



August 22, 2001

OIG REPORT 01-46 (H)

**MEMORANDUM FOR:** DR. KERRY GATLIN, INTERIM DEAN  
COLLEGE OF BUSINESS  
UNIVERSITY OF NORTH ALABAMA

**SUBJECT:** Memorandum Survey Report  
Review of Tennessee Valley Institute for  
Entrepreneurship Education Project  
AL-13259

**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 May 1, 1999 through September 30, 2001. We reviewed the grantee's reports, examined records, and held discussions with grantee officials in Florence, Alabama, on July 24, 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-13259 was awarded to the University of North Alabama to provide funds for an educational program, the Tennessee Valley Institute for Entrepreneurship Education, that increases both the knowledge and application of entrepreneurship in the region. The Institute will develop academic programs for undergraduate and graduate students at the University of North Alabama. It will also develop a series of programs in the local communities that focus on developing entrepreneurial activities for non-university personnel and businesspeople.

The total project cost was for \$389,108. The ARC grant was for \$190,923 (49%) and the grantee was to pay or cause to be paid the non-federal matching contribution of \$198,185 (51%).

## **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 appears to have met their requirements for matching funds.

As of March 31, 2001, the grantee had expended \$329,274, which included ARC grant funds of \$176,782. Payments to the grantee totaled \$95,486 as of October 6, 2000. The grantee's finance office had prepared and forwarded to the grantee's project coordinator three reimbursement requests dated December 2000, January 2001 and June 2001, for inclusion with the progress reports. Due to a change in grantee personnel, the process apparently was not completed and payments were not received. The grantee will be submitting their final report and final reimbursement request.

ARC should follow-up to assure necessary reports are received, payments processed and project closed.

### **Program Review**

The project started slowly due to planning and study needs and to raise awareness of the program. A time extension was requested and granted. The grantee appears to have successfully completed the tasks required and now has in place a curriculum course for entrepreneur majors.

  
Hubert N. Sparks  
Inspector General