

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**SAMHSA'S
ADMINISTRATION OF GRANTS**



**Daniel R. Levinson
Inspector General**

**February 2012
OEI-07-10-00220**

EXECUTIVE SUMMARY: SAMHSA'S ADMINISTRATION OF GRANTS OEI-07-10-00220

WHY WE DID THIS STUDY

In 2009, the period of our review, the Substance Abuse and Mental Health Services Administration (SAMHSA) administered 2,281 discretionary grants, which ranged from approximately \$17,000 to \$7 million for a total of \$906.8 million. This study is part of a body of work by the Office of Inspector General (OIG) on grants administration to ensure the appropriate stewardship of Federal funds. OIG has not previously evaluated SAMHSA's grants administration.

HOW WE DID THIS STUDY

Using SAMHSA grantee data, we selected a sample of 130 discretionary grants. We reviewed the files for these grants to determine the extent to which SAMHSA maintains grant files in accordance with Federal requirements. We then surveyed SAMHSA staff and the grantee project directors to describe SAMHSA's interactions with grantees.

WHAT WE FOUND

SAMHSA maintains grant files in accordance with Federal requirements. We were able to follow the grant "paper trail" and identify required documents; however, a few grant files were missing initial applications, continuation applications, and Financial Status Reports. Most SAMHSA staff and grantee project directors reported positive interactions with one another; however, some SAMHSA staff and grantee project directors identified obstacles to communication.

WHAT WE CONCLUDE

Given the overall completeness and quality of the grant files and the low incidence of identified problems, we are not making formal recommendations to SAMHSA. Still, we encourage SAMHSA to strive to obtain and maintain all required documents. Also, SAMHSA may want to use information from this report to improve interactions between SAMHSA staff and the grantee project directors. SAMHSA concurred with our report as written and provided no further comments.

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OBJECTIVES

1. To determine the extent to which the Substance Abuse and Mental Health Services Administration (SAMHSA) maintains grant files in accordance with Federal requirements, and
2. To describe SAMHSA's interactions with grantees.

BACKGROUND

SAMHSA was established in 1992 to target substance abuse and mental health services to the people most in need of such services. In calendar year 2009, the period of this review, SAMHSA administered 2,281 discretionary grants, which ranged from approximately \$17,000 to \$7 million for a total of \$906.8 million.¹ In fiscal year (FY) 2011, SAMHSA awarded grants totaling \$3.1 billion, including both discretionary and block grants. SAMHSA grants typically last 3 to 5 years.²

SAMHSA Grant Administrative Requirements

SAMHSA conveys administrative requirements governing grants through documents such as grant applications, Notices of Grant Awards, continuation applications, and Financial Status Reports.³

Applications. According to the GPD, an application is “a request for financial support of a project, program or activity submitted to HHS on specified forms and in accordance with instructions provided by the HHS awarding office.”⁴ Potential grantees, such as State agencies, tribal

¹ We did not include mandatory block grants or mandatory formula grants in this study. Discretionary grants are those for which the Operating Division may exercise judgment (“discretion”) in determining the recipient and the amount of the award. Block grants, which have minimal Federal administrative requirements or restrictions, typically give States substantial discretion over the type of activities that the grants support. Formula grants use a formula to determine the amount provided; to obtain a formula grant, a State must provide a plan/application indicating how it plans to use this amount. HHS Grants Policy Statement (GPS), I-3. HHS Grants Policy Directive (GPD) 1.02.

² SAMHSA Fiscal Year 2011 Justification of Estimates for Appropriations Committees.

³ Three regulations provide uniform administrative requirements for HHS grants: 45 CFR pt. 74 applies to institutions of higher education, hospitals, other nonprofit organizations, and commercial organizations; 45 CFR pt. 92 applies to State, local, and tribal governments; and 45 CFR pt. 96 applies to block grants (which our sample did not include). Additionally, HHS GPDs, the Grants Policy Statement, and the awarding agency *Grants Administration Manual* (AAGAM) establish further requirements for HHS grant programs. The GPDs direct Department staff regarding HHS's policies, standards, and procedures. The AAGAM implements the GPDs. The GPS also provides grantees with up-to-date policy guidance and information on HHS and its discretionary grant process. The GPS is generally made binding on grantees through the grant terms and conditions.

⁴ HHS GPD 1.02. January 1, 2007.

organizations, and local organizations, submit grant applications to request funding to operate programs that further the mission of SAMHSA.

Notice of Grant Award. SAMHSA issues each grantee a Notice of Grant Award that describes the terms and conditions of its grant. SAMHSA uses Notices of Grant Award throughout the grant period to inform grantees of changes in the grant amounts awarded and/or additional conditions placed on the grants, such as a requirement to submit additional reports.

Continuation Applications. On an annual basis, SAMHSA grantees must submit continuation applications to indicate progress made on their projects and to request further grant funds. Each continuation application should compare accomplishments to the grantee goals and milestones established for the budget period. The continuation application should also include, if applicable, an explanation of the reasons the grantee did not meet the goals and/or milestones. Federal regulation requires grantees to submit continuation applications before the next budget period begins.⁵ To improve SAMHSA's workflow, SAMHSA requires grantees to submit continuation applications earlier than Federal regulations require.

Financial Status Reports. Financial Status Reports document the financial status of the award. Financial Status Reports must be submitted 90 days after the annual budget period ends, and a final Financial Status Report must be submitted 90 days after the project period ends.⁶

SAMHSA's Responsibilities

To fulfill its role with regard to the stewardship of Federal funds, SAMHSA grants management and program staff assess grantee performance by reviewing grant file documents, such as continuation applications, Financial Status Reports, and related documents.⁷

Grant File Documentation. The GPD requires grant-awarding agencies to create and maintain grant files.⁸ A third-party reviewer should be able to follow the paper trail for the grant from the grant application through the

⁵ HHS GPS, pp. i-17.34, and Supplementary Instructions for the Continuation Application Process, HHS-5161-1 (revised August 2007).

⁶ 45 CFR §§ 74.52(a) and 92.41(b). SAMHSA uses the project period system of funding for discretionary grants it awards. Under this system, projects are programmatically approved for support in their entirety, but are funded in annual increments called budget periods. The total project period consists of the initial competitive segment and the budget periods for the grant. In the Federal Financial Report Instructions issued by SAMHSA, project periods are also referred to as "grant periods." Accessed at http://www.samhsa.gov/dtac/CCPtoolkit/pdf/FFR-425_instructions.pdf on October 31, 2011. The Federal Financial Report (FFR, or Standard Form 425) replaced the Financial Status Report beginning in FY 2011. The due dates remain the same.

⁷ HHS GPD 3.06.

⁸ Ibid.

grant's closeout, including decisions made and actions taken in between. An official file must be created for each grant and must contain the following documentation, as applicable:

- signed copies of applications and all documentation related to review and approval of the applications,
- all Notices of Grant Awards,
- postaward correspondence,
- site visit reports,
- records of telephone calls and postaward technical assistance provided,
- documentation related to enforcement actions,⁹
- required continuation applications and Financial Status Reports,
- evidence of awarding agency review and acceptance of continuation applications and Financial Status Reports, and
- closeout documentation.¹⁰

High-Risk Grantees. SAMHSA may designate a grantee as high risk if the grantee has a history of poor performance, poor business practices, financial instability, or inadequate management systems.¹¹ SAMHSA may make this designation at the time of the award or after awarding the grant. Federal regulations list the special award conditions that may be imposed on high-risk grantees, but the regulations do not specify which special award conditions must be imposed.¹² SAMHSA uses the Notice of Grant Award to indicate what, if any, special conditions are placed on the grantee. Grantees must comply with the conditions to resolve their high-risk designation. Some grantees may resolve issues quickly, thus ending their high-risk designation, while others may require considerably longer periods.

SAMHSA Interaction With Grantees

SAMHSA Grants Management Specialists (GMS) and Project Officers (PO) are the primary individuals who interact with grantees—typically, with the grantee project directors. Interactions can focus on grants

⁹ SAMHSA may impose enforcement actions on grants awarded to grantees to ensure compliance with Federal rules and regulations. 45 CFR §§ 74.62(a) and 92.43(a).

¹⁰ Official files must also contain a review of any deviations from the approved grant and prior approval requests. GPD 3.06. A deviation includes any activity disapproved or restricted as a condition of the award. We did not include identification of deviations in our grant file review.

¹¹ 45 CFR §§ 74.14 and 92.12.

¹² 45 CFR §§ 92.12 and 74.14.

monitoring or providing technical assistance. HHS grants policy creates a responsibility for SAMHSA to provide consultation and technical assistance to grantees, although no Federal requirements exist regarding frequency or types of interactions.¹³

GMSs' Interactions. GMSs ensure that Federal financial and programmatic interests are protected by assessing grantees' financial performance and business management capabilities. The type of oversight activity required varies according to the type of award and whether the grantee has been designated as high risk.¹⁴ GMSs are responsible for reviewing requests for reimbursement, as necessary; maintaining documentation of corrective actions, if any, taken by the recipient; and monitoring documentation of assistance to the recipient in resolution of any identified deficiencies.¹⁵ GMSs are responsible for monitoring report due dates and following up on delinquent reports.¹⁶ GMSs' activities include working with the POs, other SAMHSA officials, and the grantees to develop, as necessary, corrective action plans; monitor improvement; and arrange appropriate technical assistance.

POs' Interactions. POs monitor the conduct and progress of grants. POs collaborate with grantees in the planning and implementation of the grant and in evaluation activities. POs interactions with grantees might include answering questions about specific policies, advising grantees on programmatic issues, providing technical assistance, and requesting clarification of any required documents as necessary.

METHODOLOGY

Data Collection and Analysis

Our methodology included two principal elements: (1) reviews of grant files and (2) surveys of the GMSs, POs, and grantee project directors responsible for administering sampled grants. Of the 2,281 discretionary grants funded by SAMHSA in 2009, we selected a stratified random sample of 130 grants. We then reviewed the complete grant files for each sampled grant to determine the extent to which SAMHSA maintained grant files in accordance with Federal requirements. Additionally, we

¹³ GPD 3.06, AAGAM 3.06.106. HHS GPS, p. I-5, January 1, 2007.

¹⁴ The terms and conditions of the award reflect the type of award and whether the grantee has been designated high risk. *SAMHSA Grants: Standard Terms and Conditions of Award*. Accessed at <http://www.samhsa.gov> on October 18, 2010.

¹⁵ AAGAM § 2.01.101-7C.

¹⁶ HHS GPD 3.06. Accessed at <http://dhhs.gov/asfr/ogapa/aboutog/ogpoe/gpdhome.html> on August 25, 2011.

surveyed the GMSs, POs, and grantee project directors associated with the sampled grants to describe SAMHSA's interactions with grantees.

Scope

This evaluation reviewed a sample of SAMHSA discretionary grants funded during 2009. We did not seek to determine the appropriateness of SAMHSA's awarding of the grants or the appropriateness of SAMHSA's designation of high-risk grantees. We also did not seek to determine the accuracy of the information in required reports or appropriateness of grantee expenditures, nor did we seek to independently validate survey responses.

Sample Selection

We requested from SAMHSA a list of grants that received funding in 2009. From this list, we selected a stratified random sample of 130 of the 2,281 SAMHSA discretionary grants as shown in Table 1. Stratum 1 contained 2,157 grants awarded to grantees that SAMHSA never designated as high risk, and Stratum 2 contained 124 grants awarded to grantees that SAMHSA designated prior to December 31, 2009, as high risk. We selected a stratified random sample of 100 grants from Stratum 1 and 30 grants from Stratum 2. We chose to stratify based on the designation of risk status in an effort to determine whether differing reporting requirements affected the contents of grant files and levels of interaction with SAMHSA. We found that grant file documentation was substantial for both grantee strata, and we were unable to identify specific differences between the two strata with regard to the amount and type of documented communication in the grant files.

Table 1: SAMHSA Grant Population and Sample Size for 2009

Strata Definition	Population Size	Sample Size
1. Grants to Grantees Not Designated as High Risk	2,157	100
2. Grants to Grantees Designated as High Risk	124	30
Total	2,281	130

Source: SAMHSA grant information, 2011.

We projected the results of our grant file reviews to the universe of 2,281 grants awarded in 2009.

Grant File Reviews

We reviewed the official grant files for all of the 130 grants in our sample to determine whether SAMHSA maintained them in accordance with Federal requirements. Specifically, we sought to determine the extent to which the grant files enabled a third party to follow the paper trail for SAMHSA grants. We reviewed these files to determine whether

SAMHSA ensured that grantees submitted required documents and whether grantees complied with any special award requirements. We also reviewed grant files for evidence that SAMHSA reviewed and approved submitted documents and for evidence of interactions between SAMHSA and grantees. For each grant file we reviewed, we completed a review form in which we indicated which documents we found in the file.

To determine the level and type of interactions between SAMHSA and grantees as documented in the grant files, we reviewed letters, emails, telephone logs, and notes that SAMHSA staff made regarding the grants.

Required Reports. We reviewed the grant files to determine whether required Notices of Grant Award were included. When these notices were present, we reviewed them for the amount or change in the amount of the grant awards and any additional conditions imposed upon grantees.

We also reviewed the grant files to determine whether required continuation applications:

- were in the grant files and had been submitted timely;
- compared accomplishments with grantee goals and milestones established for the budget period; and
- explained why grantee goals and milestones were not met, if applicable.

Finally, we determined whether required Financial Status Reports were in the grant files and had been received within 90 days after the close of the budget period. For continuation applications and Financial Status Reports, we reviewed correspondence in the grant files to determine whether SAMHSA staff followed up with grantees on late reports.

To determine the extent to which SAMHSA actively monitored grants, we reviewed the grant files for evidence that SAMHSA reviewed required reports. We considered evidence of review to be signatures on required reports, emails regarding reports in the grant files, and/or records of telephone calls with grantees related to required reports.

Because none of the sampled grantees had closed out their grants, we did not review the grant files for closeout documentation.

GMS and PO Surveys

We surveyed the 18 GMSs and 75 POs assigned to the 130 sampled grants. We received responses from all 18 GMSs and, with the assistance of SAMHSA officials and after repeated attempts, 66 POs assigned to

97 grants.¹⁷ We asked GMSs and POs questions about their experiences collecting grant file documents and about their interactions with grantees. We asked specifically about grantees' responsiveness, timeliness, and the completeness of their responses. We asked GMSs and POs whether any additional or different interactions would be helpful. We also asked GMSs and POs about their experiences monitoring and interacting with high-risk grantees. We received from SAMHSA the names and contact information for the GMS and PO assigned to each of the grants in 2009. However, because SAMHSA regularly reassigns staff to different grants, sometimes more than one GMS and/or PO was assigned to the same grant. For this reason, we did not project the result of our surveys to SAMHSA staff.

Grantee Surveys

For each of 130 of the sampled grants, we asked SAMHSA to identify the corresponding project director and provide his or her contact information during the grant project period.¹⁸ We then asked 127 of those grantee project directors to complete an online survey. We asked questions about their interactions with GMSs and POs, and asked whether any additional or different interactions would have been helpful. We also asked project directors about their experiences submitting required documents. For grantees designated as high risk, we asked the project directors about their efforts to comply with the additional award conditions placed on their grants and their interactions with SAMHSA concerning their high-risk designations. We received responses from 121 of the 127 project directors.

Using similar survey questions, we compared the responses from SAMHSA staff with those from grantee project directors to verify the frequency and types of their interactions with one another. To further describe the frequency and types of interactions, we compared letters, emails, and notes from telephone calls in the grant files to the survey responses from SAMHSA staff and grantee project directors.

Standards

This study was conducted in accordance with the *Quality Standards for Inspection and Evaluation* issued by the Council of the Inspectors General on Integrity and Efficiency.

¹⁷ SAMHSA staff indicated that the nonresponding POs were out of the office during our survey period because of medical issues, work-related issues (such as site visits), or retirement.

¹⁸ We did not email electronic surveys to 3 of the project directors of the 130 grants in our sample. In one of these instances, we were unable to contact the one project director because of an ongoing OIG investigation, but we reviewed the official grant file and surveyed the assigned GMS and PO. In another case, we attempted to contact the identified project director, but the grant period had ended in September 2010 and the grant was no longer operational. In the third instance, we were unable to identify the grantee's correct contact information.

FINDINGS

Almost all SAMHSA grant files were maintained in accordance with Federal requirements

The GPD requires grant-awarding agencies to create and maintain an official file for each grant, containing certain documentation, as applicable.¹⁹ As third-party reviewers, we were able to follow the grant paper trail for all grants. We easily identified sections of the grant files containing grant applications, Notices of Grant Awards, continuation applications, Financial Status Reports, and correspondence between SAMHSA and grantees. We also found evidence that clearly demonstrated that SAMHSA staff reviewed and approved grantee-submitted documents and took action to obtain missing documents.

Grant files contained most, but not all, required documents

Most grant files contained required documents, but a few were missing initial applications, continuation applications, or Financial Status Reports. Table 2 summarizes the information we found in the files for the sampled grants. Appendix A presents the point intervals and confidence intervals for all population estimates.

Table 2: Contents of Grant Files

Required Document	Projected Percentage of Grant Files*
Application	98
Notice(s) of Grant Award	100
Continuation application	98
Financial Status Report	97

Source: OIG review of sample grant files, 2011.

* Projection is based on 130 reviewed grant files.

Applications. Ninety-eight percent of grant files contained applications. Two grant files in our sample that were missing applications had originated with the Department of Justice (DOJ) and been transferred to SAMHSA. SAMHSA staff reported that DOJ retained the applications for these grants; however, we did not verify this statement. We noted that SAMHSA did not maintain copies of the applications.

¹⁹ HHS GPD § 3.06. Accessed at <http://dhhs.gov/asfr/ogapa/aboutog/ogpoe/gpdhome.html> on August 25, 2011.

Notices of Grant Awards. All of the sampled grant files contained at least one Notice of Grant Award for 2009.²⁰ In addition to reviewing grant files to see whether they contained Notices of Grant Awards, we reviewed the content of the notices. This latter review indicated that SAMHSA staff identified deficiencies in the operation of some grants, imposed corrective actions, and followed up on them. Eighty-two percent of grants contained Notices of Grant Awards that placed special award conditions (e.g., revised budget, financial management review) on the grantees. Because of the large amount of documented communication in the grant files, we were unable to determine whether each corrective action was actively monitored. However, we found that 110 grant files contained Notices of Grant Awards that placed special award conditions on grantees, which we considered to be evidence that SAMHSA was actively monitoring grants. For a complete list of the special award conditions that SAMHSA placed on grantees, see Appendix B.

Continuation Applications. Ninety-eight percent of the grant files contained continuation applications. All continuation applications we reviewed compared accomplishments with the programs' goals and milestones.

We specifically reviewed grant files for the timeliness of continuation applications submitted in 2009. All of the continuation applications were timely based on the Federal regulation.

Financial Status Reports. Approximately 4 percent of grant files were missing Financial Status Reports. We were unable to determine why the files did not include these reports. In the grant files that contained Financial Status Reports, 70 percent of the reports had been submitted timely. We were unable to determine whether the remaining 30 percent had been submitted timely because some grants had multiple reports submitted in the same time period and we were unable to identify the original submitted report.

Postaward Correspondence. SAMHSA's grant files include a separate section for postaward correspondence. We reviewed files for postaward correspondence, such as letters, documentation of email exchanges between SAMHSA and grantees, and notes related to telephone calls. Postaward correspondence included communication between SAMHSA and grantees regarding topics such as budgets, late reports, changes in

²⁰ Notices of Grant Awards can be revised because of changes in the grant amount, imposition of additional requirements on a grantee, or designation of a grantee being designated as high risk. Consequently, we expected to find multiple notices in some grant files.

grantee personnel, upcoming closeouts of grants, and site visits. For a list of the types of postaward correspondence we found, see Appendix C.

Most SAMHSA staff and grantee project directors reported positive interactions; however, some SAMHSA staff and grantee project directors identified obstacles to communication

SAMHSA and grantee project directors reported positive interactions; however, both groups reported opportunities for improvement. Obstacles such as lack of staff availability, technical assistance, and quality of response were some of the specific areas identified as needing improvement.

SAMHSA staff and grantee project directors reported positive interactions and helpful technical assistance

Interactions. SAMHSA staff and grantee project directors reported positive interactions with one another. GMSs and POs reported that grantees responded timely and completely to requests. Table 3 shows how GMSs and POs rated their interactions with grantees.

Table 3: GMS/PO Perceptions of Interactions With Grantees

Statement	Number of GMSs/POs in Agreement	
	GMSs (n=18)	POs (n=66)
Grantee is responsive	17	64
Grantee responses are timely	15	61
Grantee responses are complete	12	63
Grantee communicates well	17	61
Turnover among grantee staff has caused problems	3	5

Source: OIG review of sampled grant files, 2011.

Most grantee project directors reported that their GMSs and POs responded timely and completely to requests. Table 4 shows how grantee project directors rated their interactions with GMSs and POs.

Table 4: Grantee Project Directors' Perceptions of Interactions With GMSs and POs

Statement	Number of Grantee Project Directors in Agreement (n=120)	
	Regarding GMSs	Regarding POs
GMS/PO is responsive	92	110
GMS/PO responses are timely	81	97
GMS/PO responses are complete	87	97
GMS/PO responses occur at appropriate frequency	84	93
GMS/PO turnover has caused problems	30	17

Source: OIG review of sampled grant files, 2011.

Technical Assistance. Of the grantee project directors responding to our survey, 96 percent reported that the technical assistance they received from SAMHSA staff was helpful. The most common issues for which project directors reported requesting technical assistance were what the required documents should contain, what the reporting requirements were, and when prior approval was needed.

SAMHSA staff and grantee project directors reported some obstacles

SAMHSA staff and grantee project directors identified obstacles to interaction and suggested improvements in technical assistance to grantees and quality of response between SAMHSA staff and grantees.

Three of eighteen GMSs reported experiencing obstacles to interactions with grantees—specifically, lack of grantee skill and technology limitations. Of the 66 POs responding to our survey, 9 reported experiencing obstacles to interactions with grantees; the most commonly reported obstacle was availability of grantees.

Eighteen percent of grantee project directors responding to our survey reported obstacles to interactions with their GMSs. The most common obstacles reported were late responses, nonresponse, and GMSs' lack of knowledge. Other obstacles included GMS turnover, inconsistent information, and GMSs' workloads. Fifteen percent of sampled grantee project directors who responded to our survey reported obstacles to communicating with their POs. The most commonly reported obstacles were availability and workload.

Technical Assistance. Thirteen percent of grantee project directors who responded to the survey stated that more technical assistance would be helpful. They suggested that receiving more technical assistance shortly after issuance of the Notice of Grant Award on basic subjects, such as grant administration and required reporting, would have better prepared them as grantees.

Perceived Attitudes of SAMHSA Staff. Ten of the one hundred twenty grantee project directors who responded to our survey reported that they perceived their GMSs and/or POs had negative attitudes towards grantees. One project director suggested “that the [grants management] staff provide objective support to the grantees without judgment and conviction. It seems that the [grants management] department is very critical of programs and it’s obvious in the way they speak to the project staff.”

Perceived Quality of Response. Six of the one hundred twenty grantee project directors who responded to our survey reported that they perceived their GMSs and/or POs as lacking a commitment to quality. These project

directors described SAMHSA staff as performing only to minimum requirements. One project director reported that when asked questions, SAMHSA staff provided only short answers. The project director also indicated that SAMHSA could be more open and engaged with grantees to help better manage their grants.

CONCLUSION

SAMHSA maintains grant files in accordance with Federal requirements, and most SAMHSA staff and grantee project directors reported positive interactions with one another. However, a few grant files did not contain all required documents, and a few SAMHSA staff and the grantee project directors identified concerns with their interactions and/or suggested improvements. Given the overall completeness and quality of the grant files and the low incidence of identified problems, we are not making formal recommendations to SAMHSA. Still, we encourage SAMHSA to strive to obtain and maintain all required documents. Also, SAMHSA may want to consider information from this report to improve interactions between SAMHSA staff and grantee project directors.

AGENCY COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE

SAMHSA concurred with our report as written and provided no further comments. We did not make any changes to the report as a result of the agency comments. For the full text of SAMHSA's comments, see Appendix D.

APPENDIX A

Table A: Point Estimates and Confidence Intervals for Selected Statistics

Table A: Point Estimates and Confidence Intervals for Selected Statistics			
Grant File Document	Sample Size (n)	Point Estimate	95-Percent Confidence Interval
Applications in grant files	130	98.5	94.5–99.8
Notice(s) of Grant Awards in grant files	130	100.0	95.4–100.0
Notice(s) of Grant Awards with special award conditions	130	81.8	73.5–88.0
Continuation applications in grant files	95	97.9	92.6–99.7
Continuation applications received on time	95	100.0	96.2–100.0
Financial Status Report in grant files	94	96.4	89.7–98.8
Financial Status Report missing from grant files	94	3.6	1.2–10.3
Financial Status Report received on time (and in grant files)	89	70.5	59.3–79.6
Financial Status Report in grant files, but we were unable to determine timeliness	89	29.6	20.3–40.7
Grantee project directors reporting helpful technical assistance	107	96.2	89.7–98.7
Grantee project directors reporting obstacles to interactions with Grants Management Specialists	113	17.9	11.5–26.7
Grantee project directors reporting obstacles to interactions with Project Officers	119	14.7	9.0–23.1
Grantee project directors reporting that more technical assistance would be helpful	119	12.6	7.4–20.7

Source: Office of Inspector General review of sampled grant files, 2011.

APPENDIX B

Table B: Additional Grantee Requirements Found in Notices of Grant Awards

Table B: Examples of Additional Grantee Requirements Identified in Notices of Grant Awards	
Requirements Imposed on Grantees	Total*
Revised budgets	32
Grantee Financial Management Review	27
Change in personnel	20
Revised documents	10
Participant protection procedures	8
Budget justifications	7
Required missing reports (i.e., Financial Status Reports, continuation applications) and forms	7
Indirect Cost Rate Agreement	6
Required technical assistance	5
Government Performance Results Act compliance procedures	5
Prior approval of purchases	4
Clinical Laboratory Improvement Amendments certification	4
Response to other concerns	4
Signed tribal resolutions	3
Clarifying information	3
Limitation on grantee activities or expenditures	2

* Notices of Grant Awards often included multiple additional requirements; therefore, these will not add to the 110 Notices of Grant Awards found in the grant files. Because we were unable to identify all additional requirements, we are not projecting the results of this analysis.

Source: Office of Inspector General review of sampled grant files, 2011.

APPENDIX C

Table C: Examples of Agency-Grantee Communication Found in Sampled Grant Files

Table C: Examples of Topics of Communication Between Substance Abuse and Mental Health Services Administration Staff and Sampled Grantees	
Subject Matter	Total*
Budget	40
Carryover	29
Late Financial Status Reports/other late reports	24
Key personnel	22
Closeout	15
Indirect Cost Rate Agreements	15
Continuation applications	15
Forms/reports	14
No-cost extensions	12
Site visit	12
Allowable cost	12
Participant protection	6
Application process	6
Financial reviews	5
Excluded Parties List System** checks	5
Supporting documentation	5
Special conditions/enforcement actions (corrective action plans)	4
Cost allocations	3
Due dates	2
Memorandums of Understanding between States and counties	2
Federal match rate/cost sharing	2
Rent/real estate	2
Technical assistance	2
Tribal resolutions	1
Needs assessments	1
Interest expense	1
Programmatic questions	1
Extensions to file	1
Office of Inspector General requests for investigations	1

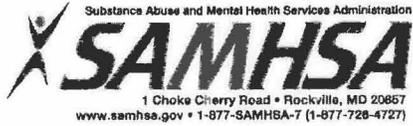
* Correspondence found in grant files often included multiple topics; therefore, these will not add to 130 sampled grant files.

** The Excluded Parties List System identifies those parties excluded throughout the U.S. Government from receiving Federal contracts or certain subcontracts and from certain types of Federal financial and nonfinancial assistance and benefits.

Source: Office of Inspector General review of sampled grant files, 2011.

APPENDIX D

Agency Comments



JAN 4 2012

TO: Daniel R. Levinson, Inspector General
Office of Inspector General (OIG)

FROM: Administrator

SUBJECT: OIG Draft Report: *SAMHSA's Administration of Grants*, OEI-07-10-00220

The Substance Abuse and Mental Health Services Administration has reviewed the above subject document and concurs with the document as written.

Thank you for the opportunity to comment.

/s/

Parvula S. Hyde, J.D.

Behavioral Health is Essential To Health • Prevention Works • Treatment is Effective • People Recover

ACKNOWLEDGMENTS

This report was prepared under the direction of Brian T. Pattison, Regional Inspector General for Evaluation and Inspections in the Kansas City regional office; Deborah K. Walden, Deputy Regional Inspector General; and Brian T. Whitley, Deputy Regional Inspector General.

Michael Barrett served as the project leader for this study. Other principal Office of Evaluation and Inspections staff from the Kansas City regional office who contributed to the report include Tricia Fields, Rae Hutchison, and Michala Walker; central office staff who contributed include Heather Barton and Kevin Farber.

Office of Inspector General

<http://oig.hhs.gov>

The mission of the Office of Inspector General (OIG), as mandated by Public Law 95-452, as amended, is to protect the integrity of the Department of Health and Human Services (HHS) programs, as well as the health and welfare of beneficiaries served by those programs. This statutory mission is carried out through a nationwide network of audits, investigations, and inspections conducted by the following operating components:

Office of Audit Services

The Office of Audit Services (OAS) provides auditing services for HHS, either by conducting audits with its own audit resources or by overseeing audit work done by others. Audits examine the performance of HHS programs and/or its grantees and contractors in carrying out their respective responsibilities and are intended to provide independent assessments of HHS programs and operations. These assessments help reduce waste, abuse, and mismanagement and promote economy and efficiency throughout HHS.

Office of Evaluation and Inspections

The Office of Evaluation and Inspections (OEI) conducts national evaluations to provide HHS, Congress, and the public with timely, useful, and reliable information on significant issues. These evaluations focus on preventing fraud, waste, or abuse and promoting economy, efficiency, and effectiveness of departmental programs. To promote impact, OEI reports also present practical recommendations for improving program operations.

Office of Investigations

The Office of Investigations (OI) conducts criminal, civil, and administrative investigations of fraud and misconduct related to HHS programs, operations, and beneficiaries. With investigators working in all 50 States and the District of Columbia, OI utilizes its resources by actively coordinating with the Department of Justice and other Federal, State, and local law enforcement authorities. The investigative efforts of OI often lead to criminal convictions, administrative sanctions, and/or civil monetary penalties.

Office of Counsel to the Inspector General

The Office of Counsel to the Inspector General (OCIG) provides general legal services to OIG, rendering advice and opinions on HHS programs and operations and providing all legal support for OIG's internal operations. OCIG represents OIG in all civil and administrative fraud and abuse cases involving HHS programs, including False Claims Act, program exclusion, and civil monetary penalty cases. In connection with these cases, OCIG also negotiates and monitors corporate integrity agreements. OCIG renders advisory opinions, issues compliance program guidance, publishes fraud alerts, and provides other guidance to the health care industry concerning the anti-kickback statute and other OIG enforcement authorities.