



JULY 11, 2000

OIG REPORT 00-34(H)

MEMORANDUM FOR: PHIL WHITLOW, DIRECTOR
APPALACHIAN REGIONAL COMMISSION PROGRAM
GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS

SUBJECT: Memorandum Survey Report
Review of Consolidated Technical Assistance Program
Grant No. GA-7769

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 covered three years July 1, 1997 through June 30, 2000. We reviewed the grantee's reports, examined records, and held discussions with grantee officials in Atlanta, Georgia on June 6-8, 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-87 and A-102, and the ARC Code. Audit work was performed in accordance with Government Auditing Standards.

BACKGROUND

ARC Grant GA-7769 was awarded to the Georgia Department of Community Affairs (DCA) to assist with the overall planning and administration of the Georgia Appalachian Program. The grant underwrites project development activities, project monitoring and general technical assistance to rural communities.

The estimated project costs for the three years reviewed were:

	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	
ARC	\$140,000	\$149,883	\$141,583	50%
State	<u>140,000</u>	<u>149,883</u>	<u>141,583</u>	<u>50%</u>
Total	\$280,000	\$299,766	\$283,166	100%

The grantee was to pay or cause to be paid the non-federal share of 50% in matching grant assistance.

RESULTS

Financial Review


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. 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.

	<u>FY97</u>	<u>FY 98</u>	<u>FY99</u>
Costs claimed	\$101,357	\$105,137	not finalized
Deobligated	<u>38,643</u>	<u>44,746</u>	
Grant Amount	\$140,000	\$149,883	\$141,583

Total costs claimed were less than the estimated due to DCA not always allocating smaller increments of time spent on the project to the ARC account. The unallocated amount was deobligated at the end of each program year. Documentation shows that the grantee had met their match. FY99 ended June 30, 2000, and cost data had not been finalized at the time of our review, but testing of transactions disclosed no deficiencies.

Program Review

Program funds were used for intended purposes and reports were submitted as required.


Hubert N. Sparks
Inspector General



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Office of the Inspector General

July 19, 2000

MEMORANDUM FOR The Federal Co-Chairman
 ARC Executive Director
 ARC General Counsel

SUBJECT: OIG Reports 00-34(H), 00-35(H), 00-36(H), 00-39(H), 00-46(H),
 00-47(H) and 00-48(H)—ARC Grants GA-7769, Georgia
 Technical Assistance; GA-13047, Appalachian Technical Institute
 Off-Campus Learning Centers; CO-11349C, Southern Regional
 Education Board School-to-Work Partnership Program; WV-
 12348, Department of Education Work Force Training; NC-12836,
 Handmade in America Regional Leadership Initiative Program;
 SC-12851, New Horizons Family Services Health Care Facility;
 and SC-13175, SCACOG Upstate Community Information
 Regional Telecommunications

Enclosed are copies of the subject reports. The reviews reflect that the projects were completed and funds expended in accordance with the grant agreement and applicable regulations. With respect to Grant SC-13175, the project has been completed; and actions to ensure the project is closed by the administering agency (HHS) were recommended.


Hubert N. Sparks
Inspector General

Enclosures

cc: Ms. Judy Rae



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Office of the Inspector General

July 12, 2000

Mr. Phil Whitlow
Director, ARC Program
Georgia Department of Community Affairs
60 Executive Park South, NE, Suite 120
Atlanta, GA 30329-2231

re: OIG Report 00-34(H), ARC Grant GA-7769


Dear Mr. Whitlow:

Enclosed is a copy of our report on the above-referenced technical assistance grant. We consider the report closed.

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

The courtesies and cooperation afforded the auditor were appreciated.

Sincerely,


Hubert N. Sparks
Inspector General

Enclosure