



July 17, 2001

OIG REPORT 01-43 (H)

**MEMORANDUM FOR:** JOHN IRION, PRESIDENT  
SOUTH CAROLINA MANUFACTURING  
EXTENSION PARTNERSHIP

**SUBJECT:** Memorandum Survey Report  
Review of SC Plastics Industries Assistance  
Demonstration for Entrepreneurial Development  
SC-13555

### **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, 1999 through January 31, 2001. We reviewed the grantee's reports, examined records, and held discussions with grantee officials in Columbia, South Carolina, on June 12, 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-122 and A-133, and the ARC Code. Audit work was performed in accordance with Government Auditing Standards.

### **BACKGROUND**

ARC Grant SC-13555 was awarded to SC Manufacturing Extension Partnership (SCMEP) to provide funds for a project that will provide a mechanism to encourage the entrepreneurial development of the plastics industry by improving the competitiveness of individual early stage plastic manufacturers. The SCMEP, working with other economic development partners, will create a council of small plastics manufacturers in the five counties in the Upstate of South Carolina and will identify resources to better meet a company's special needs.

The total project cost was for \$210,000. The ARC grant was for \$146,900 (70%) and the grantee was to pay or cause to be paid the non-federal matching contribution of \$63,100 (30%).

## **RESULTS**

### **Financial Review**

During our visit, we reviewed the grantee's accounting records, including invoices and supporting documentation for the 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.

The grantee's final reimbursement request, dated June 28, 2001, claimed total costs of \$200,470, which included grant costs of \$134,264 (67%) and matching costs of \$66,206 (33%). The final report has been received and the grant was closed April 18, 2001, with \$12,636 deobligated.

### **Program Review**

The grantee has successfully completed the tasks required and also exceeded the project goals. The grantee appeared to have in place an excellent monitoring and follow-up system of the clients served. The grantee stated they had additional clients they could have served with the deobligated amount but the grant period expired.



Hubert N. Sparks  
Inspector General




January 3, 2002

MEMORANDUM FOR The Federal Co-Chairman  
ARC Executive Director

SUBJECT: OIG Reports

Enclosed are copies of memorandum reports (listed below) that, according to our records, were not forwarded to your office at the time of issuance. These reports do not identify conditions needing followup, and we have closed the reports.

- 01-43(H)—ARC Grant SC-13555, SC Manufacturing Extension Partnership
- 01-45(H)—ARC Grant SC-13549, SC Export Consortium
- 01-46(H)—ARC Grant AL-13259, TN Valley Institute for Entrepreneurial Education
- 01-47(H)—ARC Grant AL-13086, Jackson County Distance Learning
- 01-48(H)—ARC Grant GA-13626, Universal Newborn Hearing Screening Project
- 01-49(H)—ARC Grant GA-13548, North GA College—Entrepreneurial Education
- 01-50(H)—ARC Grant GA-13553, Appalachian Community Enterprises
- 02-1(H)—ARC Grant OH-13743, Foundation for Appalachian OH
- 02-2(H)—ARC Grant OH-12745, Shawnee State University, Children's Learning Center
- 02-3(H)—ARC Grant MS-12638, Golden Triangle Regional Airport Authority
- 02-9(H)—ARC Grant WV-13656, Hardy County Mobile Technology Project
- 02-10(H)—ARC Grant WV-13611, Calhoun County Mobile Technology Project
- 02-11(H)—ARC Grant WV-13634, Summersville Jr. High Mobile Technology Project
- 02-12(H)—ARC Grant WV-13610, McDowell County Mobile Technology Project

  
Hubert n. Sparks  
Inspector General

Enclosures

cc: Ms. Judy Rae



July 17, 2001

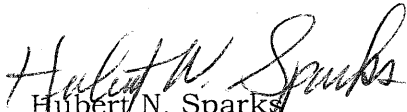
Mr. Sam Cargill, Director  
Community Grants Division  
South Carolina Department of Commerce  
1201 Main Street, Suite 1600  
P. O. Box 927  
Columbia, SC 29201

re: OIG Reports 01-43(H) and 01-45(H),  
ARC Grants SC-13555 and SC-13549

Dear Mr. Cargill:

Enclosed are copies of two memorandum reports dealing with the subject grants.

Sincerely,

  
Hubert N. Sparks  
Inspector General

Enclosures



APPALACHIAN  
REGIONAL  
COMMISSION

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A New Vision*

*Office of the Inspector General*

July 17, 2001

Mr. John Irion, President  
South Carolina Manufacturing  
Extension Partnership  
817 Calhoun Street  
Columbia, SC 29201

re: OIG Report 01-43(H), ARC Grant SC-13555


Dear Mr. Irion:

Enclosed is a copy of our report on the subject grant. We have closed the report based on the absence of any noted conditions.

A copy of the report has been provided to the Federal Co-Chairman, ARC Executive Director, and South Carolina State Alternate.

The courtesies and cooperation afforded the auditor were appreciated.

Sincerely,

  
Hubert N. Sparks  
Inspector General

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Mr. John Irion, President  
South Carolina Manufacturing  
Extension Partnership  
817 Calhoun Street  
Columbia, SC 29201

re: OIG Report 01-43(H), ARC Grant SC-13555


Dear Mr. Irion:

Enclosed is a copy of our report on the subject grant. We have closed the report based on the absence of any noted conditions.

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The courtesies and cooperation afforded the auditor were appreciated.

Sincerely,

  
Hubert N. Sparks  
Inspector General

Enclosures