





November 19, 2004

OIG REPORT 05-07

**MEMORANDUM FOR: FEDERAL CO-CHAIR  
ARC EXECUTIVE DIRECTOR**

**SUBJECT:** Memorandum Survey Report  
Review of Coosa Valley  
Entrepreneurship/Incubator Project  
GA-14049-C1

### **PURPOSE**

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

### **SCOPE**

Our review included procedures to review costs incurred and claimed for reimbursement under the grant, as well as costs claimed as matching funds. The period of performance for the grant was September 1, 2002 through December 31, 2003.

We reviewed the grantee's reports, examined records, and held discussions with grantee officials in Rome, Georgia, on April 20 and 21, 2004. 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-21 and A-110, and the ARC Code. Audit work was performed in accordance with Government Auditing Standards.

### **BACKGROUND**

ARC Grant GA-14049-C1 was awarded to the Coosa Valley Technical College to continue funding for Grantee's economic development program, to assist individuals with business startup information and training, provide new businesses with vital support, and lease incubator space to tenant business in Floyd, Gorman and Polk Counties in Appalachian Georgia. ARC funds will be used for staffing, operating expenses, marketing, software, and training materials.

The total project cost was estimated at \$426,600, with contributing funds as follows:

ARC	\$204,768	48%
Local	<u>221,832</u>	<u>52%</u>
	\$426,600	100%

## **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. 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 has met their requirements for matching funds.

The grantee's last reimbursement request, dated January 26, 2004, claimed total costs of \$357,132, which included ARC grant costs of \$171,424 (48%) and matching costs of \$185,709 (52%). The final report has been received and the grant was closed on February 11, 2004, with a deobligation of \$33,344.

### **Program Review**

The grantee's final report stated that they have met the goals of the grant. The businesses that were listed as leasing space were interviewed and agreed with the reported results.



Clifford H. Jennings  
Inspector General