250,000.00     | 5/31/2018       | \$12,131.00        |
| OH           | 17731            | \$250,000.00     | 2/28/2018       | \$18,481.00        |
| TN           | 18678 (PW)       | \$400,000.00     | 6/30/2018       | \$5,899.00         |
| VA           | 17076 C2         | \$90,677.00      | 6/30/2018       | \$12,572.00        |
| VA           | <u>17076 C-3</u> | \$149,388.00     | 6/30/2018       | <u>\$15,646.00</u> |
|              | <u>9</u>         |                  |                 | <u>\$407,671</u>   |