

**MEMORANDUM REPORT ON REVIEW OF THE  
SHAWNEE STATE UNIVERSITY**

**CHILDREN'S LEARNING CENTER GRANT**

**ARC Grant No.: OH-12745-98-I-211**

**March 1, 1999 through December 31, 2000**

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**Report Number: 02-2 (H)**

**Date: October 26, 2001**

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**March 1, 1999 through December 31, 2000**

**Prepared By:**

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**TO:** Appalachian Regional Commission (ARC)  
Office of Inspector General (OIG)

**FROM:** Tichenor & Associates, LLP  
Louisville, Kentucky

**REPORT FOR:** The Federal Co-Chairman  
ARC Executive Director  
OIG Report No. 02-2 (H)

**SUBJECT TO:** Memorandum Review Report on the Shawnee State University Children's  
Learning Center Grant, ARC Grant No: OH-12745-98-I-211

**PURPOSE:** The purpose of our review was to determine if (a) the total funds claimed for reimbursement by the Shawnee State University for its Children's Learning Center Grant were expended in accordance with the ARC approved grant budget and did not violate any restrictions imposed by the terms and conditions of the grant; (b) the accounting, reporting and internal control systems provided for disclosure of pertinent financial and operating information; and (c) the objectives of the grant had been met.

**BACKGROUND:** ARC awarded Grant Number OH-12745-98-I-211 to the Shawnee State University for the period from March 1, 1999 through December 31, 2000. The purpose of the grant was to provide funds to Shawnee State University to support the Children's Learning Center's first year operational costs.

The ARC grant funding for OH-12745-98-I-211 was for a total not to exceed \$198,000 of actual, reasonable and eligible project cost. The Grantee shall pay or cause to be paid the non-ARC share of \$197,000 in cash, contributed services or in-kind contributions, as approved by ARC.

The specific tasks were:

Provide care for a minimum of 70 children whose parents are working in local business and industry, or preparing for work by attending university classes.

SCOPE: We performed a program review of the grant as described in the Purpose, above. Our review was based on the terms of the grant agreement and on the application of certain review procedures in accordance with the ARC, OIG Review Program. Specifically, we determined if the tasks listed above had been performed, if the accountability over ARC funds was sufficient as required by the applicable Office of Management and Budget (OMB) Circulars, and if Shawnee State University had complied with the requirements of the grant agreement. In addition, we discussed the program objectives and performance with Shawnee State University's personnel. Our results and recommendations are based on those procedures and were conducted in accordance with applicable Government Auditing Standards.

RESULTS: The following results were based on our review performed at Shawnee State University in Portsmouth, Ohio on September 4, 2001 through September 6, 2001.

**A. Incurred Costs**


Shawnee State University paid out program costs of \$446,788 for grant OH-12745-98-I-211, of which they claimed direct reimbursable costs from March 1, 1999 through December 31, 2000 of \$196,789 from ARC and in-kind costs of \$249,999. We reviewed the direct and in-kind costs incurred and determined that the funds had been expended as reported.

**B. Internal Controls**

We did not identify any internal control weaknesses that could have affected the accountability of costs or compliance with the terms of the grant agreement.

**C. Program Results**

Our review of the Shawnee State University Children's Learning Center Grant indicated that the objectives of the grant had been met.

  
TICHENOR & ASSOCIATES, LLP  
Louisville, Kentucky  
September 6, 2001