



July 10, 2000

OIG REPORT 00-46 (H)

MEMORANDUM FOR: REBECCA ANDERSON
EXECUTIVE DIRECTOR
HANDMADE IN AMERICA

OBJECT: Memorandum Survey Report
Review of Regional Leadership Initiative Program
Grant No. NC-12836

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 October 1, 1997 through March 31, 2000. We reviewed the grantee's reports, examined records, and held discussions with grantee officials in Asheville, North Carolina on June 12, 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-110 and A-122, and the ARC Code. Audit work was performed in accordance with Government Auditing Standards.

BACKGROUND

ARC Grant NC-12836 was awarded to Handmade in America to provide funds to research, prepare, and deliver a program to help citizens undertake the leadership roles needed to create civic change. Originally, the project concentrated on building leadership capacity in six towns, because of the grantee's success, the program was expanded to include five additional communities.

The total project costs was estimated at \$253,900. The ARC grant was for \$153,400 (60%). The grantee was to pay or cause to be paid the non-federal share of \$100,500 (40%) in cash, contributed services, or in-kind contributions.

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.

On the grantee's final request for reimbursement dated May 15, 2000, the grantee claimed total project costs of \$314,279, which included grant costs of \$153,400 (49%) and matching costs of \$160,879 (51%). There is a balance of \$19,250 ARC funds that the grantee requested May 15, 2000 with their Final Report. Documentation shows the grantee has met their required non-federal match of \$100,500.

Program Review

The grantee has successfully completed community building projects for 11 small towns in the North Carolina Appalachian area and continues working with the towns.


Hubert N. Sparks
Inspector General



**APPALACHIAN
REGIONAL
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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



July 10, 2000

Ms. Rebecca Anderson
Executive Director
Handmade in America
111 Central Avenue
Asheville, NC 28801

re: OIG Report 00-46(H), ARC Grant NC-12836

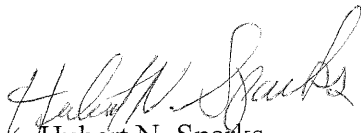
Dear Ms. Anderson:

Enclosed is a copy of our report on the subject grant. We consider the report closed.

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

The courtesies and cooperation afforded the auditor were appreciated.

Sincerely,


Hubert N. Sparks
Inspector General

Enclosure