



JANUARY 9, 2001

OIG REPORT 01-9(H)

**MEMORANDUM FOR:**    HOLLY WILLIAMS, PROJECT COORDINATOR  
MATEWAN DEVELOPMENT CENTER, INC.

**SUBJECT:**            Memorandum Survey Report  
Review of Corridor G Tourism Project  
Grant No. WV-12888B

**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. The period of performance for the grant is September 1, 1998 through March 31, 2001. We reviewed the grantee's reports, examined records, and held discussions with grantee officials in Madison, West Virginia on November 2, 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 WV-12888B was awarded to provide funds to the Matewan Development Center, Inc. to provide funding to assist rural communities to plan for increased economic opportunity, including tourism development, along the Corridor G highway.

The total project costs was estimated at \$260,120. The ARC grant was for \$260,120 (100%). The grantee was not required to provide matching funds.

## **RESULTS**


### **Financial Review**

During our visit, we reviewed the grantee's accounting records, including invoices and supporting documentation for a sample of grant 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 August 18, 2000, \$189,000 had been drawn down to pay for various projects. On November 21, 2000, the grant was extended to March 31, 2001 and an additional \$50,120 had been added to the original \$210,000 making a total of \$260,120 available for projects.

### **Program Review**

The grantee is successfully completing the tasks as required in the grant agreement.

  
Hubert N. Sparks  
Inspector General




January 22, 2001

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

SUBJECT: OIG Reports 01-8(H), 01-9(H), 01-11(H), and 01-18(H); ARC Grants  
WV-13265, WV-12888B, WV-13268, and MD-13162

The subject reviews, which dealt with grants pertaining to training, tourism, expanding knitting businesses, and telecommunications, did not identify any issues needing further action.

  
Hubert N. Sparks  
Inspector General

Enclosures

cc: Ms. Judy Rae, Program Director