



**Older Open Basic (Child) Agency Grants
OIG Report 13-38**

September 30, 2013

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Background

This report updates Report 13-18, dated March 31, 2013 with respect to older grants approved prior to October 1, 2011 (24 months) for which no disbursements have been reported or for which no recent disbursements were reported.

We recognize that construction grants are generally administered by other agencies and these grants often involve factors delaying start up or completion actions.

Although ARC Project Guidelines allow states to request ARC revoke or revise its approval of any project if the project is not underway within 18 months of project approval, we considered 24 months to be a reasonable period to initiate follow-up actions to determine the continued viability of the identified grants.

The 2012 implementation of an annual Basic Agency Monitoring Report (BAMR) whereby Basic Agency representatives report the status of projects, including inactive projects, should identify grants for more timely follow-up and decisions about project viability, including increased use of the 18 month provision.

Follow-up Grants in Report 13-18 approved prior to October 1, 2011

Report 13-18 identified 90 older grants for which follow-up action was recommended. This included 63 grants approved 25 to 84 months prior to March 31, 2011 and 27 grants approved between April 1 and September 30, 2011, for which no disbursements were reported as of March 31, 2013.

As of September 30, 2013 ARC.Net identified that 65 of these grants with approvals totaling \$19,775,295, remained without any reported disbursements. The period since grant approval in these cases ranged from 24 to 96 months. See Table A. In 25 cases some disbursement action was noted.

HUD Basic Agency Grants

Report 13-18 identified 22 grants administered by HUD for which \$865,950 had been previously identified for de-obligation. These grants had been approved between 2004 thru 2009.

As of September 30, 2013 actions had not been initiated on 21 cases to close the grants and finalize potential de-obligations of \$766,597.

One grant was closed with de-obligations of \$42,482.

Active Grants with Limited Recent Activity

Report 13-18 identified 13 cases with limited recent activity.

As of September 30, 2013 no additional activity was noted in 9 cases. Table C

In one case grant was closed with de-obligation of \$107,661 and recent disbursements were noted in three cases.

We recommend continued emphasis on timely follow-up actions to determine grant status and potential actions, including state reviews of grants for which projects have not started within 18 months of grant approval. The BAMR reports which are due in November should be utilized to further identify grants requiring additional follow-up.

TABLE A

BASIC AGENCY GRANTS WITH NO ARC DISBURSEMENTS
AT LEAST TWO YEARS AFTER APPROVAL AS OF 9/30/13

<u>Grant #</u>	<u>Date Approved</u>	<u>ARC Funds</u>	Months since <u>Approved</u>
<u>RDS</u>			
AL-16493	9/30/2009	\$300,000.00	49
GA-15649	8/30/2007	\$300,000.00	74
GA-15748	9/25/2007	\$300,000.00	72
GA-15919	9/22/2008	\$300,000.00	60
GA-15963	9/24/2008	\$149,725.00	60
GA-16606	8/25/2010	\$150,000.00	38
GA-16694	9/20/2010	\$300,000.00	36
GA-17025	9/27/2011	\$300,000.00	24
GA-17103	9/1/2011	\$300,000.00	25
KY-16423	9/14/2006	\$200,000.00	84
KY-16717	3/31/2011	\$525,000.00	30
KY-16731	8/11/2011	\$500,000.00	25
KY-16766	8/25/2010	\$600,000.00	38
KY-16875	8/2/2011	\$150,000.00	26
KY-17098	8/22/2011	\$600,000.00	25
NC-16315	9/20/2010	\$300,000.00	36
NC-16679	9/30/2010	\$300,000.00	36
NC-16681	9/28/2010	\$300,000.00	36
NC-16999	9/19/2011	\$420,000.00	24
NC-17013	9/14/2011	\$100,000.00	24
NY-15928	8/7/2008	\$150,000.00	63
NY-16343	9/9/2009	\$150,000.00	61
NY-16873	3/3/2011	\$150,000.00	30
NY-17092	9/14/2011	\$150,000.00	24
OH-16428	9/24/2010	\$250,000.00	36
PA-16627	5/17/2010	\$200,000.00	40
TN-15242	9/23/2005	\$500,000.00	96
TN-15243	9/20/2005	\$500,000.00	96
TN-16038	9/8/2008	\$500,000.00	61
TN-16124	9/26/2008	\$500,000.00	60
TN-16654	9/8/2010	\$500,000.00	61
TN-16700	8/26/2010	\$500,000.00	61
TN-16701	9/28/2010	\$500,000.00	36
TN-16702	9/16/2010	\$106,880.00	35
TN-17154	9/30/2011	\$500,000.00	25
TN-17164	9/20/2011	\$80,500.00	24
TN-17165	9/21/2011	\$135,000.00	24
VA-15703	9/21/2007	\$400,000.00	72
VA-16600	9/21/2010	\$500,000.00	36
VA-16645	9/21/2010	\$500,000.00	36
VA-16720	9/24/2010	\$100,000.00	36
WV-15391	8/29/2006	\$1,000,000.00	37
		\$14,267,105.00	

<u>Grant #</u>	<u>Date</u> <u>Approved</u>	<u>ARC Funds</u>	<u>Months</u> <u>since</u> <u>Approved</u>
<u>TVA</u>			
GA-16793	9/28/2010	\$245,000.00	36
GA-17026	8/22/2011	\$300,000.00	25
GA-17027	9/1/2011	\$300,000.00	25
GA-17033	9/1/2011	\$39,100.00	25
GA-17034	9/1/2011	\$167,162.00	25
MS-16244	5/20/2009	\$237,475.00	52
MS-17122	9/28/2011	\$107,650.00	24
NC-16314	2/16/2011	\$300,000.00	31
NC-16679	9/30/2010	\$300,000.00	36
TN-15205	9/16/2005	\$400,000.00	96
TN-15801	9/28/2007	\$500,000.00	72
TN-16657	9/30/2010	\$500,000.00	36
TN-16658	9/20/2010	\$206,952.00	36
TN-16659	8/18/2010	\$317,383.00	37
TN-16660	8/2/2010	\$270,000.00	38

HUD

NY-16270	9/9/2009	\$144,918.00	49
NY-16879	8/2/2011	\$150,000.00	26
PA-16508	1/25/2010	\$27,500.00	32
PA-15612	9/21/2007	\$145,000.00	71
PA-16479	8/1/2011	\$200,000.00	26
PA-16868	3/3/2011	\$100,000.00	

EDA

GA-16964	6/15/2011	300,000	27
OH-16782	9/8/2010	<u>\$250,000.00</u>	

65 **Totals** \$19,775,245.00

<u>Comment on ARC.Net</u> <u>Dispersement Record or BAMR</u>		Balance as of 7/23/13	Balance as of 9/18/13
None	1/ 2/	Closed	
To be completed in 2012	1/ 2/		
Still Considered Active	1/ 2/		
Returned for Changes	1/ 2/		
Out to bid	1/ 2/		
None	1/ 2/		
None	1/ 2/		
No recent activity	1/ 3/		
Design phase started - DPS	1/ 3/	\$233,904.00	\$186,240.30
DPS - construction start in 30 days	3/		
DPS obtaining right of way	1/ 3/		
Still in pre-construction stage - DPS	1/ 3/		
Project started	1/ 3/		
DPS	1/ 2/ 3/		
To use ARC funding in 2012	1/ 2/		
None	1/ 2/	\$130,308.00	
None	1/ 2/		
Construction to begin June 2012	2/		
None	1/ 2/		
Additional Grant 11/29/12	1/ 2/		
Expect Completion 7/31/2012	1/ 2/		
DPS	1/ 3/		\$109,648.63
99% completed	1/ 3/		
On hold. Change of municipal leader	2/		
Construction started	1/ 3/		
Construction started	3/		
Awaiting MOU with USDA F&W	1/ 3/		
Awaiting water test	1/ 3/		
Waiting on Waterline to utility	1/ 3/		
DPS	1/ 3/		
Awaiting MOU with USDA F&W	1/ 3/		
Being reviewed by USDA	1/ 3/		
DPS - awaiting documents	1/ 3/		
DPS - construction later in year	1/ 3/		
DPS - awaiting project engineer	3/		\$421,376.00
DPS	1/ 3/		
DPS	1/ 3/		\$47,883.00
Financial comments only	1/ 3/		

Being redesigned	1/ 3/		
Financial comments only	1/ 3/		
Construction started	1/ 3/	\$617,921.00	\$473,144.00
To be cancelled 11/11 per ARC.Net	1/ 2/		
Construction started	1/ 3/		\$1,408,481.62
DPS	1/ 3/	\$579,520.82	\$341,887.87
DPS	1/ 3/	#####	\$744,273.20

Balance
as of **Balance as of**
7/23/13 9/18/13

		<u>Last comment on ARC.Net</u>
1/ 2/	#####	<u>Dispersement Record</u>
1/ 2/		
1/ 2/		None
2/		revise design, 11-16-11.
2/		To be completed 9/13
1/ 2/		Expected to begin 6/12
1/ 2/		No activity 11/22/11
1/ 2/	#####	waiting on TVA response, 11-22-11
1/ 2/		will be completed Summer 2012
1/ 2/		waiting on agreement 11/22/11
2/		to begin project in 2013
2/		To be bid 8/12
		waiting on agreement 9/20/11
2/		
1/ 2/		None
1/ 3/		Apparently completed
2/		Design problems
1/ 2/	#####	HUD objects to grant objective
		None
1/ 2/ 3/		DPS-easement problems

Table C

CHILD AGENCY ADMINISTERED GRANTS WITH DISBURSEMENTS

But Limited Recent Activity

<u>Grant #</u>	<u>ARC Funds</u>	<u>Approved</u>	<u>Balance 9/30/13</u>	<u>Last Disbursement</u>	
<u>HUD</u>					
AL-15976	\$579,000.00	6/17/2008	\$12,022.00	11/30/2011	72
MS-15379	\$250,000.00	8/22/2008	\$25,975.00	7/31/2007	74
MS-16426	\$200,000.00	9/21/2009	\$5,576.00	11/30/2011	17
OH-16208	\$250,000.00	4/8/2009	\$4,543.00	10/31/2010	35
OH-16258	\$185,520.00	9/28/2009	\$181,988.00	1/31/2011	32
OH-16371	\$136,800.00	8/25/2009	\$24,225.00	1/31/2011	32
VA-16003	\$435,840.00	9/9/2008	<u>\$7,026.00</u>	4/30/2012	17
			\$261,355.00		
<u>RDS</u>					
TN-14943	\$500,000.00	9/30/2004	\$43,400.00	12/31/2010	33
WV-16442	\$1,000,000.00	9/30/2009	<u>\$113.00</u>	7/31/2012	14
			<u>\$43,513.00</u>		
<u>9</u>			<u>\$304,868.00</u>		

TABLE B

GRANT INFORMATION ON ARC.NET FOR HUD GRANTSEligible for De-Obligating

<u>Grant #</u>	<u>Date Approved</u>	<u>ARC Funds</u>	<u>Potential Deobligations</u>	
OH-14783	9/21/2004	\$292,000.00	\$148.00	
MS-14844	9/23/2004	\$100,000.00	\$515.00	
OH-14876	9/9/2004	\$142,050.00	\$28,981.00	
MS-14889	2/2/2005	\$108,800.00	\$9,953.00	
OH-15047	8/17/2005	\$277,700.00	\$36,461.00	
MS-15093	9/8/2005	\$250,000.00	\$53,990.00	
OH-15163	9/6/2005	\$200,000.00	\$9,220.00	
OH-15181	9/8/2005	\$180,000.00	\$34,823.00	
MS-15223	10/24/2005	\$259,633.00	\$72,007.00	
TN-15231	9/9/2005	\$500,000.00	\$33,832.00	
MS-15323	5/12/2006	\$150,000.00	\$14,744.00	
VA-15374	8/15/2006	\$300,000.00	\$98,072.00	
OH-15494	9/11/2006	\$200,000.00	\$66,000.00	
MS-15514	9/25/2006	\$350,000.00	\$3,751.00	
GA-15600	8/30/2007	\$280,000.00	\$70,789.00	
MS-15638	8/28/2007	\$193,400.00	\$3,724.00	
MS-15915	5/14/2008	\$129,300.00	\$3,350.00	
PA-16123	11/2/2008	\$65,000.00	\$10,510.00	
MS-16225	4/24/2009	\$250,000.00	\$18,907.00	
NC-15185	9/28/2005	\$200,000.00	\$143,129.00	1/
<u>VA-16353</u>	6/12/2009	\$500,000.00	<u>\$53,691.00</u>	
<u>21</u>			<u>\$766,597.00</u>	

1/ Grant fell through. Entity on repayment plan - current balance per ARC.Net \$143,129