

GAO Highlights

Highlights of [GAO-21-51](#), a report to congressional committees

Why GAO Did This Study

Congress provides foreign assistance funding through various appropriation accounts for international development projects. USAID is the primary U.S. agency responsible for implementing these projects and may have up to 11 fiscal years to expend its appropriations from certain accounts. USAID requires program managers to follow its forward funding policy, with some exceptions, and annually monitor ULOs to identify excess funds that may be eligible for deobligation and used for other purposes.

A Senate report provides for GAO to consult with the appropriations committee on a review of USAID's expenditure rates. This report examines (1) USAID data on ULOs for funds appropriated in fiscal years 2009–2019, (2) the extent to which expenditures in selected accounts met our definitions of timely or delayed under USAID policy, (3) the extent to which USAID monitors ULOs and the timeliness of expenditures, and (4) factors that USAID cites as contributing to expenditure delays and excess ULOs and steps taken to manage them. GAO analyzed financial data—primarily for DA, ESF, and GHP—reviewed USAID policies, and interviewed officials in Washington, D.C., and at three missions with large amounts of ULOs.

What GAO Recommends

GAO is making three recommendations, including that USAID should routinely analyze data on (1) the timeliness of expenditures and (2) exceptions granted under its policy. USAID generally agreed with these recommendations.

View [GAO-21-51](#). For more information, contact Jason Bair at (202) 512-6881 or bairj@gao.gov.

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FOREIGN ASSISTANCE

USAID Should Analyze Data on the Timeliness of Expenditures

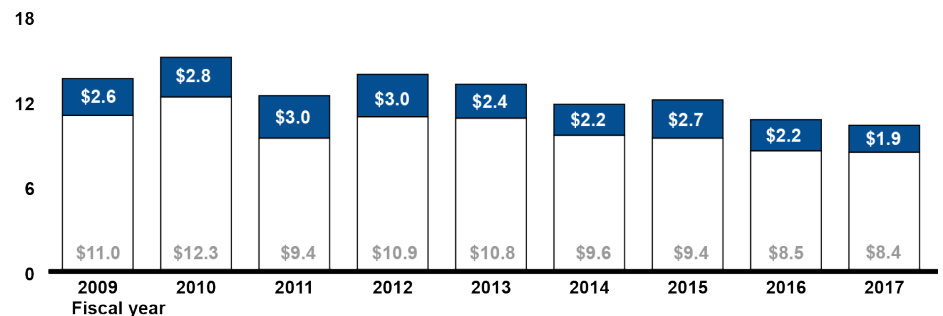
What GAO Found

Almost \$20 billion of the \$185 billion (11 percent) that the U.S. Agency for International Development (USAID) obligated from funds appropriated in fiscal years 2009–2019 remained unliquidated (or not yet expended), as of March 31, 2020. Funds appropriated for Development Assistance (DA), Economic Support Fund (ESF), and Global Health Programs (GHP) made up about 78 percent of these unliquidated obligations (ULO).

GAO estimates that \$23 billion in DA, ESF, and GHP obligations from funds appropriated in fiscal years 2009–2017 may have had delayed expenditures under USAID's forward funding policy (see fig.). Based on this policy, GAO defines delayed expenditures as those made after the end of the fiscal year following the fiscal year of obligation, if exceptions have not been granted. The actual amount of delayed expenditures may be less than \$23 billion because, for example, this estimate likely includes projects with exceptions to USAID's forward funding policy.

USAID's Obligations from Development Assistance, Economic Support Fund, and Global Health Programs with Timely or Possibly Delayed Expenditures under USAID Policy in Fiscal Years 2009–2017, as of March 31, 2020

Dollars (in billions)



Legend: ■ Possibly delayed expenditures under USAID policy Timely expenditures under USAID's policy

Source: GAO analysis of U.S. Agency for International Development (USAID) data. | GAO-21-51

Note: GAO's analysis is based on USAID's data on subobligations, and obligations made outside of bilateral agreements. GAO defines these expenditures as delayed under USAID's forward funding policy, but the funds remain legally available for expenditure for the entire period of availability for obligation plus 5 fiscal years after the period of availability for obligation has expired, in accordance with the account closing law. See 31 U.S.C. §§ 1552(a) and 1553(a).

USAID has processes for monitoring ULOs but does not analyze data on what GAO refers to as the timeliness of expenditures under its policy. USAID monitors ULOs by completing quarterly financial reviews, among other activities. However, USAID does not analyze data to identify (1) expenditures that occur after the fiscal year following obligation and (2) exceptions to timelines established in its policy. Doing so could enable USAID to make more informed resource decisions.

USAID officials cited various factors that contribute to expenditure delays and possible excess ULOs, and USAID has taken some steps to manage them. USAID officials cited external factors such as political changes and internal factors such as reform initiatives, as contributing to increased ULOs. In response, USAID has launched an automated deobligation tool, among other steps taken.