



JULY 19, 2000

OIG REPORT 00-48(H)

**MEMORANDUM FOR:** ROBERT STROTHER  
EXECUTIVE DIRECTOR  
SOUTH CAROLINA APPALACHIAN  
COUNCIL OF GOVERNMENTS

**SUBJECT:** Memorandum Survey Report  
Review of SC Upstate Community Information  
Regional Telecommunications  
Grant No. SC-13175

**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, 1998 through July 31, 2000. We reviewed the grantee's reports, examined records, and held discussions with grantee officials in Greenville, South Carolina, on June 14 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-87 and A-102, and the ARC Code. Audit work was performed in accordance with Government Auditing Standards.

**BACKGROUND**

ARC Grant SC-13175 was awarded to the South Carolina Appalachian Council of Governments to provide funds to develop and maintain a community information network called SC-Upstate-Info, a comprehensive, subject-oriented, searchable web site directory of information.

The grant was for \$420,000 (70%) of actual, reasonable and eligible costs of the project. The grantee was to pay or cause to be paid the non-ARC share of \$180,000 (30%) 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.

As of January 31, 2000 the grantee claimed total project costs of \$541,241, which included grant costs of \$378,869 (70%) and non-federal matching costs of \$162,372 (30%). ARC payment records show a balance of \$42,000 due SC Appalachian Council of Governments. The grantee has already met the required match of \$140,000.

### **Program Review**

Progress reports detailed actions performed in accomplishing grantee's four goals. A demonstration was given of the various web sites created and explanation of their impact on the region was provided.

  
Hubert N. Sparks  
Inspector General