



**Open ARC and State Administered Grants
OIG Report 16-12**

March 31, 2016

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As of March 31, 2016
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Summary

This report updates and follows-up on Report 15-36, dated September 30, 2016 dealing with older open grants administered by ARC and participating States. Generally, timely follow-up action is initiated on older inactive grants to determine project status and any necessary action and actions are facilitated by ARC implementation of additional controls identifying grants needing follow-up.

Based on information available in the ARC grant management system and available Basic Agency Monitoring Reports (BAMR) received from States administering construction related grants and consideration of ARC guidelines that permit States requests to revise or revoke commission approval of grants if the work intended to be assisted is not underway within 18 months of grant approval we identified 13 ARC and 12 State administered grants for continuing follow-up to determine grant status. Emphasis should be placed on oldest grants and grants with expired end dates.

Also, recommendations include emphasizing the need for grantees to request and support grant extensions prior to expiration of the initially approved grant period, extensions based on grantee requests, closing of grants with zero balances and revision of the ARC guidelines pertaining to the 18 month guidance particularly with respect to construction related grants.

ARC Administered Grants

Report 15-36 identified 11 grants approved prior to October 1, 2013 with no reported ARC payments. Follow-up identified actions on 7 grants, including de-obligations of \$133,266, in 3 cases, and no change for 4 grants with balances of \$376,883.

In accordance with ARC guidelines that States can request Commission revise or revoke grants for which project implementation has not started within 18 months after grant approval, 13 grants, with balances totaling \$1,489,883 were identified for follow-up. (Table A)

With respect to 22 grants noted in our prior report for which end dates had expired actions were initiated in 9 cases including deobligations of \$53,606. No changes to end dates were reported in 13 cases, including cases where payments were reported after the end date.

The ARC Grant Administration Manual states that ARC will not reimburse expenditures occurring before or after the grant period and extensions should be requested and approved by

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ARC before the grant period expires. Also, the Federal Uniform Guidance identifies performance periods as the time during which the non-Federal entity may incur new obligations to carry out the work authorized under the Federal awards, Also, the Federal awarding agency or pass through entity must include start and end dates of the period of performance in the Federal award.

44 open ARC grants with expired end dates and balances totaling \$3,338,245 as of March 31, 2016 were identified for grants approved prior to October 1, 2014. (Table C)

In order to avoid ineligible payments emphasis should be placed on grantee requesting and supporting needed extensions of grant periods prior to grant expiration dates.

Approximately 135 open ARC administered grants contained zero balances although recognizing most applied to LDD administrative grants timely close out is recommended.

State Administered Grants

Four grants approved prior to October 1, 2013 and having balances totaling \$1,000,000 had no reported payments as of March 31, 2016, including two grants identified in our prior report. An additional eight grants approved prior to October 1, 2014 were identified for follow-up. (Table B)

State administered grants guidelines require State submission of Basic Agency Monitoring Reports (BAMR). In four of the above cases BAMR reports were not available.

Expired Performance Periods

A prior report identified open grants with expired end dates. In response ARC initiated action to extend the performance dates to August 31, 2018 in 69 cases. Although recognizing that extending performance dates was consistent with our recommendation to follow-up on these grants the action was not based on grantee requests and support for extension. Also, in 16 of the 69 extensions the grant had zero balances at the time of the July 2015 extensions and other grants had small balances and a three year extension did not appear reasonable. Another 5 of these grants have zero balances as of March 31, 2016.

Grant extensions should be based on grantee requests and justifications.

Table A

**ARC Administered Grants Approved Prior to October 1, 2014
and No Reported ARC Payments**

<u>Grant No.</u>	<u>ARC Approval</u>	<u>ARC funds</u>	Months since <u>approval</u>	<u>End date</u>	
CO-16509 C-5	4/10/2014	\$45,000.00	23		
GA-17581	9/12/2013	\$17,500.00	30	8/31/2015	1/ 2/
GA-17837	7/17/2014	\$20,000.00	20	3/31/2016	1/
GA-17862	9/24/2014	\$158,000.00	18	8/31/2016	
KY-16798 C-3	9/29/2014	\$200,000.00	18	10/31/2016	1/
KY-17604	9/25/2013	\$47,200.00	30	9/30/2014	1/ 2/
KY-17975	9/24/2014	\$250,000.00	18	6/30/2015	
MD-17909	7/28/2014	\$250,000.00	20	9/30/2016	
NC-17981	9/12/2014	\$100,000.00	18	9/30/2016	
NY-17532	6/26/2013	\$112,183.00	33	6/30/2017	2/
PA-17844	8/20/2014	\$30,000.00	19	5/31/2016	
PA-17968	9/22/2014	\$60,000.00	18	9/30/2015	1/
<u>TN-17695</u>	9/19/2013	<u>\$200,000.00</u>	30	9/30/2015	1/
<u>13</u>		<u>\$1,489,883.00</u>			

1/ End dates expired.

2/ In prior report 15-36

Table B

State Administered Grants Approved Prior to
October 1, 2014 and no Reported ARC Payments

<u>Grant No.</u>	<u>ARC Approval</u>	<u>ARC funds</u>	Months since <u>approval</u>	<u>Grant status</u>	<u>BAMR report</u>
GA-17586	9/25/2013	\$300,000.00	30		Designer phase
GA-17588	8/1/2013	\$200,000.00	31		No recent BAMR ¹
GA-17898	9/10/2014	\$150,000.00	18		Designer phase
OH-17483	3/25/2013	\$250,000.00	36		No Activity ¹
OH-17681	9/17/2013	\$250,000.00	30		No Activity
OH-17750	2/28/2014	\$100,000.00	25		No BAMR
OH-17753	2/28/2014	\$250,000.00	25		No BAMR
OH-17973	9/19/2014	\$100,000.00	18		No BAMR
SC-17829	9/11/2014	\$51,656.00	18		No Activity
VA-17819	9/17/2014	\$500,000.00	18		No Activity
VA-17821	9/11/2014	\$500,000.00	18		Environmental stage
<u>VA-17962</u>	9/30/2014	<u>\$288,516.00</u>	18		No BAMR
<u>12</u>		<u>\$2,940,172.00</u>			

1/ In prior report OIG 15-35.

Open ARC Administered Grants Approved Prior to
October 1, 2014 with Expired End Dates
(Not including LDD's or RLF's)

<u>Grants</u>	<u>End date</u>	<u>ARC balance</u>
AL-17218	9/30/2015	\$5,000.00
AL-15573 C-6	3/31/2016	\$34,388.00
AL-17765	3/31/2016	\$20,000.00
AL-17785	12/31/2015	\$23,950.00
AL-17796	12/31/2015	\$53,785.00
KY-16718	12/31/2011	\$39,262.00 1/
KY-15959 C-3	12/31/2015	\$165,377.00
KY-17758	1/31/2016	\$25,000.00
KY-17920	12/31/2015	\$24,865.00
KY-18000	12/31/2015	\$750,000.00
KY-7779 C-34	9/30/2015	\$95,276.00 2/
MD-17925	9/30/2015	\$7,500.00
MD-17560 C-1	12/31/2015	\$26,539.00
MS-17960	9/30/2015	\$6,608.00
NC-17464	12/31/2015	\$20,080.00
NC-17720	12/13/2015	\$37,297.00
NC-17980	3/31/2016	\$600,000.00 2/
NY-16592	3/31/2013	\$28,500.00 1/
NY-17293	9/30/2015	\$49,559.00
NY-17450	12/31/2013	\$21,727.00 1/
NY-17531	12/31/2015	\$2,500.00
NY-17631	4/30/2015	\$13,803.00
NY-17866	2/29/2016	\$15,011.00
NY-17873	8/31/2015	\$10,000.00
NY-17875	12/31/2015	\$2,624.00
NY-7776 C-35	9/30/2015	\$78,635.00
OH-17152 C-1	3/31/2016	\$13,768.00
PA-17639	3/30/2016	\$39,125.00
PA-17941	12/31/2015	\$53,521.00
PA-17968	9/30/2015	\$60,000.00 2/
SC-17412 C-2	3/31/2016	\$94,872.00
<u>Grants</u>	<u>End date</u>	<u>ARC balance</u>
SC-17835	9/30/2015	\$1,802.00
TN-15808	1/31/2016	\$35,458.00
TN-17343	12/31/2015	\$460,080.00 1/
TN-17695	9/30/2015	\$200,000.00 2/

TN-17888	12/31/2015	\$12,497.00
TN-17967	3/31/2016	\$6,974.00
VA-17311	9/30/2015	\$51,055.00
VA-17382	3/31/2014	\$32,209.00 1/
VA-17579	12/31/2015	\$25,006.00
VA-17674	8/1/2014	\$16,258.00
VA-17825	12/31/2015	\$520.00
VA-17826	9/30/2015	\$33,198.00
<u>WV-18008</u>	3/31/2016	<u>\$44,616.00</u>
<u>44</u>		<u>\$3,338,245.00</u>

1/ In prior report

2/ No ARC disbursement