



**Open State Administered Grants
OIG Report 19-43**

September 30, 2019

Open State Administered Grants as of September 30, 2019

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.

A review of Open State Administered grants identified 26 grants with approvals or obligations prior to October 1, 2017 and no reported payments totaling \$9,575,044, 29 grants with expired end dates and balances over \$50,000 totaling \$7,322,322 and 38 grants with zero balances.

Action on grants included in prior report dated March 31, 2019 included extension of performance periods, payments made and closeouts.

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 26 grants approved or obligated prior to October 1, 2017 with no reported payments and balances totaling \$9,575,044.

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 29 grants with expired performance periods and ARC balances of \$50,000 totaling \$7,322,322.

38 grants had zero balances. Although zero balance grants have little impact on grant administration they appear subject to closing. We recognize that in some cases the Basic Agency has not provided information necessary to close the grant.

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.
- Follow-up to obtain information need from Basic Agency to close grants.

Table A

Open State Administered Grants Approved prior to September 30, 2017
with no Reported ARC Payments

<u>Grant #</u>	<u>Date approved</u>	<u>ARC funds</u>	<u>Last BAMR</u>	
AL-18835	3/16/2017	\$200,000.00	1/28/19 - No activity/historical issue	
GA-17588	8/1/2013	\$200,000.00	1/28/19 - Design phase/need easements	
GA-18247	7/28/2016	\$150,000.00	12/10/18 - High bid/historical issue	1/
GA-18481	8/19/2016	\$150,000.00	12/10/18 - Design phase/need Government permit	
GA-18868	5/2/2017	\$600,000.00	1/28/19 - Design phase/need environmental review	
GA-18869	8/18/2017	\$600,000.00	1/28/19 - Design phase/bid 1/19	
GA-18872	9/28/2017	\$250,000.00	12/10/18 - Design phase/moving forward	1/
GA-19033	9/25/2017	\$350,000.00	1/28/19 - Design starting/easement delay	
GA-19034	9/12/2017	\$120,720.00	12/10/18 - Should progress in two months	
GA-19035	9/28/2017	\$300,000.00	12/10/18 - Design phase/historical issue	
NC-18024	9/10/2015	\$300,000.00	12/11/19 - No activity/wants change of scope	1/
NC-18068	1/3/2017	\$45,000.00	Don't need BAMR	
NC-18931	8/28/2017	\$300,000.00	8/2/19 - Cancellation recommended	2/
NC-18933	9/28/2017	\$300,000.00	2/6/19 - Re-bidding contract	
NC-18934	8/21/2017	\$500,000.00	2/5/19 - No activity/bid to open 1/19	1/ 3/
OH-18144	6/9/2015	\$175,000.00	7/2/19 - Begin construction 7/19	
OH-18209	8/12/2015	\$250,000.00	2/5/19 - Construction started	
SC-18906	5/23/2017	\$500,000.00	1/31/19 - Design phase/acquisition issues	
TN-18930	7/11/2017	\$1,892,584.00	1/31/19 - Work to begin next month	
TN-19062	9/22/2017	\$500,000.00	1/31/19 - Waiting TDEC approval	
TN-19068	9/22/2017	\$450,000.00	2/5/19 - Revised scope	
VA-18523	9/29/2016	\$500,000.00	2/4/19 - Construction started	1/
VA-19008	9/25/2017	\$500,000.00	1/28/19 - Bid scheduled 1/19	
<u>VA-19056</u>	9/28/2017	<u>\$441,740.00</u>	1/24/19 - No activity/no comments	
26		<u>\$9,575,044.00</u>		

1/ End date expired per ARC.Net

2/ Cancellation recommended per BAMR

3/ \$500,000 Approved 8/21/17 - no reported payment - end date 5/31/18; R-1 \$90,000 approved 8/6/19

Table B

Open State Administered Grants with Expired End Dates
and Balances over \$50,000

<u>Grant #</u>	<u>ARC funds</u>	<u>Balance</u>	<u>End date</u>	
AL-18365	\$200,000.00	\$78,075.00	6/30/2019	
AL-19230	\$206,400.00	\$143,056.00	6/1/2019	
GA-18247	\$150,000.00	\$150,000.00	7/31/2019	1/
GA-18427	\$300,000.00	\$300,000.00	1/16/2019	
GA-18454	\$300,000.00	\$182,230.80	8/31/2019	
GA-18866	\$315,315.00	\$203,846.25	8/31/2019	
GA-18872	\$250,000.00	\$250,000.00	8/1/2019	1/
GA-18873	\$128,440.00	\$128,440.00	8/31/2019	
MD-18628	\$500,000.00	\$156,173.90	9/19/2018	
MS-18222	\$6,169,271.00	\$1,583,139.68	6/30/2019	
MS-19013	\$289,850.00	\$117,460.87	9/1/2019	
MS-19117	\$500,000.00	\$133,283.47	7/1/2019	
MS-19139	\$209,400.00	\$209,400.00	6/30/2019	1/
MS-19247	\$500,000.00	\$367,445.86	9/30/2019	
NC-18021	\$273,000.00	\$53,695.40	9/30/2018	
NC-18022	\$300,000.00	\$188,415.16	9/30/2019	
NC-18024	\$300,000.00	\$300,000.00	6/30/2019	1/
NC-18331	\$450,000.00	\$150,000.00	9/30/2018	
NC-18934	\$590,000.00	\$590,000.00	5/31/2018	1/
OH-18936	\$250,000.00	\$65,181.20	3/31/2019	
OH-18959	\$250,000.00	\$56,016.49	12/31/2018	
TN-18075	\$392,603.00	\$245,732.75	5/31/2019	
TN-18549	\$500,000.00	\$399,186.74	9/30/2019	
TN-18578	\$500,000.00	\$166,448.70	6/30/2019	
TN-18581	\$75,000.00	\$65,716.80	9/30/2019	
VA-17962	\$288,516.00	\$254,193.68	2/3/2019	
VA-18523	\$500,000.00	\$500,000.00	9/30/2019	1/
VA-18525	\$500,000.00	\$144,449.31	6/14/2019	
<u>VA-18556</u>	\$300,000.00	<u>\$140,734.82</u>	3/1/2019	
29		<u>\$7,322,322.88</u>		