



April 10, 2000

MEMORANDUM FOR The Federal Co-Chairman ARC Executive Director

SUBJECT: OIG Reports

Enclosed are copies of the following reports for which our records do not indicate transmittal to your office. The reports were previously distributed to the grantees. In most instances, the reports were closed on issuance based on the absence of material findings.

- 00-13(H) Benton County, Mississippi, Head Start Facility
00-14(H) Team Pennsylvania Entrepreneurial Education Program
00-15(H) Team Pennsylvania Entrepreneurial Network Initiative
00-16(H) Northern Tier Pennsylvania RPDC Administrative Grant
00-17(H) New York State Technical Assistance
00-20(H) Kentucky Regional Diabetes Healthcare Delivery in Appalachia
00-21(H) Tennessee Technical Assistance
00-22(H) Clay County, Tennessee, Industrial Project
00-23(H) Southwest Virginia Higher Education Center
00-24(H) Appalachian Rural Systemic Initiative, Kentucky
00-25(H) Dental Care, Cumberland Plateau Health District, Virginia
00-29(H) Carraway Life Saver Program, Alabama
00-31(H) Alabama J-1 Followup Visits

These reviews generally disclosed that grant funds were accounted for, controls were in place, and project tasks were completed.

Report 00-15(H), Team Pennsylvania Entrepreneurial Network Initiative, contains several open issues with respect to a small claim for costs incurred prior to grant start; \$3,185 in unsupported matching costs; and subrecipient monitoring.

Report 00-20(H), Regional Diabetes Healthcare Delivery in Appalachia, questions \$12,247 in personnel costs incurred outside the grant period. Report 00-21(H), Tennessee Technical Assistance recommends improved identification of performance measures and results.

Several reports are awaiting auditee comments with a primary issue noted in these reports being limited grantee oversight or monitoring of subrecipients or subcontractors with the result being difficulty to assess whether the activities performed were commensurate with the costs incurred.

Handwritten signature of Hubert N. Sparks, Inspector General

Enclosures

cc: Ms. Judy Rae

1666 CONNECTICUT AVENUE, NW WASHINGTON, DC 20235 (202) 884-7675 FAX (202) 884-7691

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**APPALACHIAN  
REGIONAL  
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*A Proud Past,  
A New Vision*

*Office of the Inspector General*

January 5, 2000

Ms. Linda Goldstein, Project Director  
Team Pennsylvania Foundtion  
P. O. Box 11468  
100 Pine Street  
Harrisburg, PA 17108

re: OIG Report 00-14(H), ARC Grant PA-12786


Dear Ms. Goldstein:

Enclosed is a copy of the final report dealing with a grant for the Team Pennsylvania Entrepreneurial Education Program. The work was performed by auditors with Tichenor & Associates, C.P.A. under contract to my office. Based on the absence of disclosures, we consider the report closed.

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

The courtesies and cooperation afforded the auditors were appreciated.

Sincerely,

  
Hubert N. Sparks  
Inspector General

Enclosure

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Alabama                      Kentucky                      Mississippi                      North Carolina                      Pennsylvania                      Tennessee                      West Virginia  
Georgia                      Maryland                      New York                      Ohio                      South Carolina                      Virginia

**MEMORANDUM REPORT ON REVIEW OF  
TEAM PENNSYLVANIA FOUNDATION  
HARRISBURG, PENNSYLVANIA**

**Team Pennsylvania Entrepreneurial Education Program**

**ARC Grant Number: PA-12786-C1-302**

**October 1, 1998 through September 30, 1999**

**CAUTION:** *Certain information contained herein is subject to disclosure restrictions under the Freedom of Information Act, 5 U.S.C. 522 (b)(4). Distribution of this report should be limited to Appalachian Regional Commission and other pertinent parties.*

**Report Number: 00-14 (H)**

**Date: December 29, 1999**

MEMORANDUM REPORT ON REVIEW OF  
**TEAM PENNSYLVANIA FOUNDATION**  
HARRISBURG, PENNSYLVANIA

Team Pennsylvania Entrepreneurial Education Program

ARC Grant Number: PA-12786-C1-302

October 1, 1998 through September 30, 1999

Prepared By:

Tichenor & Associates  
Certified Public Accountants  
304 Middletown Park Place, Suite C  
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TO: Appalachian Regional Commission (ARC)  
Office of Inspector General (OIG)

FROM: Tichenor & Associates  
Louisville, Kentucky

REPORT FOR: The Federal Co-Chairman  
ARC Executive Director  
OIG Report Number 00-14 (H)

SUBJECT: Memorandum Review Report on Team Pennsylvania Foundation,  
Entrepreneurial Education Program, Harrisburg, Pennsylvania, ARC Grant  
Number PA-12786-C1-302.

PURPOSE: The purpose of our review was to determine if (a) the total funds claimed for reimbursement by Team Pennsylvania Foundation for its Team Pennsylvania Entrepreneurial Education Program 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 have been met.

BACKGROUND: ARC awarded Grant Number PA-12786-C1-302 to Team Pennsylvania Foundation for the period October 1, 1998 through September 30, 1999. Total grant funding was for an amount not to exceed \$265,208, or approximately 60% percent of actual, reasonable and eligible project costs, whichever was less. ARC required that the grant be matched with \$176,805 or 40% percent in cash, contributed services, and in-kind contributions, as approved by ARC. ARC made four advance/progress payments totaling \$238,687 through August, 1999.

The purpose of the grant was to educate and encourage the youth of Pennsylvania to become entrepreneurs thereby creating jobs and stimulating the economy in the region.. The grant calls for several training sessions, the maintenance of a web site, and a revolving loan fund to provide loans for young entrepreneurs.

The following specific tasks were to be performed:

1. Hire Associate Director
2. Implement REAL, Mini-REAL, and Middle-REAL programs
3. Implement Taking Charge
  - Implement Taking Charge in 3 pilot school districts
  - Conduct 5 Center Training Workshops
  - Conduct 1 State Wide Training (REAL Districts)
4. Entrepreneurial Summer Camps (2)
  - Hold Entrepreneurial Summer Camps at Seton Hill College and Susquehanna.
5. Evaluation
  - Measurement of the impact of the program through entrance and exit surveys by Carnegie-Mellon.
6. Web Site
  - Maintain the web site.
  - Maintain the application process for the REAL program on-line.
  - Maintain the Entrepreneurial Education Survey on-line.
7. PA Revolving Loan Fund
  - Establish a \$25,000 revolving loan fund for use by young entrepreneurs.

SCOPE: We performed a review of the grant as described in the Purpose above. Our review was based on the terms of the grant agreement and 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 the Team Pennsylvania Foundation had complied with the requirements of the grant agreement. In addition, we discussed the program objectives and performance with Team Pennsylvania Foundation personnel. Our results and recommendations are based on these procedures. These review procedures were performed in accordance with applicable Governmental Auditing Standards.

RESULTS: The following results were based on our review performed in Harrisburg, Pennsylvania on September 15 and 16, 1999.

#### **A. Incurred Costs**

Team Pennsylvania Foundation claimed total program costs of \$408,507 as of our fieldwork date, of which they claimed direct reimbursable costs from October 1, 1998 through September 30, 1999

of \$242,801. We reviewed the direct and in-kind costs incurred and determined that, in general, the funds had been expended as reported.

**B. Internal Controls**

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

**C. Program Results**

Our review of the Team Pennsylvania Foundation, Entrepreneurial Education Program indicated all specific tasks identified in the grant, and summarized above, will be achieved by the end of the grant period.

*Tichenor & Associates*

TICHENOR & ASSOCIATES  
Louisville, Kentucky

September 16 1999