

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**TIME EXTENSIONS AND FUNDING
SUPPLEMENTS FOR OHDS
DISCRETIONARY GRANTS**



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0EI-04-89-00801

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EXECUTIVE SUMMARY

PURPOSE

To determine the (1) extent and characteristics of Coordinated Discretionary Funds Program grants that received time extensions and funding supplements, (2) reasons for approving multiple extensions and supplements, and (3) whether the Office of Human Development Services followed requirements in approving time extensions and funding supplements.

BACKGROUND

The Office of Human Development Services (OHDS) established the Coordinated Discretionary Funds Program (CDP) in 1982 to coordinate research, training and demonstration grant projects that cut across OHDS agencies. The CDP is intended to provide specified time limit funding, rather than ongoing funding for social services. Time extensions and funding supplements for CDP grants must be approved by OHDS funding agencies --

Administration on Aging,
Administration for Children, Youth and Families,
Administration on Developmental Disabilities,
Administration for Native Americans, and
Office of Policy, Planning and Legislation.

In August 1991, all OHDS agencies except the Administration on Aging (AoA) merged with the Family Support Administration, forming the Administration for Children and Families (ACF).

METHODOLOGY

To determine the extent and characteristics of CDP grants that received time extensions and funding supplements, we examined 454 grants (1) awarded in fiscal years 1986, 1987 and 1988 by central offices of OHDS agencies, and (2) closed-out by October 1990. To determine the reasons for approval of multiple extensions and supplements and OHDS adherence to its requirements, we reviewed 47 grant files selected through stratified random sampling from 97 grants that had received two or more time extensions or funding supplements. For each grant in the sample, we reviewed the official grant files and interviewed grants officers when needed to clarify and understand material.

FINDINGS

Time extensions were common for CDP grants.

About 58 percent of the 454 grants reviewed had received time extensions, but three-fourths had only a single extension of short duration.

The reasons for multiple time extensions were either to complete or to expand the original scope of work. Those grantees receiving multiple time extensions to complete their work frequently reported that their award notices had arrived at the end of a fiscal year -- only weeks or days prior to scheduled start dates -- causing them to get a late start. The majority of new CDP awards are made in the last quarter of a fiscal year.

Few CDP grants received funding supplements.

OHDS staff generally followed requirements for approving both multiple time extensions and funding supplements.

RECOMMENDATION

ACF and AoA should award CDP grants earlier in a fiscal year rather than awarding the majority of new grants in the last quarter.

Such practice will allow needed start-up or lead time for grantees to begin projects on schedule. Further, it should decrease the number of grants that receive time extensions due to late starts. We recognize that ACF and AoA schedules for announcing, reviewing, and approving grants will need to be revised to implement this recommendation.

COMMENTS

The draft report was circulated for comment to the Administration for Children and Families (ACF) and the Administration on Aging. Both agencies concurred with the findings and recommendation and are taking steps to award grants prior to the fourth quarter.

The ACF agreed with our recommendation on the basis of improving management of its workload rather than decreasing the number of extensions due to late starts. We believe the recommendation could have both impacts -- improving agency workload management, and precluding grantees from requesting extensions due to late notice of grant awards. In response to ACF's technical comments, we made changes to clarify our information where necessary.

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INTRODUCTION

PURPOSE

To determine the (1) extent and characteristics of Coordinated Discretionary Funds Program grants that received time extensions and funding supplements, (2) reasons for approving multiple extensions and supplements, and (3) whether the Office of Human Development Services followed requirements in approving time extensions and funding supplements.

BACKGROUND

The Office of Human Development Services (OHDS) administered the Coordinated Discretionary Funds Program which combined grant management support for discretionary grant programs of all OHDS agencies. In August 1991, after we started our inspection, OHDS reorganized. All OHDS agencies, except the Administration on Aging, merged with the Family Support Administration, forming the Administration for Children and Families (ACF).

The findings and information in this report are applicable to both the OHDS components of the newly formed ACF and AoA.

Office of Human Development Services

The OHDS included four program agencies and an Office of Policy. They were:

- Administration for Children, Youth and Families (ACYF),
- Administration on Aging (AoA),
- Administration on Developmental Disabilities (ADD),
- Administration for Native Americans (ANA), and
- Office of Policy, Planning and Legislation (OPPL).

Each program agency served a separate client population. One program agency, AoA, reported directly to the Secretary, but received grants management support from OHDS.

Coordinated Discretionary Funds Program

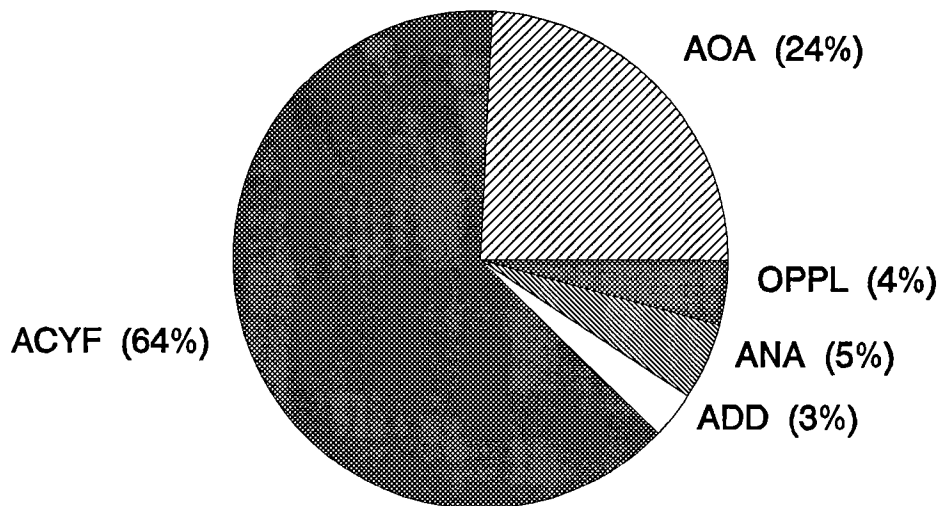
In 1982, OHDS created the Coordinated Discretionary Funds Program (CDP) to coordinate research, training and demonstration grant projects that cut across OHDS agencies.

Under CDP, all agencies shared one grants management office, a single solicitation announcement, and a central computerized information system in OHDS' Office of

Management Services (OMS). However, CDP maintained each OHDS program agency and OPPL identity for each grant. Each grant had (1) a project officer, assigned by the appropriate program agency or OPPL, and (2) a grants officer assigned from OMS. These two individuals were responsible for administering CDP grants. Beginning in 1989, AoA issued separate grant announcements, but continued to use other OMS services.

Most CDP grants awarded from 1986 through 1988 and included in our study were made by ACYF. The chart below shows the percentage of CDP grants made by each OHDS program agency and OPPL.

DISTRIBUTION OF CDP GRANTS BY AGENCY



In each grant announcement, OHDS specified, in the Federal Register, intended duration for each grant project, and the maximum amount of funding. OHDS usually specified the grant time periods as 12, 17, 24 or 36 months. Further, OHDS announcements stated, "The CDP is not intended to provide funds for ongoing social services, or to serve as a supplemental source of funds for local activities which need operating subsidies."

The OHDS classified most CDP grants into three types -- research, demonstration, and training. The typical applicants were state and local governments, private and public non-profit agencies, and educational-research organizations.

Procedures for Approving Time Extensions and Funding Supplements

Grantees may request extensions of time and supplemental funding. OHDS advises grantees of the total length of time for their projects and the amount of Federal funds for the first budget period. A budget period is usually 12 months, representing a time

segment into which a grant project is divided for funding purposes. Both the appropriate agency project officer and OHDS grants officer must review and approve grantee requests before a grant time period can be extended or additional funds granted.

The project and grants officers have authority to recommend approval of (1) no-cost extensions of time up to 12 months, and (2) supplemental funding up to 25 percent of the total approved grant for a current budget period.

The director of grants management in OHDS' OMS must approve no-cost extensions over 12 months.

Grantees who request funding supplements exceeding 25 percent of a current budget period must compete with other applicants for available funds. However, if project and grants management officers determine that a grant project is of outstanding merit, the Assistant Secretary for Human Development Services (ASHD) or the Commissioner on Aging may waive the competitive requirement.¹

A revised Notice of Financial Assistance Awarded (FAA) is OHDS' official notification to grantees that their requested time extension and funding supplement was approved. The FAA is signed by the grants officer, and commissioner and budget officer of the appropriate OHDS program agency.

Previous Studies

Both the Office of Inspector General (OIG) and the U.S. House of Representatives, Committee on Government Operations have completed studies on the CDP grant program.² These studies showed that monitoring and oversight of OHDS discretionary grants were insufficient. However, the studies did not specifically address procedures for approving time extensions and funding supplements.

SCOPE AND METHODOLOGY

We examined 454 CDP grants (1) awarded in fiscal years 1986, 1987 or 1988 by central offices of AoA, ACYF, ADD, ANA, and OPPL, and (2) closed-out by October 1990. We excluded ACYF's Head Start grants and ANA's Social & Economic Development grants because, unlike other CDP grants, the same grantees are frequently refunded from year to year.

We analyzed descriptive data from OHDS' Grants Management Information System (GMIS) to determine the extent and characteristics of all 454 grants that received either time extensions or funding supplements. We analyzed the characteristics of grants to determine if there were differences in program agency, type of grant, type of grantee, and size of grant for grants with extensions or supplements.

To determine (1) reasons for approval of extensions and funding supplements and (2) if OHDS followed its requirements, we reviewed a stratified random sample of 47 of the 454 grants. We stratified the 454 grants by agency and by those grants that had received two or more time extensions or a supplement. Ninety-seven of the 454 grants had more than one time extension or a funding supplement.

From the stratified universe of 97 grants, we selected a sample of 55 that had received either multiple time extensions or supplemental funds. We randomly selected half of the grants in AoA and ACYF. Because of the small number of grants in ADD, ANA, and OPPL that had experienced either multiple time extensions or supplemental funding, we selected 100 percent. OHDS' OMS could locate files for 47 of the 55 grants included in our sample. Our stratified universe contained 38 from AoA, 34 from ACYF, 4 from ADD, 8 from ANA and 7 from OPPL.³ Our sample of 47 grants contained 19 from AoA, 12 from ACYF, 4 from ADD, 7 from ANA and 5 from OPPL.

For each grant in the sample, we reviewed the official grants files and interviewed grants officers when needed to clarify and understand material.

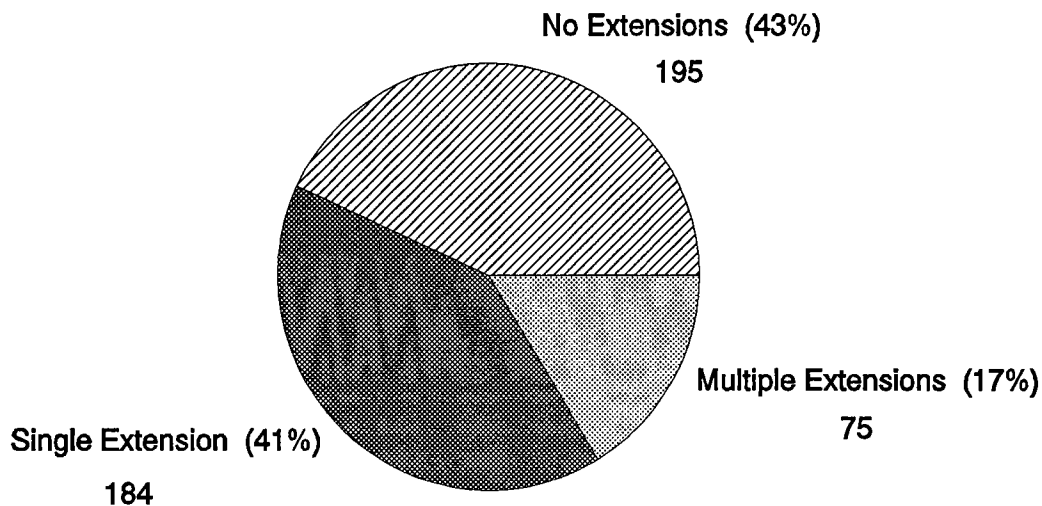
FINDINGS

TIME EXTENSIONS WERE COMMON FOR CDP GRANTS

Extent and Length of Time Extensions

The OHDS approved time extensions for 259 of the 454 grants we reviewed -- about 57 percent. Of the 259 approved extensions, 184 had only a single extension -- about 71 percent. The remaining 75 grants received more than one extension, as the following chart illustrates.

PERCENTAGE OF 454 CDP GRANTS WITH TIME EXTENSIONS



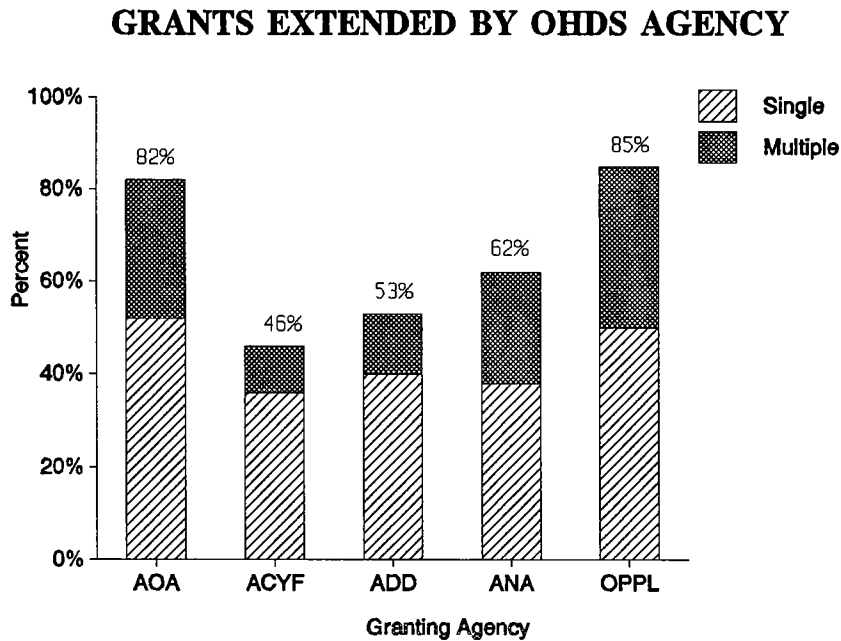
percentages are rounded to the nearest whole number

The initial contracts for most grants were 24 months or less which is in accord with the grant lengths advertised in the Federal Register. Although grants with extensions usually exceeded the advertised guidelines, 71 percent of all 454 grants finished within 24 months. Time extension for grants that received only one extension averaged four months. For grants receiving multiple extensions, the extension period averaged nine months. OHDS agencies seldom approved extensions exceeding 12 months. Only AoA had more than one such case. Appendix A gives the actual length of grants, including extension periods, for grants approved by each OHDS agency.

Characteristics of Grants with Time Extensions

The percentage of grants extended in each OHDS agency varied widely. AoA grants, for example, were much more likely to receive an extension than ACYF grants.

The following chart shows variation in single and multiple time extensions by the four OHDS program agencies and Office of Policy. Appendix B shows the number of grants with extensions for each agency.



There was less variation by type of grant or grantee. One type of grant was not more likely to receive time extensions than another type. Appendix C gives the number of grants with extensions by type of grant for each OHDS agency.

However, there was a statistically significant difference by type of grantee. Government grantees were more likely to get extensions than educational-research organizations, public non-profit, or private agencies.⁴ The relationship between type of grantee and time extension for all agencies combined is shown in the following chart. However, this relationship varies by OHDS agency, as appendix D illustrates.

Type of Grantee	Percent with Extensions
Government	70
Educational	56
Public non-profit	52
Private agencies	47

Reasons for Multiple Time Extensions

The most common reason reported by grantees for requesting time extensions was to complete their initial grant workplan. Grantees for the 75 grants that received more than one such extension typically justified the extensions based on

- grant execution started late,
- sampling delays,
- product development and review by consultants took longer than anticipated,
- delays due to staff illness or recruitment problems, and
- state legislative requirements, such as getting bids for printing, delayed performance.

Grantees reported that award notices frequently are received only weeks or days prior to scheduled start dates, causing them to get a late start. As a result, more time was needed to complete grant workplans. The OMS must allocate CDP funds for each fiscal year by year's end. The schedule for publishing CDP announcements and reviewing grant applications has resulted in a time crunch at the end of a fiscal year. Accordingly, the majority of new CDP awards are not made until the last quarter of the fiscal year. Of the grantees in our sample requesting time extensions due to late arrival of the award notice, three-fourths of the grants were awarded in the last quarter of the fiscal year.

The second most common reason reported by grantees for multiple time extensions was to expand original scope of work by adding new and more activities. Examples of such expansion requests include widening dissemination efforts, allowing a longer follow-up measurement period, expanding training to include more volunteers, providing more workshops, and adding extra data sources.

FEW CDP GRANTS RECEIVED FUNDING SUPPLEMENTS

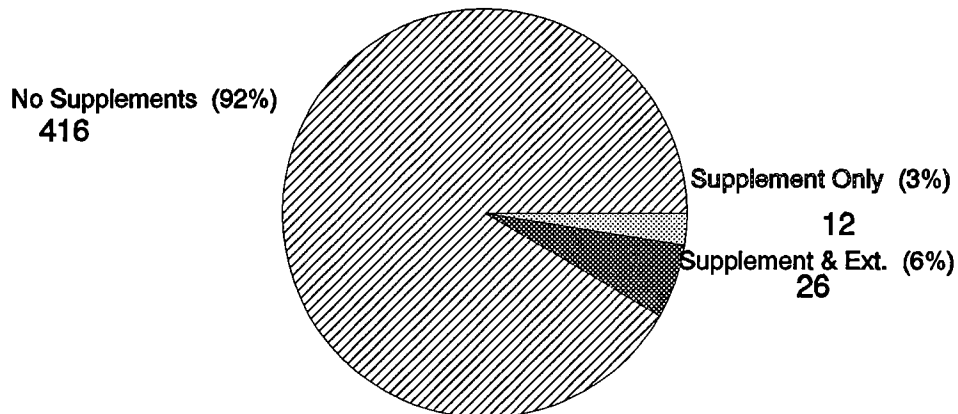
Extent and Size of Funding Supplements

The OHDS approved supplemental funding for 38 of the 454 CDP grants we reviewed -- about nine percent. The supplemental funding for these grants represented three percent of all CDP grant funds approved during the period from 1986 through 1988 and included in this study.

Twenty-six of the 38 supplemented grants also received a time extension.

The following chart shows the percentage of grants that all OHDS agencies combined approved for funding supplements. Appendix E shows the number of grants with supplemental funding for each OHDS agency.

PERCENTAGE OF 454 CDP GRANTS WITH FUNDING SUPPLEMENTS



percentages are rounded to the nearest whole number

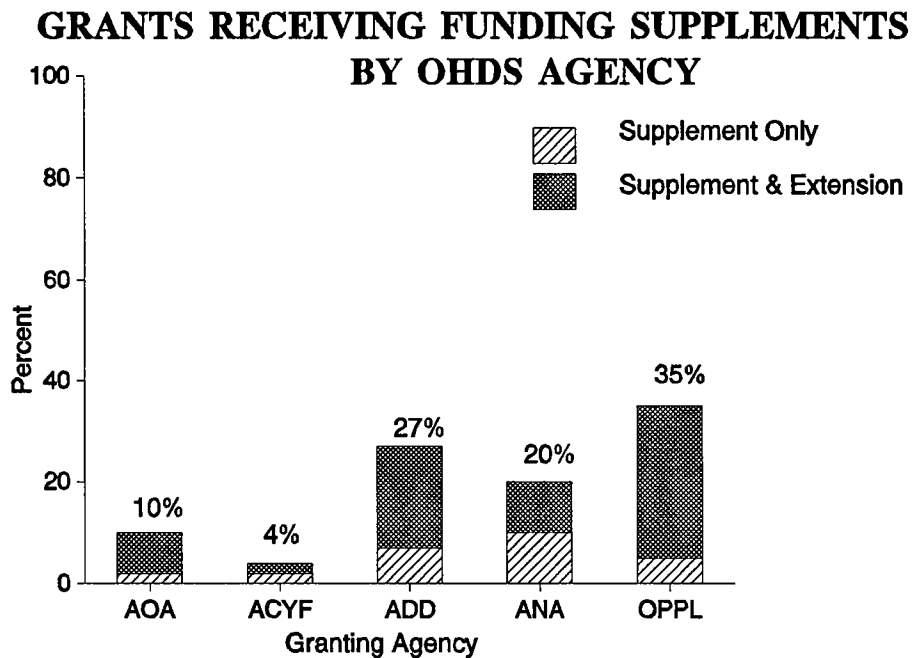
The grants ranged from an average of \$86,000 in ACYF to \$216,000 in OPPL. The size of funding supplements ranged from an average of \$21,000 for ANA grants to \$96,000 for ADD.

Only 38 of the 454 grants received supplemental funding; however, almost half (18) of the supplements exceeded 25 percent of the total approved grant budget, requiring approval by the Assistant Secretary for Human Development Services (ASHD) or the Commissioner on Aging. The percentage of supplements that exceeded the 25 percent threshold varied widely among the program agencies, as shown in appendix F.

Appendix F also shows the initial award amount, supplemental funding amount, average award and supplement, and supplement amount as a percentage of total award amount for each OHDS agency.

Characteristics of Grants with Funding Supplements

As with time extensions, the extent each OHDS agency supplemented grants with added funding varied considerably (See chart below). Likewise, the frequency of funding supplements varied by size of grant. However, there was very little variation between grants with supplements by type of grant or grantee.



In each agency, larger grants received a supplement more frequently than smaller ones. Only 48 percent of the 454 grants had contracts exceeding \$100,000; however, 89 percent of the funding supplements were for grants that originally exceeded \$100,000.

There was no significant difference in percent of grants receiving funding supplements when analyzed by type of grant and type of grantee.

Reasons for Funding Supplements

Grantees most commonly requested supplemental funding to expand scope of work. Examples of such expansions include adding a control group, investigating a new problem area, conducting additional workshops, or expanding the number of trainees.

Split-funding was the other major reason for funding supplements. Prior to 1988, OHDS occasionally awarded more grants in a fiscal year than could be fully funded. OHDS promised grantees that they would provide the remainder of the funds in the next fiscal year. Under this practice, called split-funding, grants received only a portion of the amount promised in the first budget period. OHDS agencies provided the remainder in the following fiscal year in the form of a funding supplement. Funding supplements due to split-funding always exceeded 25 percent of the approved budget. Split-funding no longer occurs.

OHDS GENERALLY FOLLOWED REQUIREMENTS IN APPROVING TIME EXTENSIONS AND FUNDING SUPPLEMENTS

Approvals for Time Extensions

The official Notice of Financial Assistance Awarded (FAA) had required signatures for all grants with multiple time extensions. However, for 36 percent⁵ of 75 OHDS grants with multiple time extensions, at least one of the three required signatures was late. The FAA form was not dated until after the extension period had begun. In such cases where a grantee proceeds with a grant project prior to receiving official approval, it is at their own risk.

All grants with time extensions over 12 months contained the OMS grants management office director's justification.

Approvals for Funding Supplements

All required FAA signatures for funding supplements were in the files.

Eighteen grants received funding supplements that exceeded 25 percent of current approved budget. The required authorizations for supplements exceeding 25 percent of budget were in the files for grants in **AoA**, **ACYF**, and **ANA**.

For **ADD** grants, one of the three funding supplements that exceeded 25 percent of current budget did not have the required **ASHD** approval. The other two had the required approval. In **OPPL**, three of four funding supplements that exceeded the 25 percent threshold did not have a memo from the **ASHD** authorizing the high-cost supplement, as required. Each of these four funding supplements that lacked **ASHD** approval was due to split-funding.

None of the 18 grants that exceeded 25 percent of budget were required to re compete for funding. Each grantee was given approval to deviate from the competition requirement.

RECOMMENDATIONS

The following recommendation targets only those time extensions attributed to late arrival of award notices.

ACF and AoA should award CDP grants earlier in a fiscal year rather than awarding the majority of new grants in the last quarter.

Such practice will allow for needed start-up or lead time for grantees to begin projects on schedule. Further, it should decrease the number of grants that receive time extensions due to late starts. We recognize that ACF and AoA schedules for announcing, reviewing and approving grants will need to be revised to implement this recommendation.

AGENCY COMMENTS

The Administration for Children and Families (ACF) and the Administration on Aging commented on the draft report. Their comments and our responses are summarized below. Appendix G contains the full text of the agencies' comments.

ACF Comments

The ACF agreed with the thrust of the recommendation from an agency workload management perspective. ACF has already implemented several steps to accelerate its grant program announcement and evaluation process.

However, the ACF does not believe that altering grant award schedules will affect the extent of multiple extensions of project periods. ACF commented that multiple extensions due to late arrival of awards is not widespread. The agency partly based this opinion on our finding that only a portion of the 17 percent of grants with multiple extensions were due to late awards. Further, the agency noted that grantees with well planned projects have start-up time built into their proposed project periods. The start-up time allows grantees to stay on schedule even when the period between notice of award and the start date is very short.

OIG Response

We believe that ACF's acceleration of its grant award notices will not only improve agency workload management, but also preclude grantees from requesting extensions due to late notice of grant awards. The problem of extensions due to late arrival of award notices is more widespread than just that reported by us for grants with multiple extensions. Many grantees that received single extensions also reported that their award notices were received only weeks or days prior to scheduled start dates, causing them to get a late start. Further, we are not suggesting that ACF tailor its grant awards to meet the varying preferences of each individual grant applicant.

In response to ACF's technical comments, we made changes to clarify our information where necessary.

AoA Comments

The AoA concurred with our recommendation. The agency is making every effort to schedule announcements, review and approve grants prior to the fourth quarter. Since 1989, AoA has awarded most new grants in the third quarter, except in 1991.

OIG Response

We believe AoA's efforts to award grants prior to the fourth quarter will result in fewer grant extensions due to late starts.

ENDNOTES

1. U. S. Department of Health and Human Services, Office of Human Development Services, Grants and Contracts Management Division. HDS Discretionary Grants Administration Manual. (HDS/GAM TN 86-1), p. 1-6.
2. U. S. Department of Health and Human Services, Office of Inspector General, Office of Audit. Review of Selected Practices in Managing Discretionary Grants, Office of Human Development Services. (Audit Control Number 12-33129).

U. S. Department of Health and Human Services, Office of Inspector General, Office of Audit Services. Management Advisory Report: Awarding and Monitoring Discretionary Grants, Human Development Services. (Number A-12-89-00142).

U. S. House of Representatives, Committee on Government Operations. Mismanagement of the Office of Human Development Services: Undermining Programs for Children, the Disabled, and the Elderly. (Washington, D. C.: U. S. Government Printing Office, 1987, 100th Congress, 1st Session, House Report 100-57).

3. Six additional grants with multiple time extensions or funding supplements were closed-out after we selected our sample. The additional grants are included in the study universe.
4. Our chi-square test yielded a value of 17.29 which indicates a difference among all types of grantees at the 99 percent confidence level. Further, our t test showed that (1) at the 99 percent confidence level, government grantees were more likely to get time extensions than private agency grantees; (2) at the 95 percent confidence level, government grantees were more likely to get time extensions than educational-research grantees; and (3) at the 90 percent confidence level, government grantees were more likely to get extensions than public non-profit agency grantees.
5. At the 95 percent confidence level, the percentage of grants with late authorization signatures can fall in an interval of 27 percent to 44 percent based on the 43 grants in our sample that received multiple time extensions.

APPENDIX A

ACTUAL LENGTH OF CDP GRANTS FISCAL YEARS 1986-1988									
Granting Agency	≤17 Mos.		18-24 Mos.		25-36 Mos.		>36 Mos.		Tot.
	NO.	%	NO.	%	NO.	%	NO.	%	NO.
AOA	24	22	50	45	31	28	6	5	111
ACYF	66	23	150	52	70	24	1	0	287
ADD	2	13	6	40	7	47	0	0	15
ANA	7	33	6	29	8	38	0	0	21
OPPL	3	15	7	35	2	10	8	40	20
Total for OHDS	102	23	219	48	118	26	15	3	454

APPENDIX B

NUMBER OF TIME EXTENSIONS FOR CDP GRANTS DURING FISCAL YEARS 1986-1988							
Granting Agency	Total Grants	Grants With					
		No Extensions		Single Extension		Multiple Extensions	
		No.	%	No.	%	No.	%
AOA	111	20	18	58	52	33	30
ACYF	287	157	55	102	36	28	10
ADD	15	7	47	6	40	2	13
ANA	21	8	38	8	38	5	24
OPPL	20	3	15	10	50	7	35
TOTAL	454	195	43	184	41	75	17

APPENDIX C

OHDS CDP GRANT EXTENSIONS AND SUPPLEMENTS BY TYPE OF GRANT												
	Demonstration		Research		Training		Service		Other		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
ADMINISTRATION ON AGING												
Single Extension	27	48	2	40	26	52	0	0	0	0	55	50
Multiple Extensions	16	29	3	60	8	16	0	0	0	0	27	24
Supplement Only	2	4	0	0	0	0	0	0	0	0	2	2
Both Extension and Supplement	5	9	0	0	4	8	0	0	0	0	9	8
No Extensions or Supplements	6	11	0	0	12	24	0	0	0	0	18	16
Total for AOA	56		5		50		0		0		111	
ADMINISTRATION FOR CHILDREN, YOUTH, AND FAMILIES												
Single Extension	74	37	5	26	16	33	0	0	5	26	100	35
Multiple Extensions	16	8	4	21	4	8	0	0	0	0	24	8
Supplement Only	3	2	1	5	0	0	0	0	2	11	6	2
Both Extension and Supplement	3	2	3	16	0	0	0	0	0	0	6	2
No Extensions or Supplements	103	52	6	32	29	59	1	100	12	63	151	53
Total for ACYF	199		19		49		1		19		287	
ADMINISTRATION ON DEVELOPMENTAL DISABILITIES												
Single Extension	4	27	0	0	0	0	0	0	0	0	4	27
Multiple Extensions	1	7	0	0	0	0	0	0	0	0	1	7
Supplement Only	1	7	0	0	0	0	0	0	0	0	1	7
Both Extension and Supplement	3	20	0	0	0	0	0	0	0	0	3	20
No Extensions or Supplements	6	40	0	0	0	0	0	0	0	0	6	40
Total for ADD	15		0		0		0		0		15	

OHDS CDP GRANT EXTENSIONS AND SUPPLEMENTS BY TYPE OF GRANT												
continued												
	Demonstration		Research		Training		Service		Other		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
ADMINISTRATION FOR NATIVE AMERICANS												
Single Extension	5	33	0	0	0	0	2	40	0	0	7	33
Multiple Extensions	4	27	0	0	0	0	0	0	0	0	4	19
Supplement Only	1	7	0	0	0	0	1	20	0	0	2	10
Both Extension and Supplement	1	7	0	0	0	0	1	20	0	0	2	10
No Extensions or Supplements	4	27	1	100	0	0	1	20	0	0	6	29
Total for ANA	15		1		0		5		0		21	
OFFICE OF POLICY, PLANNING AND LEGISLATION												
Single Extension	7	41	0	0	1	50	0	0	0	0	8	40
Multiple Extensions	2	12	0	0	1	50	0	0	0	0	3	15
Supplement Only	1	6	0	0	0	0	0	0	0	0	1	5
Both Extension and Supplement	6	35	0	0	0	0	0	0	0	0	6	30
No Extensions or Supplements	1	6	0	0	0	0	0	0	1	100	2	10
Total for OPPL	17		0		2		0		1		20	
OHDS AGENCIES COMBINED												
Single Extension	117	39	7	28	43	43	2	33	5	25	174	
Multiple Extensions	39	13	7	28	13	13	0	0	0	0	59	
Supplement Only	8	3	1	4	0	0	1	17	2	10	12	
Both Extension and Supplement	18	6	3	12	4	4	1	17	0	0	26	
No Extensions or Supplements	120	40	7	28	41	41	2	33	13	65	183	
Total for OHDS	302		25		101		6		20		454	

APPENDIX D

OHDS CDP GRANT EXTENSIONS AND SUPPLEMENTS BY TYPE OF GRANTEE										
	Gov't.		Public Non-Profit		Private Agencies		Educational Organizations		Total	
	#	%	#	%	#	%	#	%	#	%
ADMINISTRATION ON AGING										
Extensions	27	77	4	66	21	75	30	72	82	74
Supplement Only	1	3	1	17	0	0	0	0	2	2
Both Extension and Supplement	2	6	1	17	0	0	6	14	9	8
No Extensions or Supplements	5	14	0	0	7	25	6	14	18	16
Total for AOA	35		6		28		42		111	
ADMINISTRATION FOR CHILDREN, YOUTH AND FAMILIES										
Extensions	49	63	9	43	30	30	36	40	124	43
Supplement Only	1	1	0	0	4	4	1	1	6	2
Both Extension and Supplement	1	1	0	0	4	4	1	1	6	2
No Extensions or Supplements	27	35	12	57	61	62	51	58	151	53
Total for ACYF	78		21		99		89		287	
ADMINISTRATION ON DEVELOPMENTAL DISABILITIES										
Extensions	2	40	0	0	2	40	1	33	5	33
Supplement Only	0	0	0	0	0	0	1	33	1	7
Both Extension and Supplement	1	20	1	50	1	20	0	0	3	20
No Extensions or Supplements	2	40	1	50	2	40	1	33	6	40
Total for ADD	5		2		5		3		15	

OHDS CDP GRANT EXTENSIONS AND SUPPLEMENTS BY TYPE OF GRANTEE										
continued										
	Govt.		Public Non-Profit		Private Agencies		Educational Organizations		Total	
	#	%	#	%	#	%	#	%	#	%
ADMINISTRATION FOR NATIVE AMERICANS										
Extensions	9	56	0	0	1	33	1	50	11	52
Supplement Only	1	6	0	0	0	0	1	50	2	10
Both Extension and Supplement	2	13	0	0	0	0	0	0	2	10
No Extensions or Supplements	4	25	0	0	2	67	0	0	6	28
Total for ANA	16		0		3		2		21	
OFFICE OF POLICY, PLANNING AND LEGISLATION										
Extensions	3	43	0	0	4	50	4	80	11	55
Supplement Only	0	0	0	0	1	12	0	0	1	5
Both Extension and Supplement	3	43	0	0	3	38	0	0	6	30
No Extensions or Supplements	1	14	0	0	0	0	1	20	2	10
Total for OPPL	7		0		8		5		20	
OHDS AGENCIES COMBINED										
Extensions	90	64	13	45	58	41	72	51	233	51
Supplement Only	3	2	1	3	5	3	3	2	12	3
Both Extension and Supplement	9	6	2	7	8	6	7	5	26	6
No Extensions or Supplements	39	28	13	45	72	50	59	42	183	40
Total for OHDS	141		29		143		141		454	

APPENDIX E

NUMBER OF FUNDING SUPPLEMENTS FOR CDP GRANTS DURING FISCAL YEARS 1986-1988							
Granting Agency	Total Grants	Grants With					
		No Supplements		Supplement Only		Supplement and Extension	
		No.	%	No.	%	No.	%
AOA	111	100	90	2	2	9	8
ACYF	287	275	96	6	2	6	2
ADD	15	11	73	1	7	3	20
ANA	21	17	80	2	10	2	10
OPPL	20	13	65	1	5	6	30
TOTAL	454	416	92	12	3	26	6

APPENDIX F

SUMMARY OF OHDS GRANT AWARDS AND FUNDING SUPPLEMENTS (dollars in thousands)									
Granting Agency	# of Grants	Grant Awards ¹	Avg. Award	# of Grants With Supps.	Total Funding Supp.	Avg. Supp	Supp. as % of Award	Supp. Over 25% of Budget	
								No.	%
AOA	111	\$17,596	\$159	11	\$498	\$45	3	6	55
ACYF	287	\$24,802	\$86	12	\$332	\$28	1	3	25
ADD	15	\$2,694	\$180	4	\$382	\$96	14	3	75
ANA	21	\$3,014	\$144	4	\$85	\$21	3	1	25
OPPL	20	\$4,321	\$216	7	\$487	\$70	11	5	71
TOTALS	454	\$52,427	\$115	38	\$1,784	\$47	3	18	47
¹ including funding supplements									

APPENDIX G

AGENCY COMMENTS ON DRAFT REPORT



March 23, 1992

ADMINISTRATION FOR CHILDREN AND FAMILIES
370 L'Enfant Promenade, S.W.
Washington, D.C. 20447

To: Richard P. Kusserow
Inspector General

From: Jo Anne B. Barnhart
Assistant Secretary for
Children and Families

Subject: Comments on the Office of Inspector General's Draft
Report: "Time Extensions and Funding Supplements for
OHDS Discretionary Grants," OEI-04-89-00801

We have reviewed the Inspector General's draft inspection report, "Time Extensions and Funding Supplements for OHDS Discretionary Grants," and find that it accurately reflects the former OHDS' experience in granting time extensions and supplemental funds to grantees during fiscal years 1986 through 1988. We have the following comments with regard to the findings and the one recommendation in the report.

OIG Finding:

Time extensions were common for CDP grants

- o Although 58 percent of grants received time extensions, three-fourths had only a single extension of short duration.
- o Grantees receiving multiple time extensions frequently mentioned that their award notices had arrived at the end of a fiscal year -- only weeks or days prior to scheduled start dates -- causing them to get a late start. The majority of new CDP awards are made in the last quarter of a fiscal year. (p.ii)

ACF Comment:

The report bases its recommendation on the above finding. It should be pointed out that of the 454 grants reviewed for the OIG's study, only 75 (17%) received multiple time extensions. Moreover, these 75 grantees indicated at least five separate factors associated with not being able to complete project work plans as originally scheduled. Only one of these factors related to "late" execution of the grant award. (The others were completely independent of grantor agency actions.) Assuming that each of the five factors was equally responsible for causing delays on the part of these 75 grantees, it is not likely that more than approximately 15 out of 454 grantees (about 3.3%) would cite the Federal grant award date as a factor associated with their requiring multiple time extensions.

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secondly, the report fails to recognize that it is infeasible to schedule grant awards to meet the varying preferences of individual applicants and, equally important, that any set schedule for awarding grants will please some applicants but discomfit others. Assuming that initiation of project activities is dependent on Federal funding, grant applicants should make no presumptions concerning when they can actually begin implementing their projects until they are notified that they are funded. Well-planned projects that are dependent on Federal funds for their initiation should build start-up time into their proposed project periods. The vast majority of our grantees appear to understand these requirements and complete their projects without requesting multiple time extensions attributable to "late" grant award dates.

OIG Recommendation:

ACF and AoA should award CDP grants earlier in a fiscal year rather than awarding the majority of new grants in the last quarter.

- Such practice would allow for needed start-up or lead time for grantees to begin projects on schedule. This practice should decrease the number of time extensions due to late starts. We recognize that ACF and AoA schedules for announcing, reviewing and approving grants will need to be revised to accomplish this recommendation.

ACF Comment:

We concur. Although we agree with the thrust of this recommendation from an agency workload management perspective, we do not believe, based on the evidence, that the problem cited in the OIG Report is widespread or that altering grant award schedules will affect the incidence of multiple extensions of project periods. We are concerned that the majority of our CDP grants are being awarded in the fourth quarter and we have already taken steps to address this concern.

At a recent ACF Senior Staff/Regional Administrators' meeting, we discussed how we could accelerate our grant program announcements process. I have already implemented some of the recommendations from this meeting. For example, the ACF publication schedules for announcing, reviewing and approving discretionary and formula grants have been revised. New deadlines have been established for the submission and review of program announcements by ACF offices. A six-week limit has been placed on the evaluation process (from the closing date of the announcement to the submission of a decision package (s) to the front office). These new requirements were outlined in my memorandum to ACF Senior Staff, dated November 12, 1991.

Technical Comments

1. The report contains several references to discussions with grantees on their reasons for requesting time extensions. (p.7) These discussions are reflected in the OIG recommendation and, as such, should be added to the description of the methodology on pages i and 4. Reference to discussions with grants officers (p.4) should also be referenced on page i.

2. To fully reflect the findings discussed in the body of the report, we suggest that two statements be added to the executive summary on page ii:
 - o Under the heading: "Time extensions were common for CDP grants," a third bullet should be added to state: "After late starts, the most frequent reason for requesting a time extension was to expand the original scope of work by adding new and more activities" (see page 7).

 - o Under the heading: "Few CDP grants received funding supplements," we suggest that the following statement be added: "When granted, supplements most commonly were used to expand the scope of work" (see page 9).

Thank you for the opportunity to respond to the recommendations in this report. If I can be of further assistance in this regard, please let me know.



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Secretary
Administration on Aging

Washington, D.C. 20201

APR 16 1992

TO: Richard P. Kusserow
Inspector General

FROM: U.S. Commissioner on Aging

SUBJECT: Time Extensions and Funding Supplements

Thank you for the opportunity to review the draft report on the "Time Extensions and Funding Supplements" on discretionary grants at the Administration on Aging (AoA) for Fiscal Years 1986 through 1988. We are pleased that the requirements for approval of time extensions and supplements were followed. However, you recommended that AoA award CDP grants earlier in a fiscal year rather than awarding the majority of new grants in the last quarter. We concur, and understand this recommendation is of most importance.

During the time period of the study AoA was a part of the CDP process, however, since 1989 we issued our own Discretionary Funds Program announcement and with the exception of 1991 most new grants were awarded in the third quarter.

AoA is making every effort to schedule announcing, reviewing and approving grants prior to the fourth quarter.

Joyce T. Berry
Joyce T. Berry, Ph.D.

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