



JANUARY 4, 2001

OIG REPORT 01-11(H)

MEMORANDUM FOR: KAREN JACOBSON, PROJECT DIRECTOR APPALACHIAN BY DESIGN, INC.

SUBJECT: Memorandum Survey Report Review of Appalachian by Design Entrepreneurial Assistance Grant No. WV-13268

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 April 1, 1999 through September 30, 2000. We reviewed the grantee's reports, examined records, and held discussions with grantee officials in Lewisburg, West Virginia on November 9, 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-13268 was awarded to provide funds to the Appalachian by Design Inc. to provide funding to assist in the creation of new businesses and strengthen existing business. The grantee, a handloom knitters network initiated in 1992, will increase sales for the network of entrepreneurs it works with by increasing the sales and production capability of the network hub.

The total project costs was estimated at \$151,091. The ARC grant was for \$121,166 (80%). The grantee was to pay or cause to be paid the non-federal share of \$29,925 (20%) 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 November 30, 2000, the grantee claimed total project costs of \$151,582, which included grant costs of \$120,989 (80%) and matching costs of \$30,593 (20%). Documentation shows the grantee has met their required non-federal match. The grantee has submitted their Final Report and the grant was closed with \$177 deobligated.

Program Review

The grantee has successfully completed the tasks as required in the grant agreement.


Hubert N. Sparks
Inspector General



**APPALACHIAN
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A New Vision*

Office of the Inspector General

January 4, 2001

Ms. Karen Jacobson, Project Manager
Appalachian By Design, Inc.
208 South Court Street
Lewisburg, WV 24901

re: OIG Report 01-11(H), ARC Grant WV-13268


Dear Ms. Jacobson:

Enclosed is a copy of our report dealing with a grant to provide assistance in the creation of new businesses and strengthen existing businesses. The report does not contain any issues needing a response and is considered closed.

A copy of the report will be provided to the Federal Co-Chairman, ARC Executive Director and West Virginia State Alternate.

The courtesies and cooperation afforded the auditor were appreciated.

Sincerely,


Hubert N. Sparks
Inspector General

Enclosure




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



January 5, 2001


Mr. Ralph Goolsby, ARC Program Manager
Local Capacity Development
West Virginia Development Office
State Capitol Complex, Building 6, Room 553
Charleston, WV 25305

re: OIG Reports 01-8(H) and 01-11(H),
ARC Grants WV-13265 and WV-13268

Dear Mr. Goolsby:

Enclosed are copies of our reports dealing with grants for projects to assist in high technology training and creation of new or strengthened handloom knitter businesses.

Sincerely,


Hubert N. Sparks
Inspector General

Enclosures