



May 18, 2001

OIG REPORT 01-39(H)

MEMORANDUM FOR: DOUG ADAMS, PROJECT DIRECTOR
JEFFERSON STATE COMMUNITY COLLEGE

SUBJECT: Memorandum Survey Report
Review of Workforce Development Center
AL-13244

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 September 1, 1999 through June 30, 2001. We reviewed the grantee's reports, examined records, and held discussions with grantee officials in Birmingham, Alabama, on April 20, 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-21 and A-110, and the ARC Code. Audit work was performed in accordance with Government Auditing Standards.

BACKGROUND

ARC Grant AL-13244 was awarded to the Jefferson State Community College to provide funds for the addition of manufacturing technology curriculum to its course offerings. The project includes the purchase of automated manufacturing equipment by the Center for use in teaching credit and non-credit classes in manufacturing technology. Additionally, the Center will expand the educational programs offered by the Local Government Leadership component of the center.

The total project costs was estimated as \$479,030. The ARC grant was for \$200,000 (42%). The grantee was to pay or cause to be paid matching contribution of \$279,030 (58%).

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.

The grantee's final reimbursement request, dated September 25, 2000, claimed total project costs of \$471,576, of which included grant costs of \$200,000 (42%) and matching costs of \$471,576 (58%). At that time, all of the equipment had been purchased, however, the facility was not ready for the installation of the equipment, and the grantee was not able to finalize the project and an extension was granted. Therefore, the grantee was reimbursed \$180,000, and the balance of \$20,000 due pending installation and receipt of the final report.

At the time of our visit, the equipment was installed and the grantee will be submitting their final report. Documentation shows the grantee has met their required non-federal match.

Program Review

We were given a tour and demonstration of the various technological and manufacturing work stations, which were very well laid out and impressive. The instructor stated he has employers waiting to hire the graduates. The grantee has successfully completed the tasks as required in the grant agreement.


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.

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



July 20, 2001


Ms. Bonnie F. Durham
ARC Program Manager
Alabama Appalachian Regional Office
P. O. Box 681093
Ft. Payne, AL 35968

re: OIG Reports 01-37(H), 01-38(H), 01-39(H), 01-40(H);
ARC Grants AL-12447, AL-13452, AL-13244, and
AL-13143

Dear Ms. Durham:

Enclosed are copies of memorandum reports that were not previously provided to your office. Report 01-37(H), Jefferson County Board of Education, deals with timely use of equipment and is somewhat similar to the situation noted in connection with Report 01-21(H), Elmore County Telecommunications Project. We are also recommending controls to better ensure equipment is not obtained substantially prior to other conditions being met.

Sincerely,


Hubert N. Sparks
Inspector General

Enclosures



May 18, 2001

Doug Adams
Project Director
Jefferson State Community College
2601 Carson Road
Birmingham, Alabama 35215

Re: OIG Report 01-39(H), ARC Grant AL-13244


Dear Mr. Adams:

Enclosed is a copy of our report on a grant for the addition of a manufacturing technology Development Center. The report is considered closed since no weaknesses were identified.

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

The courtesies and cooperation afforded the auditor were appreciated.

Sincerely,


Hubert N. Sparks
Inspector General

Enclosure