## DEPARTMENTAL GRANT APPEALS BOARD

Department of Health and Human Services

SUBJECT: Clayton County Community Services Authority, Inc. DATE: Forest Park, Georgia Docket No. 79-74 Decision No. 100

# DECISION

By letter dated March 20, 1979, the Acting Director, Grants Administration Division, Office of Human Development Services (OHDS), Region IV, notified Clayton County Community Services Authority, Inc. (CCCSA) that there had been an over-expenditure of \$914 of federal funds in its Head Start program account and that these "costs in excess of approved budget [are] not allowable" and would have to be "paid with cash from non-Federal sources."

CCCSA filed a timely application for review dated April 11, 1979. No copy of the notification of disallowance was included, however. By letter dated May 15, 1979, the Executive Secretary requested the notification, the audit report (04-86256) and notice of grant award (H-3275-L). These documents were submitted on May 17, 1979.

After preliminary analysis, the Executive Secretary, by letter to the Grantee dated June 25, 1979, requested clarification of the amount in dispute and copies of communications of the Acting Head, Children, Youth, and Family Unit. That information was provided on July 23, 1979.

An Order was issued by the Board Chairman on March 30, 1980 directing the Grantee to show cause why the appeal should not be denied because the Board is not vested with the authority to make an award of grant funds. The Agency was not required to respond and did not do so; the Grantee chose not to respond.

### Statement of the Case

The notification of disallowance does not set forth the reasons for the disallowance but merely refers the Grantee to the audit report.

The audit report states that CCCSA operates full-year Head Start and Handicap programs. For the program year ended February 28, 1978, CCCSA was budgeted to receive \$150,868 in program funds from the Office of Child Development, OHDS, for the Head Start Full Year/Full Day Program. The Grantee was budgeted to contribute \$37,775 but gave \$39,753 in inkind contributions. CCCSA also was allowed to rebudget \$3,232 from an unobligated balance for a previous period.

The Statement of Revenues, Expenditures and Changes in Fund Balance in the audit report shows that the Grantee spent \$86.26 more than the amount of federal funds budgeted in the "personnel" category, \$1,816.66 in the "travel" category, \$7,973.16 in the "food" category and \$946.27 in the "contractual" category for a total of \$10,822.35 in over-expenditures. There is no indication that any of the costs were otherwise unallowable. The Grantee spent \$2,354.82 less than the amount of federal funds budgeted in a total of four other categories. On the same Statement, the auditors separated out the federal share of start-up costs and found that \$593.57 was overspent. According to the notification of disallowance there was, therefore, \$9,061.10 in overexpenditures after crediting the Grantee with \$2,354.82 in under-expenditures. The Regional Office then subtracted a \$8,032.21 reimbursement from the U.S. Department of Agriculture and \$115 in special project income which were not in the approved budget. It, therefore, disallowed \$913.89.

It was noted in the Order that the audit report of the Head Start Handicap program shows that the Grantee spent less than the authorized federal share of direct costs in the actual budget by \$9,046.04. CCCSA did not respond to the question of whether it had requested that it be allowed to use excess funds in its Handicap program to offset over-expenditures in the Head Start program.

# Grantee's Argument

The Grantee admits that there was an over-expenditure but states that it was "basically for sales tax that we were not aware of at the time of purchase and had no control over." CCCSA asks that the Board "allow this unavoidable over-expenditure and all records will be cleared."

## Discussion

CCCSA's arguments do not furnish the Board with any substantial reason upon which to base a decision in its favor.

The amount of federal funds to be made available to the Grantee for the budget year in question is clearly set forth in the notice of grant award issued by the Agency. We are aware of nothing in the notice of grant award or elsewhere which could reasonably have led the Grantee to believe that any additional funds would be made available. Program materials issued by the Agency clearly indicate that the contrary would be the case: OHD assumes no liability for project costs which exceed the total amount of Federal funds authorized on the Notice of Grant Awarded for that budget period. OHD Grant Administration Manual (January 1, 1977), Chapter 1-1-4.

Even if this Board found in favor of the Grantee, there is no relief that the Board could appropriately grant. Forgiveness of the overexpenditure is not a form of relief within the Board's authority. The forgiveness of an over-expenditure would be tantamount to the awarding of a supplemental award. The Board is not vested with the authority to make an award of grant funds. See, e.g. Pinellas Opportunity Council, Inc., DGAB Docket No. 79-58, Decision No. 80, February 6, 1980; Anderson-Oconee Headstart Project, Inc., Docket No. 79-80, Decision No. 90, April 28, 1980.

### Conclusion

For the reasons stated above, the appeal is denied.

/s/ Clarence M. Coster /s/ Donald G. Przybylinski

/s/ Frank Dell'Acqua, Panel Chairman