

Office of Inspector General

**OPEN ARC ADMINISTERED GRANTS WITH FUND
BALANCES AND EXPIRED END DATES**

The Appalachian Regional Commission



MARCH 12, 2012

Report 12-6

Background

This report addresses ARC administered open grants with limited activity and follows up on prior reports on this subject relative to Basic Agency grants. ARC actions to address this issue have resulted in significant reductions in open grants in this category and these actions are continuing.

Scope and Methodology

We utilized information from ARC.net, (Grant Management System) and identified older grants for which no activity was reported no recent payments were identified and grants with expired end dates.

We initially used 18 months as a base period for limited or no activity in line with ARC policy that allows actions to be initiated if grant implementation is not started within 18 months of grant approval. Also, we considered 18 months of no reported activity to be a reasonable period for initiation of follow-up action to determine and document grant status, including the potential for grant closings and de-obligations. We expanded the base period to 21 months to account for on-going ARC actions.

Information about end dates is presented primarily to note the availability of such a control.

A. Older Grants with no payment/disbursements during the 21 month period prior to 3/1/12;

- 45 grants approved between March 2000 and April 2010 were noted as having no payments action (progress payments or advances) within the 21 month period prior to 3/1/12. These grants had balances of \$3,408,830. This included 21 grants for which no payment action was noted since grant approval. These grants range from \$9,285 to \$500,000 and totaled \$2,635,863. Also, 21 grants with prior payment actions but none in the 21 months prior to 3/1/12 had balances ranging from \$2,000 to \$320,186 and totaled \$772,967. Tables A & B identify the noted grants.
- Follow-up on these grants is recommended to determine the potential for closings, de-obligations and/or justifications for the grants remaining open and available controls should be utilized to assure timely follow-up in the future.

B. Older grants with zero balances;

- We noted zero balances for 15 grants approved between 1978 and 2009 for which the last recorded payment/disbursement ranged between 1978 and February 2010. Although these grants do not impact program operations grant management controls should assure that such grants are closed when appropriate. (Table C)

C. Grants with expired end dates;

- ARC.net identifies the expected end date of ARC administered grants. We reviewed a listing of end dates for open grants and identified 38 with end dates prior to October 1, 2011 for which follow-up action appropriate to identify potential actions such as closings, potential de-obligations, and extension of end dates if justified, is appropriate.
- Five cases were noted where grants with no disbursements totaled \$93,250. In 13 cases grants totaling \$234,675 and having generally recent payment dates had expired end dates. In 12 cases grants contained zero balances although we recognize final payments in several cases were recently made.
- Actions should include extending grants periods where applicable, closing grants with zero balances as soon as possible, and following up with the grants noted as having no disbursements. (Table D)

Recommendation

Follow-up should be initiated to determine the status of the noted grants including potential for grants closing and de-obligations and/or document grant status and revise expected end dates, if justified. Also, available information with respect to grant activity and end dates should be utilized as controls to assure timely follow-up actions on grants with extended periods of inactivity.

TABLE A

Older ARC Administered Grants with No Noted Payments/Disbursements
in 21 Months Prior to 3/1/12 for which 100% balances Remain

<u>Grant #</u>	<u>Approval Date</u>	<u>Amount</u>	<u>Balance as of 4/12/12</u>	<u>Notes</u>
AL-15875	5/27/2008	\$50,000	\$50,000	
GA-15767	9/28/2007	\$9,285	\$9,285	
GA-15962	9/10/2008	\$25,000	\$25,000	
KY-15785	9/17/2007	\$125,000	\$125,000	
KY-16469	9/30/2009	\$148,122	\$143,145	
NY-16342	4/19/2010	\$148,500	\$148,500	
NY-16592	4/19/2010	\$77,460	\$77,460	
PA-15622	9/19/2007	\$170,000	\$170,000	
SC-16348	9/30/2009	\$500,000	\$500,000	
CO-14896	9/29/2004	\$60,000	\$60,000	Working on closeout report as of 3/4/09
CO-15421	1/4/2010	\$95,000	\$95,000	
CO-15495	9/28/2006	\$50,000	\$50,000	
CO-15511	9/28/2006	\$495,000	\$495,000	Work to be completed January 09 per USACE report received 1/14/09. \$455,094.31 obligated, \$454,868.81 expended through 12/31/08. Expect USACE to propose additional work that would expend balance of ARC funds. (ES 1/16/09). Bottom of Form
CO-16121	9/18/2008	\$50,000	\$6,380	Close out recovery of \$6,380 3/28/12
CO-16128	9/29/2008	\$250,000	\$0.00	Final Payment made 3/30/12 De-obligated \$0.66 4/11/12
CO-16316	4/15/2009	\$134,000		
CO-16393	9/10/2009	\$44,996	\$44,996	
CO-16458	9/10/2009	\$45,000	\$45,000	
CO-16520	11/14/2009	\$28,500	\$28,500	
CO-16528	12/18/2009	\$30,000	\$30,000	
CO-16643	4/18/2010	<u>\$100,000</u>	<u>\$100,000</u>	
		<u>\$2,635,863</u>	<u>\$2,203,266</u>	

UPDATED: 4/12/12

Table B

ARC Administered Grants with Balances as of 3/1/12 but no Payment
Action Subsequent to June 8, 2010

<u>Grant #</u>	<u>Approved Date</u>	<u>Amount</u>	<u>Last Payment</u>	<u>Balance 4/12/12</u>	<u>Note</u>
AL-13599	3/29/2000	\$200,000.00	2/20/2001	\$20,000.00	
AL-15246	9/28/2005	\$360,000.00	5/6/2008	\$37,400.00	
AL-15635	7/26/2007	\$175,000.00	11/23/2007	\$18,000.00	
AL-15852	2/28/2008	\$50,000.00	5/22/2009	\$7,250.00	
AL-16485	9/23/2009	\$14,400.00	11/12/2009	\$1,440.00	
KY-15493	9/28/2006	\$331,000.00	4/13/2010	\$0.00	
NC-15786	9/19/2007	\$110,000.00	6/1/2010	\$37,550.00	
NC-15805	9/24/2007	\$18,250.00	1/7/2009	\$5,720.00	
NC-15822	9/25/2007	\$50,000.00	1/12/2009	\$18,443.00	
NY-16407	9/14/2009	\$43,350.00	5/13/2010	\$4,335.00	
OH-15078	6/28/2005	\$329,720.00	2/11/2008	\$8,606.00	
PA-16401	9/29/2009	\$170,000.00	11/23/2009	\$127,500.00	
WV-14476	6/9/2003	\$225,000.00	11/6/2006	\$34,954.00	
CO-14526	9/23/2003	\$70,000.00	11/18/2008	\$11,166.00	
CO-15526	9/28/2006	\$50,000.00	5/21/2009	\$30,000.00	
CO-15530	9/28/2006	\$24,700.00	8/8/2007	\$14,700.00	
CO-15620	6/6/2007	\$30,000.00	9/25/2007	\$3,000.00	
CO-16034	7/14/2008	\$148,523.00	4/5/2010	\$0.00	Close out 3/28/12
CO-16127	9/25/2008	\$63,500.00	7/24/2009	\$32,750.00	
CO-16150	11/10/2008	\$2,000.00	2/20/2008	\$1,000.00	
CO-16219	4/24/2009	\$38,499.00	3/16/2010	<u>\$6,298.00</u>	
				<u>\$420,112.00</u>	

Older ARC Administered Grants with Zero Balances

<u>Grant #</u>	<u>Approval</u> <u>Date(s)¹</u>	<u>Last payment/</u> <u>Action</u>
KY-15681	6/17/2009	11/24/2009
MD-15995	8/18/2008	8/26/2009
MD-6184	9/1/1978	2/25/2005 1
NC-15742	9/26/2007	10/14/2008
PA-8285	2/19/1982	2/5/1987 1
PA-8305	12/1/1981	12/16/1992 1
PA-8291	9/31/1981	1/4/1983 1
TN-13079	9/18/1998	8/24/2004
WV-13966	6/18/2001	8/24/2004
WV-14258	9/3/2002	4/26/2005
WV-14816	9/29/2004	11/15/2008
CO-13090	5/24/1999	1/14/2003
CO-14421	12/31/2002	2/19/2010
CO-13816	9/28/2000	6/18/2004
<u>CO-15570</u>	5/14/2007	9/19/2007

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¹ In some cases numerous amendments were noted but last payments for initial grants were many years previous and zero balances noted.

Table D

100% Balances – No Disbursements Noted
End Dates Prior to October 1, 2011

<u>Grant #</u>	<u>Approved</u>	<u>End Date</u>	<u>Balance</u> <u>3/1/12</u>	<u>Balance</u> <u>4/12/12</u>
CO-16839	12/6/2010	9/30/2011	\$7,500	\$7,500
CO-16926	5/20/2011	6/30/2011	\$8,750	\$8,750
CO-16226 C1	6/3/2011	7/1/2011	\$12,000	\$12,000
CO-16637	7/6/2010	10/1/2010	\$16,000	\$0.00
NY-16864	3/7/2011	7/31/2011	\$49,000	<u>\$49,000</u>
			\$93,250	<u>\$77,250</u>

Grants with Less than 100% Balances for Which End Dates are prior to
October 1, 2011

<u>Grant #</u>	<u>End Date</u>	<u>Last Payment</u>	<u>Balance</u>
AL-16237	9/30/2011	2/8/2012	\$26,749
MD-16160 C1	7/31/2011	6/14/2011	\$34,958
MD-16526	9/30/2011	12/23/2011	\$6,500
MD-16790	9/14/2011	7/26/2011	\$1,230
NY-16268	6/30/2011	5/19/2011	\$20,888
OH-16613	6/1/2011	10/29/2010	\$38,497
PA-16496 C1	9/30/2011	7/28/2011	\$30,274
PA-16758	6/30/2011	3/28/2011	\$10,600
CO-16318	5/31/2011	2/27/2012	\$18,918
CO-16390	6/30/2011	9/28/2010	\$1,500
CO-16503	6/30/2011	2/8/2012	\$24,815
CO-16811	9/1/2011	2/8/2012	\$4,755
CO-16812	9/1/2011	2/1/2012	<u>\$14,991</u>
			<u>\$234,675</u>