



**Older Open ARC Administered Grants
OIG Report 13-39**

September 30, 2013

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Background and Scope

This report updates Report 13-19, dated March 31, 2013 that identified 23 grants for follow-up based on limited activity and grants with expired end dates.

This report utilized information from ARC.Net (Grant Management System) and used 24 months as a reasonable period for follow-up on limited or no disbursements.

Results

ARC has continued its emphasis on follow-up on ARC administered grants with limited disbursements of ARC funds.

Inactive Grants

14 of the 17 grants totaling \$1,467,679 for which no disbursements were noted as of March 31, 2013 remained without disbursements as of September 30, 2013. The period since approvals ranged from 24 to 71 months. Table A

In three cases actions, including one grant closing with de-obligation of \$79,201, and two cases where disbursements were reported were identified.

Limited Activity

For four of the six grants identified in Report 13-19 no additional disbursements were noted since March 31, 2013. Undisbursed balances totaled \$315,741. The period since the prior disbursements ranged from 21 to 64 months. Table B

The action on two cases included one payment and grant closing and one case where a disbursement was reported.

Expired Grants

Report 13-19 identified 45 grants with expired end dates. Follow-up identified actions were initiated in 25 instances, including grant closings and grant period extensions. De-obligations totaling \$221,319 were identified for seven grants.

20 open grants with balances totaling \$1,005,069 continued to have expired performance periods. In 12 of these cases no disbursements for grants totaling \$865,450 were reported.
Table C

Accurate end dates are important since Federal grant regulations consider expenditures made subsequent to established performance periods as unallowable and not reimbursable. Also, the ARC Grant Administration Manual states "ARC will not reimburse expenditures occurring before or after the grant period. As noted in Section III above, Project Changes, grant period extensions should be requested and approved by ARC before the grant period expires".

We did not attempt to identify grantee expenditures made after performance periods expired but the potential exists for grantee expenditures to be incurred after performance periods ended particularly where performance periods ended many months previously or for older grants for which no disbursements have been noted to date.

To avoid ineligible disbursement of grant funds controls should be established to identify, on a timely basis, expiration of performance periods and needed actions, including justified extensions of performance periods or termination of grants.

The reported grants should be reviewed to determine if grant extensions are warranted. Extended approvals should be documented as to the reasons for the extension and potential for project completion in line with any requested extension.

Grantees should be notified of the need to request and justify extensions prior to the expiration of agreed with performance periods, coordinator monitoring of these end dates should be included in ARC guidelines, an automated control that highlights forthcoming open grant end dates should be included in ARC.Net and language in the ARC Grant Administration Manual should be changed to "shall" rather than "should" with respect to grant periods.

TABLE A

**OPEN ARC ADMINISTERED GRANTS APPROVED PRIOR TO OCTOBER 1, 2011
FOR WHICH NO ARC DISBURSEMENTS REPORTED**

<u>Grant #</u>	<u>Date Approved</u>	<u>ARC Funds</u>	<u>Months Since Approval as of 9/30/13</u>	<u>Notes</u>
AL-15875	5/27/2008	\$50,000.00	71	1/ 2/
AL-17172	9/29/2011	\$38,739.00	24	
GA-16213	9/24/2010	\$94,110.00	26	
KY-16798-C-1	3/31/2011	\$500,000.00	30	2/
KY-16833	9/24/2010	\$110,000.00	35	1/ 2/
MS-16960	7/8/2011	\$48,580.00	26	
OH-16744	9/13/2010	\$204,000.00	26	
PA-17118	9/16/2011	\$150,000.00	24	
TN-17156	8/1/2011	\$100,000.00	25	
VA-16611	9/30/2010	\$50,000.00	36	1/ 2/
CO-16226	6/3/2011	\$12,000.00	27	2/
CO-16520	11/4/2009	\$28,500.00	47	1/ 2/
CO-16828	1/28/2011	\$63,000.00	34	2/
CO-16926	6/30/2011	\$8,750.00	28	2/
<u>14</u>		<u>\$1,457,679.00</u>		

1/ Also, Included in Report 12-27, dated 9/30/12

2/ End dates expired

TABLE B

**OPEN ARC ADMINISTERED GRANTS WITH LENGTHY PERIODS
SINCE LAST DISBURSEMENTS**

<u>Grant #</u>	<u>Date Approved</u>	<u>Balance</u>	<u>Last Disburseme</u>	<u>Months Since Last Disbursement</u>	<u>Notes</u>
WV-14258	9/3/2002	\$231,241.00	5/7/2008	64	
MS-16788	9/7/2010	\$50,000.00	12/5/2011	21	
CO-15526	9/28/2006	\$30,000.00	5/21/2009	52	1/
<u>CO-16392</u>	9/16/2009	<u>\$4,500.00</u>	9/7/2011	25	
<u>4</u>		<u>\$315,741.00</u>			

1/ Also included in prior Report 12-27

TABLE C

Open ARC Grants with End Dates Prior to 1/1/13

<u>Grant No.</u>	<u>9/30/13 Balance</u>	<u>End Date</u>	<u>Note</u>
AL-15573	\$80.00	5/31/2010	
AL-15875	\$50,000.00	5/31/2009	1/
AL-17203	\$25,000.00	12/31/2012	1/
CO-16093	\$7,500.00	12/31/2011	
CO-16226	\$12,000.00	7/1/2011	1/
CO-16520	\$28,500.00	10/30/2011	1/
CO-16828	\$63,000.00	12/15/2012	1/
CO-16926	\$8,750.00	6/30/2011	1/
CO-17340	\$5,000.00	12/30/2012	1/
CO-17455	\$2,000.00	12/31/2012	1/
KY-16080 C-2	\$2,077.00	12/31/2012	2/
KY-16718	\$39,262.00	12/31/2012	
KY-16798 C-1	\$500,000.00	10/30/2012	1/
KY-16833	\$110,000.00	10/31/2011	1/
MD-16526	\$3,500.00	9/30/2011	
VA-16611	\$50,000.00	12/31/2011	1/
VA-16956	\$29,196.00	7/31/2012	
VA-16973	\$55,581.00	12/14/2012	
VA-17062	\$2,523.00	10/1/2012	
<u>WV-17454</u>	<u>\$11,200.00</u>	10/30/2012	1/
<u>20</u>	<u>\$1,005,169.00</u>		

1/ No disbursements as of end of grant period

2/ Last payment 8/22/13 of \$46,389 made after end date of 12/30/12. Spending after 12/30/12 would be ineligible.