



**Open ARC Administered Grants
OIG Report 19-09**

March 31, 2019

Open ARC Administered Grants as of March 31, 2019

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 8 grants approved prior to April 1, 2017 with no reported payments and balances totaling \$2,653,033, 11 grants with expired performance periods and balances over \$30,000 that totaled \$990,644 and 7 grants with smaller balances totaling \$71,679.

Emphasis was placed on actions initiated with respect to grants included in the prior report dated September 30, 2018. This included grant extensions, payments and closeouts including 4 deobligations of \$175,607.

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 8 grants with approvals totaling \$2,653,033 that were approved prior to April 1, 2017 for which no ARC payments were reported. The 8 grants were noted in prior reports.

Table B identifies 11 grants with expired performance periods and ARC balances over \$30,000, and totaling \$990,644. 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 7 grants with smaller balances totaling \$71,679 and limited recent payments.

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 Grants approved prior to April 1, 2017
 with no ARC payments as of March 31, 2019
Excludes CO & LDD grants

<u>Grant #</u>	<u>Date Approved</u>	<u>End Date</u>	<u>ARC Funds</u>	
GA-17862	9/24/2014	2/15/2019	\$158,000.00	1/ 2/ 3/
GA-18455	6/10/2016	6/30/2020	\$195,105.00	1/ 3/
GA-18480	7/28/2016	5/31/2019	\$120,000.00	1/ 3/
MD-18508	8/2/2016	6/30/2019	\$20,079.00	3/
NC-18383	6/24/2016	12/31/2016	\$20,000.00	2/ 3/
NC-18637	9/14/2016	3/31/2019	\$35,000.00	2/ 3/
NY-18181	8/12/2015	6/30/2018	\$150,000.00	2/ 3/
<u>TN-18621</u>	9/27/2016	12/31/2019	<u>\$1,954,849.00</u>	3/
<u>8</u>			<u>\$2,653,033.00</u>	

1/Extended end dates

2/End date expired

3/In prior report

Table B

Open ARC Administered Grants with Expired Estimated End Dates
and balances over \$30,000 as of March 31, 2019

<u>Grant No.</u>	<u>Approved</u>	<u>ARC funds</u>	<u>ARC balance</u>	<u>End dates</u>
AL-18289 C1	9/30/2016	\$168,700.00	\$87,750.00	9/30/2017
AL-18431	8/29/2016	\$150,000.00	\$39,040.00	6/30/2018
AL-18815	3/15/2017	\$75,000.00	\$32,547.00	3/31/2019
AL-18834	3/28/2017	\$200,000.00	\$61,172.18	3/31/2019
CO-13956-A-C7	10/3/2016	\$300,000.00	\$33,828.19	6/30/2018
GA-17862	9/24/2014	\$158,000.00	\$158,000.00	2/15/2019
KY-18588	9/23/2016	\$200,000.00	\$63,012.00	6/30/2019
MS-18953	7/27/2017	\$270,000.00	\$102,029.00	6/30/2018
SC-18423	9/29/2016	\$250,000.00	\$121,159.00	1/31/2019
TN-17937	9/18/2014	\$800,000.00	\$235,670.00	12/31/2017
<u>WV-18827</u>	3/22/2017	\$150,000.00	<u>\$56,437.00</u>	3/31/2019
11			<u>\$990,644.37</u>	

Table C

Open ARC Administered Grants with Smaller Balances

<u>Grant #</u>	<u>ARC funds</u>	<u>Balance</u>	<u>End date</u>	<u>Last payment</u>
AL-18080	\$100,000.00	\$10,000.00	9/30/2018	7/18/2017
CO-13956-A-C7	\$300,000.00	\$33,828.00	6/30/2018	3/2/2018
CO-17085	\$225,000.00	\$8,282.00	12/31/2017	8/17/2017
CO-18503	\$20,000.00	\$2,000.00	3/31/2018	7/12/2018
CO-19105	\$20,000.00	\$2,000.00	5/31/2019	3/8/2018
OH-18598	\$23,985.00	\$4,302.00	10/1/2017	5/30/2017
TN-18218	\$49,000.00	<u>\$11,267.00</u>	10/31/2016	12/14/2016
<u>7</u>		<u>\$71,679.00</u>		