

Open ARC Administered Grants
OIG Report 12-27
September 30, 2012

Background and Scope

This report updates report 12-06, dated March 12, 2012 that identified ARC administered grants with limited activity, expired end dates and potential for closings and/or de-obligations and updates the status of ARC administered grants as of September 30, 2012.

We utilized information from ARC.Net (Grant Management System) and identified grants with limited activity and expired end dates. We used 18 months as a base period for identifying grants with 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 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.

Results

Update on grants noted in Report 12-06, dated March 12, 2012

- 42 grants were noted in Report 12-06 as having limited or no activity as of March 1, 2012 in terms of disbursements in the 21 months subsequent to approval. For 21 cases no disbursements were reported since grant approval and for the other 21 cases disbursements were noted but none were reported in the 21 months prior to March 1, 2012.

As of September 30, 2012, 6 of the 21 grants noted as having no disbursements as of March 1, 2012 remain open and did not have disbursements. ARC funds approved for these grants totaled \$252,785 and grant approvals ranged from 32 to 59 months prior to September 30, 2012. (Table A)

Thirteen of the 21 grants with prior disbursements but without payments for 21 months prior to March 1, 2012 had no further disbursements as of 9/12/12. ARC funds totaled \$615,853 and periods since last disbursement ranged from 26 to 70 months. (Table B) In four cases grants were closed and de-obligations of \$79,574 were reported. The four remaining grants were closed without de-obligations.

Additional Open Grants Approved in FYs 2009 and 2010

Six additional grants approved in FYs 2009 and 2010 report no disbursements of ARC funds for grants approved at least 21 months prior to January 1, 2011. These grants included ARC funds of \$590,650.

As a result, 12 open grants with ARC funds totaling \$843,345 were identified as having no disbursements since grant approvals at least 21 months previous. (Table A)

Expired grant periods

Eighteen open grants with balances were included in Report 12-06 for which the end date had expired. Nine grants were closed prior to this report including de-obligations totaling \$32,848, and in one case older grants money was disbursed and additional funds were approved. For 8 cases no additional funds were disbursed and end dates were not extended. (Table C)

Zero Balances

We identified 21 grants that have had zero balances for more than six months, with some open grants with zero balances being approved 1979 to 1982 and last payments made between 1997 and 2005. This included 13 of 15 grants noted in Report 12-06. (Table D)

Although zero balances for lengthy periods do not significantly impact operations, grant management controls should assure that such grants are closed on a more timely basis.

Recommendation

Follow-up should be initiated to determine the status of the noted grants including potential for grant closing and de-obligation and/or revision of expected end dates, if justified, and closing of zero balance older grants. 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.


Hubert Sparks
Inspector General

Table A

**ARC ADMINISTERED GRANTS APPROVED PRIOR TO JANUARY 1, 2011
WITH NO DISBURSEMENTS NOTED AS OF SEPTEMBER 30, 2012**

<u>Grant No</u>	<u>Date Approved</u>	<u>ARC Funds</u>	<u>End Date</u>	
AL-15875	5/27/2008	\$50,000.00	5/31/2009	1
GA-15767	9/28/2007	\$9,285.00	9/30/2008	1
GA-15962	9/10/2008	\$25,000.00	8/12/2009	1
GA-16213	9/24/2010	\$94,110.00	9/30/2012	
KY-16797	9/28/2010	\$80,000.00	5/31/2012	
KY-16833	9/24/2010	\$110,000.00	10/31/2011	
NY-15931	7/30/2010	\$52,450.00	8/31/2012	
OH-16744	9/13/2010	\$204,000.00	12/31/2012	
VA-16611	9/30/2010	\$50,000.00	12/21/2011	
CO-15421	1/4/2010	\$95,000.00	9/30/2011	1
CO-16458	9/10/2009	\$45,000.00	6/30/2010	1
<u>CO-16520</u>	11/4/2009	<u>\$28,500.00</u>	10/30/2011	1
12		<u>\$843,345.00</u>		

Notes

1 - Included in OIG Report 12-06, dated March 12, 2012 and months since approval range from 32 to 59.

Table B

**Grants in Report 12-06 with Balances but no Disbursements
Subsequent to June 8, 2010 as of September 30, 2012**

<u>Grant No</u>	<u>Date Approved</u>	<u>Last Disbursement</u>	<u>Balance</u>	<u>Months since a Disbursement</u>
AL-15852	2/28/2008	5/22/2009	\$7,250.00	40
KY-15493	9/28/2006	4/13/2010	\$320,186.00	26
NC-15822	9/25/2007	1/2/2009	\$18,443.00	32
OH-15078	6/28/2005	2/11/2008	\$8,606.00	54
PA-16401	9/29/2009	11/23/2009	\$127,500.00	34
WV-14476	6/9/2003	11/6/2005	\$34,954.00	70
CO-14526	9/23/2003	11/18/2008	\$11,166.00	46
CO-15526	9/28/2006	5/21/2009	\$30,000.00	39
CO-15530	9/28/2006	8/5/2007	\$14,700.00	61
CO-15620	6/6/2007	9/25/2007	\$3,000.00	60
CO-16127	9/25/2008	7/24/2009	\$32,750.00	38
CO-16150	11/10/2008	2/20/2008	\$1,000.00	54
CO-16219	4/24/2009	3/16/2010	\$6,298.00	29
			<u>\$615,853.00</u>	

**Update on Grants in Report 12-06, Dated 3/12/12
with Balances and Expired end Dates**

<u>Grant No</u>	<u>Approved</u>	<u>End Dates</u> 1	<u>Balance</u> 1
MD-16526	1/21/2010	9/11/2011	\$3,500.00
MD-16790	9/8/2010	9/14/2011	\$1,230.00
OH-16613	6/24/2010	6/1/2011	\$38,497.00
PA-16758	9/24/2010	6/30/2011	\$10,600.00
CO-16390	6/30/2011	9/10/2009	\$4,500.00
CO-16839	12/6/2010	9/30/2011	\$7,500.00
CO-16925	5/20/2011	6/30/2011	\$8,750.00
<u>CO-16226 C1</u>	6/3/2011	7/1/2011	<u>\$12,000.00</u>
8			<u>\$86,577.00</u>

Notes

1 - No changes since Report 12-06

Table D

Grants with Zero Balances as of 9/30/12

<u>Grant No.</u>	<u>Date Approved</u>	<u>Last Payment</u>	
MD-6184	9/1/1978	2/25/2005	1
NC-15742	9/26/2007	10/14/2008	1
PA-8285	2/19/1982	2/5/1987	1
PA-8305	12/1/1981	12/16/1992	1
PA-8291	9/31/81	1/4/1983	1
TN-13079	5/18/1998	8/24/2004	1
WV-13966	6/18/2001	8/24/2004	1
WV-14816	9/29/2004	11/15/2008	1
CO-13090	5/24/1999	1/4/2003	1
CO-14421	12/31/2002	2/19/2010	1
CO-13816	9/28/2000	6/18/2004	1
CO-15570	5/14/2007	9/19/2007	1
AL-16131	12/8/2008	11/18/2010	
KY-13184	3/31/1999	11/10/2003	
KY-8425		6/21/1989	
NC-15742			
OH-16368	8/26/2009	9/1/2010	
PA-17029	8/30/2011	1/9/2012	
SC-17046	7/15/2011	8/5/2011	
VA-16005	9/15/2008	9/17/2008	
CO-13816	9/28/2000	6/18/2004	
CO-14421-0-1	12/31/2002	2/9/2010	
CO-15528-0-1	9/28/2006	12/30/2011	

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Notes

1 - Grants also noted in Report 12-06