



August 31, 2001

OIG REPORT 01-47 (H)

**MEMORANDUM FOR:** ANN KENNAMER, DIRECTOR  
21<sup>ST</sup> CENTURY COUNCIL

**SUBJECT:** Memorandum Survey Report  
Review of Jackson County Distance Learning Project  
AL-13086

**PURPOSE**

The purposes of our review were (1) to determine the allowability of the costs claimed under the ARC grant, (2) to determine if the grant objectives were met and (3) to determine the current status of the project.

**SCOPE**

Our survey included procedures to review costs incurred and claimed for reimbursement under the grant, as well as costs claimed as matching funds. The grant consisted of two phases. The period of performance for Phase I was October 1, 1998 to January 3, 2000, and Phase II was February 2, 2000 through October 30, 2001. We reviewed the grantee's reports, examined records, and held discussions with grantee officials in Scottsboro, Alabama, on July 25, 2001. As a basis for determining allowable costs and compliance requirements, we used the provisions of the grant agreement, Office of Management and Budget (OMB) Circulars A-122 and A-133, and the ARC Code. Audit work was performed in accordance with Government Auditing Standards.

**BACKGROUND**

ARC Grant AL-13086 was awarded to the 21<sup>st</sup> Century Council to provide funds to: 1) set up a three-site telecommunications system and, 2) extend the system to five schools. Besides serving the school system other areas served include the adult population, local government and the medical community.

The financial budgets were proposed as follows:

	<u>Phase I</u>	<u>Phase II</u>
ARC grant funds	\$200,000	\$199,000
Matching funds	<u>50,000</u>	<u>199,600</u>
Total Project funds	\$250,000	\$398,600

## **RESULTS**

### **Financial Review**

During our visit, we reviewed the grantee's accounting records, including invoices and supporting documentation for the grant costs charged to the project. Total claimed costs were supported by the grantee's accounting records and no deficiencies were noted as to the allowability of the expenses or the adequacy of the documentation for the expenditures we reviewed. The grantee appears to have met their requirements for matching funds.


Phase I of the project was closed out November 2000 upon receipt of the final report and final reimbursement request.

The grantee's reimbursement request for Phase II, dated April 4, 2001, claimed total costs of \$241,059, of which \$187,195 is ARC share and requested \$179,100 (90% of grant).

### **Program Review**

The grantee appears to have completed the tasks required in the grant. All five schools and the hub are operational. Several video conferencing projects have been completed with much success. The remodeling and installation of the new hub site located in an old school cafeteria is being completed by volunteers from the local jail and a retired master builder, along with material donations from local contractors.

Technical assistance was provided to the grantee.

  
Hubert N. Sparks  
Inspector General



August 29, 2001

Ms. Ann Kennamer, Director  
21<sup>st</sup> Century Council  
305 South Scott Street  
Scottsboro, AL 35768

re: OIG Report 01-47(H), ARC Grant AL-13086


Dear Ms. Kennamer:

Enclosed is a copy of our report dealing with a grant for a telecommunications system. We consider the report closed.

A copy of the report is being provided to the Federal Co-Chairman, ARC Executive Director, and Alabama State Alternate.

The courtesies and cooperation afforded the auditor were appreciated.

Sincerely,

  
Hubert N. Sparks  
Inspector General

Enclosure