



July 17, 2001

OIG REPORT 01-45 (H)

MEMORANDUM FOR: MICHAEL O'LEARY
DIRECTOR OF OPERATIONS
SOUTH CAROLINA EXPORT CONSORTIUM

SUBJECT: Memorandum Survey Report
Review of Initiative to Develop Exports Project
SC-13549

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 June 30, 2001. We reviewed the grantee's reports, examined records, and held discussions with grantee officials in Columbia, South Carolina, on June 14, 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-13549 was awarded to South Carolina Export Consortium to provide funds to help small and medium-sized entrepreneurs and companies in a five county area of Appalachian South Carolina expand their business through international trade. Grantee will identify small and medium-sized companies that have the capability and interest in developing international markets through a survey.

The total project cost was for \$160,400. The ARC grant was for \$107,533 (67%) and the grantee was to pay or cause to be paid the non-federal matching contribution of \$52,867 (33%).

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 requested an advance of \$63,865 in February 2000, with a balance of \$43,668 grant funds remaining available. The grantee is preparing their final reimbursement request and it appears that all grant funds have been expended.

Program Review

The project started slowly due to the need to first raise awareness of international opportunities among local businesses and a time extension was granted. The grantee appears to have successfully completed the tasks required and is preparing the final report to submit to ARC.


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