



July 19, 2000

OIG REPORT 00-47(H)

MEMORANDUM FOR: REGINA M. COOK
EXECUTIVE DIRECTOR
NEW HORIZONS FAMILY SERVICES

SUBJECT: Memorandum Survey Report
Review of Greenville Community Health Center Program
Grant No. SC-12851

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 September 30, 1998. We reviewed the grantee's reports, examined records, and held discussions with grantee officials in Greenville, South Carolina on June 13 and 15, 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-12851 was awarded to New Horizons Family Services (formerly Greenville Community Health Center) to provide funds to assist in the construction and equipping of a health facility which will provide primary care to those in the Greenville county. This is a pass through grant with the U.S. Department of Health and Human Services (HHS).

The total project cost was estimated at \$1,769,421. The ARC grant was for \$200,000 (11%), with HHS providing \$1,225,000 (69%). The grantee was to pay or cause to be paid the non-federal share of \$344,421 (20%) in cash, contributed services, or in-kind contributions.

There had been a change in the grantee's Executive Director, management and financial staff along with a new accounting system.

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 financial status report dated May 15, 2000, the grantee claimed total project costs of \$2,005,101, of which \$1,425,000 is federal funds (\$1,225,00 from HHS funds and \$200,000 from ARC funds) and the balance of \$580,101 in matching funds.

Program Review

The grantee has completed the health center building, although the grantee is in dispute with the contractor because of a leaking roof and resulting damage. The waiting room in the clinic was observed as very busy with patients waiting throughout the day to be seen.

The building has been completed for two years, and we requested that the grantee submit a final report to HHS to facilitate the closing out of the grant, and recommend that ARC follow-up with HHS to assure project closing.


Hubert N. Sparks
Inspector General