



APPALACHIAN  
REGIONAL  
COMMISSION

*A Proud Past,  
A New Vision*

*Office of the Inspector General*

July 26, 2000

Thomas A. Smith, Ph.D.  
Marriage and Family Therapy Center  
Clanton House  
Auburn university, AL 36849-5601

re: OIG Report 00-32(H), ARC Grant AL-12306-96

Dear Dr. Smith:


Enclosed is a copy of our final report on a grant for a youth leadership development project. As noted, the report contains one open issue pertaining to the eligibility of the additional task of developing a home-based youth leadership curricula for ARC scholarship recipients and the relationship of this task to the tasks noted in Grant AL-12359, Education and Leadership Development/Appalachian Youth Scholarship Program.

This issue can best be resolved with ARC program staff, and we will followup with ARC staff within 60 days.

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

The courtesies and cooperation provided the auditor were appreciated.

Sincerely,

  
Hubert N. Sparks  
Inspector General

Enclosure



JULY 27, 2000

OIG REPORT 00-32(H)

**MEMORANDUM FOR:** DR. THOMAS SMITH, PROJECT DIRECTOR  
AUBURN UNIVERSITY

**SUBJECT:** Memorandum Report  
Review of Youth Leadership Incubator  
AL-12306-96

### **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 period of performance for the grant was July 1, 1996 through June 30, 1998. We reviewed the grantee's reports, examined records, and held discussions with grantee officials in Auburn, Alabama, on February 15 and 16, 2000. 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 AL-12306-96 was awarded to the Auburn University to provide funds for a leadership development project for junior and senior high youth in seven distressed counties in Alabama. The project was to include recruitment of 50 youth, training of students as mentors, developing a youth incubator program, reporting on results and follow-through actions, and institutionalization of the program at Auburn University.

The grant was for \$200,000 (80 percent) of actual, reasonable, and eligible costs of the project. The grantee was to pay or cause to be paid the non-ARC share of \$50,000 (20 percent) in cash, contributed services, or in-kind contributions. Project funds were budgeted primarily for salaries, travel, and materials, with about \$132,580 being allotted for salaries of staff who would be identifying participants, implementing the program, and reporting about project results.

## RESULTS

### Financial Review

The grantee claimed total project costs of \$242,928, which included grant costs of \$194,795 (80 percent) and non-federal matching costs of \$48,133 (20 percent). ARC deobligated \$5,205; a final report was received April 28, 1999; and the grant was closed out June 3, 1999.

During our visit, we reviewed the grantee's accounting records, including invoices and supporting documentation, for a sample of grant and matching costs charged to the project.

Based on our review and consideration of the grantees response to our draft report we are questioning \$4,125 that was charged to this grant for the development of a Home-Based Youth Leadership Curriculum and Evaluation for ARC Scholarship recipients and others who do not have access to formal training. All courses related to this grant were completed by June 1997 and on-site review did not identify the purpose of the additional curriculum development subsequent to that date.

Correspondence provided by the grantee notes that a grant extension was requested on September 26, 1997 to permit staff to complete, along with two other tasks, the development of home-based youth leadership curricula for ARC scholarship recipients. The correspondence also notes that this task was not included in the original project plan.

ARC approved a grant extension until March 31, 1998. Although the grant extension did not include any reference to additional tasks, we recognize that the grantee request letter clearly identified the development of home-based youth leadership curricula as the reason for the requested extension.

However, our concern relates to whether the additional task was directed at this grant or was intended to assist with the development of leadership activities for Grant AL-12359, Education and Leadership Development/Appalachian Youth Scholarship. For example, ARC correspondence of September 18, 1997 in connection with grant AL-12359, notes that leadership activities, noted as a grant task, had not taken place and requests the grantee, Alabama Commission on Higher Education, to submit a work plan describing an approach to offering leadership activities for recipients of ARC-funded scholarships (students attending a two or four year formal education institution).

The request for an extension of grant AL-12306 in order to develop a home-based youth leadership curricula that was not previously included as a project task was sent to ARC on September 26, 1997, a few days after ARC notified the grantee about the absence of leadership activities for grant AL-12359. Also, the request for extension notes that the curricula developed would be provided to the Alabama Commission on Higher Education for future use in providing training to scholarship recipients who may not be able to participate in formal leadership activities.

In response to ARC's inquiry about leadership activities in Grant AL-12359 the grantee submitted a work plan noting that Auburn University is developing a home-based leadership training curriculum for the Alabama Commission on Higher Education and this program would be offered to participants in the Appalachian Youth Scholarship program. This program appears to be the curricula development that was added to Grant AL-12306 and the primary question is whether the task should have been performed under Grant AL-12359. The budget submitted for Grant AL-12359 does not break out projected expenditures for the four tasks, including a youth leadership program, noted in the grant agreement.

Although we recognize the overlapping objectives of the two projects, based on available information and pending final determinations by ARC program staff as to the applicability of project activities and which project primarily benefited from the curricula development, we are questioning the related expenditure.

Program Review

There were 51 students, ages 13 to 15, selected for this program, with 41 completing the program and 31 returning the post-followup study (conducted by mail 9 months after the Summer Institute). The program included two retreats, a week-long conference at Auburn University, and community development projects.

		<u>Students</u>	<u>Adults</u>
February 1997	Retreat 1	49	24*
April 1997	Retreat 2	31	21
June 1997	Summer Institute	41	21
	Followup	31	

\* Adults included 7 mentors (university students), 11 adult volunteers and 6 project staff.

Salary expenditures of \$50,952, from July 1, 1996, to June 30, 1997, and \$58,222, from July 1997 to June 1998, were noted. The course was completed in June 1997, and the following year's activity appeared to be devoted to analysis of the pre- and post-testing and followup.

Five specific tasks were stated in the grant:

1. Recruit 50 youth, ages 13 to 15.
2. Recruit and train up to five college students to act as mentors.
3. Design and deliver a youth leadership incubator program.
4. Evaluate and document the impact of the program through follow-along and followup activities in schools, homes, churches and communities.
5. Institutionalize the program at Auburn University.

A 48-page research report detailed the project and results. The analysis of project results, including post-testing, indicated there were improvements with respect to participants' perception of their leadership ability. However, the primary hypothesis of the study--the participants' scores on the Youth Leadership Life Skills Scale would be significantly higher at post-test than at pre-test and the change would be stable at the 9-months followup--was not supported.


It appeared a primary factor contributing to this outcome was that participants were already actively involved in extracurricular activities and often were leaders in the activities in which they participated. For example, the summary report indicates students, on average, were involved in seven to nine clubs or associations. Thus, the potential for this project to significantly increase the leadership skills of such a participant group may have been limited.

Two tasks (4 and 5) noted in the grant agreement did not appear to have been fully implemented. Substantial effort appeared to have been devoted to the research report, but it was unclear as to how this report was used to evaluate the impact of the program through follow-along and followup activities in schools, homes, churches, and communities. Except for a mail-in questionnaire to students, identification of other followup activities was limited.

With respect to institutionalization of the program, the final report provides conflicting information about accomplishment, or future accomplishment, of this task. The April 28, 1999 letter to ARC accompanying the final program report notes that institutionalization of the program in Alabama is well on its way for no additional funds. However, the final report identifies conditions of constraints that could limit or delay accomplishment of this objective. These factors include the level of interest, availability of community-based leadership projects, and funding of related activities or staff. It also appears that some actions, including assignment of a staff person and developing a fee structure for supporting the program that would be substantially less costly than the per capita cost of the ARC-funded project, support grantee optimism that the YIP program and/or materials can be used in youth leadership initiatives across Alabama.

## **RECOMMENDATIONS FOR ARC**

In coordination with the grantee ARC should determine if the development of home-based youth leadership curricula was an item under this grant, as opposed to grant AL-12359, and the eligibility of the funds (\$4,125) expended for this task.

  
Hubert N. Sparks  
Inspector General



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The courtesies and cooperation provided the auditor were appreciated.

Sincerely,

  
Hubert N. Sparks  
Inspector General

Enclosure



April 4, 2000

Thomas Smith, PhD  
Project Director  
Glanton House  
Auburn University  
Auburn, AL 36849-5601

re: Draft OIG Report 00-32(H), ARC Grant AL-12306-96

Dear Dr. Smith:


Enclosed is a copy of our draft report dealing with a grant for a leadership development project. The primary issue noted pertains to project results rather than project expenditures.

Prior to finalization of the report, we would welcome comments or additional information pertaining to the issues noted. The final report will be revised, as appropriate, to reflect information provided in response to the draft report.

A response would be appreciated within 45 days.

Please call me if there are questions about this matter.

Sincerely,

  
Hubert N. Sparks  
Inspector General

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AL-12306-96

Youth Leadership Incubator

Dottie

workpapers & notes  
were not completed  
when noted

The work papers for this grant don't contain sufficient information to take a strong position about this grant.

For example, there is no indication of discussions with grantee staff and w/ps do not contain information from the Research Report. It is unclear how much resources were used in the Research Report and the reference in the final report to the \$130 per student cost for ~~for~~ room and board is not by itself, sufficient to compare against ARC grant costs.

The final report has considerable discussion of trying to institutionalize the program so it is hard to say there were no plans to do this.



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The project costs, especially salaries, may very well be excessive but it is difficult to relate costs to products without identifying who incurred the salary costs, and what services they provided.

On an overall basis I would suggest more on-site discussion with grantee officials and obtaining as much documentation as possible for areas considered to be problems.

U/ps should contain reference to an entrance and exit conference and document discussions with grantee staff.