



**Older Open Basic (Child) Agency Grants
OIG Report 14-16**

MARCH 31, 2014

Older Open Basic (Child) Agency Grants OIG Report 14-16

March 31, 2014

Background

This report updates Report 13-38, dated September 30, 2013 with respect to older grants approved prior to October 1, 2011 for which no or limited disbursements of ARC funds were reported.

We recognize that construction grants are administered by other agencies and these grants often involve factors, such as environmental, land rights or funding issues, that delay start up or completion actions.

ARC Project Guidelines allow States to request ARC to revoke or revise its approval of any project if the project is not underway within 18 months of approval. Also, some Basic Agency agreements with grantees include this provision. Recognizing inherent reasons for delayed grant implementation for this report we used 30 months as a reasonable period for highlighting additional follow-up to determine the continued viability of identified grants.

ARC follow-up action included implementation of an annual Basic Agency Monitoring Report (BAMR) in 2012 whereby Basic Agency representatives detail project status and provide a basis for timely follow-up. For example, this report provides information on the extent of overall project disbursements, status of grant implementation and estimated completion dates that is information not previously captured. Thus, identification of grants needing ARC follow-up is facilitated.

For example, our prior reports highlighted older grants with no disbursements of ARC funds. The BAMR report provides information that allows for better identification of grant status including the degree of project activity. Consequently, the number of grants identified needing ARC follow-up has been reduced and better information is available about the specific conditions needing follow-up. These range, for example, from follow-up where no cumulative disbursements were noted or cases where the project design is reported as completed but no significant additional actions have resulted over a long period.

Results

Table A notes the status of older grants without disbursements in ARC.Net, including grants included in the prior report 13-38, and BAMR comments that reflect project activity in many cases. With respect to grants noted in the prior report we identified seven instances where de-obligations totaling \$699,560 were reported. BAMR reports also noted seven additional grants

where actions could result in de-obligations of \$2,185,000 and 20 other grants where follow-up actions were considered appropriate based on comments in the BAMR report with respect to matters such as expected completion dates and ongoing project problems such as bids too high, scope change needed, awaiting agreements, etc. that reduce the chances for projects to proceed in a timely manner.

Also, for several grants BAMRs were not available or did not provide all the requested information and in these cases we used ARC.Net as the source of information for these grants.

Limited Activity

For the 9 grants included in Report 13-38 where there were lengthy periods between ARC disbursements follow-up noted that no additional ARC disbursements had been made in seven cases as of March 31, 2014. ARC balances for these grants totaled \$255,892. (Table B)

Zero Balance Grants

ARC records identified 114 open Basic Agency grants with zero balances. These grants are identified in the payment reports provided by Basic Agencies and on ARC.Net. We recognize an appropriate issue pertains to how long grants should remain open with respect to identifying the outcomes for established performance measures. However, follow-up is recommended for the grants where all funds have been disbursed many years previous.

Also, of particular significance are 22 HUD administered open grants for which potential de-obligations of \$904,124 are included in a separate report and this issue has been reported in prior semi-annual reports.

We recommend continued emphasis on follow-up actions including follow-up on the grants noted, to determine grant status and potential actions. BAMRs should be utilized to better allow timely follow-up and these reports should be incorporated into ARC.Net including links that identify and summarize key elements of project status. Emphasis should be placed on obtaining BAMRs and/or needed information where applicable.

Open Basic Agency Grants with No ARC Payments
as of 3/31/14 and Approved Prior to 10/1/11

RD

Grant No.	Date of Approval	ARC Funds	Approved	BAMR Comment	Months
					since
AL-16493	9/30/2009	\$300,000.00	54	Delayed - Est. completion 9/14	
GA-15649	8/30/2007	\$300,000.00	79	Delayed - Est. completion 5/14	
GA-15748	9/25/2007	\$300,000.00	78	Delayed - Est. completion 9/14	
GA-15919	9/22/2008	\$300,000.00	66	Funds to be deobligated	1/
GA-16606	8/25/2010	\$150,000.00	43	Delayed, bids anticipated	
GA-16694	9/20/2010	\$300,000.00	42	Should be cancelled/closed	1/
GA-17025	9/27/2011	\$300,000.00	30	Construction ongoing	
GA-17103	9/1/2011	\$300,000.00	31	Problems - resolution ongoing	
KY-16717	3/31/2011	\$525,000.00	36	Under construction	
KY-16731	8/11/2011	\$500,000.00	32	Bid over budget	
KY-16766	8/25/2010	\$600,000.00	43	Preparing to bid	
KY-17098	8/22/2011	\$600,000.00	31	No ARC funds expended	
KY-16423	9/14/2009	\$200,000.00	55	No expenditures reported	1/
MD-17116	9/26/2011	\$150,000.00	30	No bids received, try again	
NC-16681	9/8/2010	\$300,000.00	42	Estimated completion 1/14	
NC-16999	9/19/2011	\$420,000.00	31	Construction started est compl 2/14	
NC-17013	9/14/2011	\$100,000.00	30	Design Phase not started	1/
NY-15928	8/7/2008	\$150,000.00	67	Extension - est. compl. 6/14	
NY-16873	3/3/2011	\$150,000.00	37	No comments noted	
NY-16875	8/2/2011	\$150,000.00	32	Estimated completion 12/14	
NY-17092	9/14/2011	\$150,000.00	31	Estimated completion 12/14	
OH-16487	9/21/2009	\$250,000.00	53	Project closeout	1/
PA-16627	5/17/2010	\$200,000.00	45	Don't need grant	1/
TN-15242	9/23/2005	\$500,000.00	102	Delayed, est. compl 11/14	

TN-15243	9/20/2005	\$500,000.00	102	Construction will start 11/13
TN-16038	9/8/2008	\$500,000.00	67	Delayed est. compl. 3/15
TN-16124	9/26/2008	\$500,000.00	66	Construction started est. compl 5/14
TN-16654	9/8/2010	\$500,000.00	43	Delayed, est. compl 11/14
TN-16701	9/28/2010	\$500,000.00	42	Project withdrawn
TN-17133	9/20/2011	\$500,000.00	30	Hope to bid 4/14
TN-17166	9/21/2011	\$135,000.00	30	No work will be done
VA-15703	9/21/2007	\$400,000.00	78	Two bids over budget
VA-16600	9/20/2010	\$500,000.00	43	Project stopped - high bid cost
VA-16645	9/27/2010	\$500,000.00	43	Using interim financing
VA-16720	9/24/2010	\$100,000.00	43	Bid over budget
<u>WV-15391</u>	8/29/2006	<u>\$1,000,000.00</u>	93	Estimated completion 6/15
		<u>\$12,830,000.00</u>		

HUD

NC-15185	9/8/2005	\$200,000.00	104	2
NY-16270	9/9/2009	\$144,918.00	54	2
NY-16879	8/2/2011	\$150,000.00	32	1/ 2/
PA-15612	9/21/2007	\$145,000.00	78	2
PA-16508	1/25/2010	\$27,500.00	38	1/ 2/
PA-16868	3/3/2011	\$100,000.00	37	2
PA-16979	8/1/2011	\$200,000.00	32	2
		<u>\$967,418.00</u>		

EDA

GA-16964	6/15/2011	\$300,000.00	34	2
OH-16782	9/8/2010	\$250,000.00	42	Est. completion date 10/20/14
		<u>\$550,000.00</u>		

TVA

GA-16793	9/8/2010	\$245,000.00	42	Pre-construction proceed with design phase 12/15/11	3/
GA-17033	9/1/2011	\$39,100.00	31	Pre-construction proceed with design phase 6/25/12	3/

GA-17034	9/1/2011	\$167,162.00	31	Pre-construction proceed with design phase 6/26/12	3/
MS-17124	9/28/2011	\$350,000.00	30	Pre-construction proceed with design phase 2/3/12	
NC-16314	2/16/2011	\$300,000.00	34	Notice to bid 6/7/12	1/ 3/
NC-16679	9/30/2010	\$300,000.00	42	Plans & specs received 10/4/13	
TN-15205	9/16/2005	\$400,000.00	104	Change of scope under review by ARC 1/18/06	3/
TN-15801	2/28/2011	\$500,000.00	84	Environmental review 3/26/10	1/ 3/
TN-16657	9/23/2010	\$500,000.00	42	Proceed with design 2/24/13	3/
TN-16660	8/2/2010	\$270,000.00	43		2/
TN-16659	8/8/2010	\$317,383.00	44	Proceed with design 9/10/10	3/
		<u>\$3,388,645.00</u>			

1/Action needed to close/deobligate

2/BAMR Report not available

3/BAMR Report incomplete on project status

Table B

BASIC AGENCY ADMINISTERED GRANTS WITH LIMITED DISBURSEMENTS

<u>Grant #</u>	<u>ARC Funds</u>	<u>Approved</u>	<u>Balance 3/31/14</u>	<u>Last Disbursement</u>	<u>Months since last ARC Disbursement</u>
<u>HUD</u>					
AL-15976	\$579,000.00	6/17/2008	\$12,022.00	11/30/2011	78
MS-15379	\$250,000.00	8/22/2008	\$25,975.00	7/31/2007	80
OH-16208	\$250,000.00	4/8/2009	\$4,543.00	10/31/2010	41
OH-16258	\$185,520.00	9/28/2009	\$181,988.00	1/31/2011	38
OH-16371	\$136,800.00	8/25/2009	\$24,225.00	1/31/2011	38
VA-16003	\$435,840.00	9/9/2008	<u>\$7,026.00</u>	4/30/2012	23
			\$255,779.00		
<u>RDS</u>					
WV-16442	\$1,000,000.00	9/30/2009	<u>\$113.00</u>	7/31/2012	21
			<u>\$113.00</u>		
<u>Z</u>			<u>\$255,892.00</u>		



**Older Open ARC Administered Grants
OIG Report 14-17**

March 31, 2014

Older Open ARC Administered Grants OIG Report 14-17

March 31, 2014

Background

This report updates Report 13-39 that identified 14 grants for follow-up based on limited activity and grants with expired performance dates.

This report used information from ARC.Net (Grant Management System) and used 30 months as a reasonable period for follow-up on limited activity or no reported disbursements.

Results

ARC has continued emphasis on follow-up on ARC administered grants with limited disbursement of ARC funds. Additional action is necessary to revise project end dates where justified to preclude ineligible costs resulting from expenditures after established end dates.

Inactive Grants

Nine of the fourteen grants totaling \$994,819 for which no disbursements were noted as of September 30, 2013 remained without disbursements as of March 31, 2014. The period since approvals ranged from 30 to 77 months. See table A.

For five cases included in report 13-39 activity and/or actions were identified. This included three grants with disbursements between October 1, 2013 and March 31, 2014 and two grants with de-obligations totaling \$14,960.

Limited Activity

For three of four grants identified in report 13-39 with undisbursed balances totaling \$285,741 no additional disbursements were noted since September 30, 2013. The period since prior disbursements range from 28 to 70 months. See table B.

Expired Grants

Report 13-39 identified 20 open grants with expired end dates. In seven cases the grants were closed or cancelled with de-obligations in four cases totaling \$21,762. 13 grants remained open with expired end dates including six cases where disbursements were made after the end date and seven cases where no disbursements have been made.