



Report In Brief

JUNE 18, 2012

Background

From the time the President signed the American Recovery and Reinvestment Act of 2009 into law, OIG has provided oversight of NTIA's administration of the \$4.4 billion Broadband Technology Opportunities Program (BTOP). The Recovery Act requires BTOP grantees to provide at least a 20 percent nonfederal matching share.

On September 27, 2010, NTIA awarded 233 BTOP grants, including Comprehensive Community Infrastructure (CII), Public Computing Centers (PCC), and Sustainable Broadband Adoption (SBA) grants. By March 31, 2012, the number of BTOP grants had decreased to 228 due to grant cancelations and terminations.

Why We Did This Review

Our audit objectives were to

1. Determine whether NTIA has processes in place to ensure that the matching share contributed by BTOP grantees meets the terms and conditions of the award.
2. Assess how NTIA monitors the grant recipients' match throughout the grant award period.
3. Review how NTIA and grants officers address recipients' postaward requests for changes in type of match (cash, equipment, or in-kind contributions) and changes in subrecipients or other partners that agreed during the application process to provide matching share.

NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION

NTIA Needs Stronger Monitoring of BTOP Grant Recipients' Match

OIG-12-029-A

WHAT WE FOUND

To oversee grant recipients' match throughout the award, including postaward, NTIA monitors cash drawdowns, reviews grantees' quarterly financial reports for matching share, and documents proportionality waivers. In December 2010, NTIA developed a match matrix to review grant match. NTIA's reviews of CCI grants included an in-depth review of all proposed budgeted match line items. However, for the SBA and PCC grants, NTIA's match matrix did not provide sufficient information to determine if NTIA's review was thorough and effective. We also found two internal control vulnerabilities with respect to access to the Treasury Automated Standard Application for Payment (ASAP) system to make cash drawdowns. In addition, 32 percent of our sample of grantees did not record all of their match amounts in their financial records. Finally, a significant number of grant recipients were not in compliance with the proportionality clauses of their grants.

WHAT WE RECOMMEND

We recommend that the Assistant Secretary for Communications and Information:

1. Develop and implement improved processes for reviewing PCC and SBA grant match amounts.
2. Formally communicate the risk associated with third-party cash drawdowns to all grant recipients and stress the importance of increased monitoring on their behalf when allowing third parties to draw down grant funds from the Treasury ASAP system.
3. Implement program office controls to closely monitor ASAP drawdowns on a timely basis, especially those grant recipients that have delegated ASAP system access to third parties.
4. Communicate to recipients that match expenditures must be supported and correctly reflected in their financial records.
5. Work with NIST and NOAA grants officers to provide NTIA with the BTOP grantees' quarterly financial status reports and monitor the contribution trends and proportionality waiver activity to ensure grantees are providing their required match.