



MARCH 22, 2001

OIG REPORT 01-29 (H)

**MEMORANDUM FOR** SUSAN PHILLIPS, EXECUTIVE DIRECTOR  
GEORGIA CHILDREN'S TRUST FUND COMMISSION

**SUBJECT:** Memorandum Survey Report  
Review of Appalachian Georgia Early Childhood Initiative  
Grant No. GA-13551

**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 review included procedures to review costs incurred and claimed for reimbursement under the grant. The period of performance for the grant was October 1, 1999, through September 30 2001. We reviewed the grantee's reports, examined records, and held discussions with grantee officials in Atlanta, Georgia on February 26, 2001, we also visited the Haralson County site on February 22, 2001. 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 GA-13551 was awarded to the Georgia Children's Trust Fund Commission on September 24, 1999. The grant was to provide funds to support programs in five distressed and transitional counties in Appalachian Georgia, that will provide children there with the opportunities to achieve their optimal physical, educational, social and emotional development in the 0-3 age group and their families.

The proposed project costs was estimated at \$2,155,904. The ARC grant was for \$1,077,952 (50%). The grantee was to pay or cause to be paid the non-federal share of \$1,077,952 (50%).

## **RESULTS**


### **Financial Review**

During our visits 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 February 23, 2001, \$379,415 (35%) of the grant has been expensed, although only \$6,843 of ARC funds have been drawdown. The program experienced some delay in getting started due to planning complexities in some of the counties and the high degree of oversight required by the grantee. The grantee appears to be meeting their required matching funds.

### **Program Review**

The Early Childhood Initiative is an in-depth program designed to attempt to meet all obstacles a family, and children in the 0-3 age group, may have that would prevent their success in achieving optimal development. The grantee has in place an intense monitoring and follow-up system. Progress reports have been received as required.

  
Hubert N. Sparks  
Inspector General



July 20, 2001


MEMORANDUM FOR     The Federal Co-Chairman  
                              ARC Executive Director

SUBJECT:                OIG Reports

Enclosed are copies of the below-listed memorandum reports that apparently were not forwarded to your office at the time of issuance. The reports generally do not identify conditions needing followup, and we have closed the reports. However, OIG Report 01-37(H) notes that the Jefferson County Board of Education distance Learning Project had with project completion and equipment utilization delays similar to those reported in 01-21(H), Elmore County Telecommunications Project. Our recommendations emphasized timely project completion or alternative actions to utilize the equipment. For future projects of this type, control should be exercised to preclude equipment purchases substantially prior to other key project requirements being met.

- o 01-22(H), Grant TN-12513, Scott County Emergency and Health Service Complex
- o 01-23(H), Grant TN-12161, Cocke County Comprehensive Dental Service Grants
- o 01-24(H), Grant TN-12499, Bledsoe County Dental Project Grants
- o 01-25(H), Grant OH-13223, Foundation of Appalachian Ohio
- o 01-26(H), Grant KY-13352, Appalachian Kentucky Water Resource Planning Grant
- o 01-28(H), Grant GA-13076, Haralson County Adult Literacy
- o 01-29(H), Grant GA-13551, Appalachian Georgia Early Childhood Initiative
- o 01-30(H), Grant GA-13407, Catoosa County Adult Literacy Program
- o 01-31(H), Grant NC-13217, Tri-County Community College Information Highway Site
- o 01-32(H), Grant NC-13511, Caldwell Community College and Technical Institute

- 01-34(H), Grant NC-13186, North Carolina Partnership for Children
- 01-36(H), J-1 Visa waiver Program—Alabama
- 01-37(H), Grant AL-12447, Jefferson County Distance Learning Project
- 01-38(H), Grant AL-13452, North Alabama Science Center Hands-On Science Education Program
- 01-39(H), Grant AL-13244, Jefferson State Community College Workforce Development Center
- 01-40(H), Grant AL-13143, Birmingham Regional Visioning Implementation Project

  
Hubert N. Sparks  
Inspector General

Enclosures

cc: Ms. Judy Rae



April 2, 2001

Mr. Phil Whitlow, ARC Program Coordinator  
Georgia Department of Community Affairs  
60 Executive Park South, N.E., Suite 120  
Atlanta, GA 30329-2231

re: OIG Reports 01-28(H), 01-29(H), and 01-30(H);  
ARC Grants GA-13076, GA-13551, and GA-13407

Dear Mr. Whitlow:

Enclosed are copies of our reports on the subject grants.

Sincerely,

  
Hubert N. Sparks  
Inspector General

Enclosures



APPALACHIAN  
REGIONAL  
COMMISSION

*A Proud Past,  
A New Vision*

*Office of the Inspector General*

March 26, 2001

Ms. Susan Phillips, Executive Director  
Georgia Children's Trust Fund Commission  
1720 Peachtree Street, NW, Suite 912N  
Atlanta, GA 30309-2439

re: OIG Report 01-29(H), ARC Grant GA-13551


Dear Ms. Phillips:

Enclosed is our report dealing with a grant to provide children opportunities for early development. The review did not disclose any conditions needing correction; and therefore, the report is considered closed.

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

The courtesies and cooperation afforded the auditor were appreciated.

Sincerely,

  
Hubert N. Sparks  
Inspector General

Enclosure