



September 20, 2001

OIG REPORT 01-49 (H)

**MEMORANDUM FOR: KIMBERLY FOSTER, DIRECTOR
GEORGIA APPALACHIAN
DEVELOPMENT CENTER
NORTH GEORGIA COLLEGE
AND STATE UNIVERSITY**

SUBJECT: Memorandum Survey Report
Review of Entrepreneurial Education Project
GA-13548

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 to May 31, 2001. On May 25, 2001 the grant was extended to May 31, 2002 with additional funding of \$154,150. We reviewed the grantee's reports, examined records, and held discussions with grantee officials in Dahlonega, Georgia, on August 1, 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 GA-13548 was awarded to the North Georgia College and State University to provide funds to support a project of entrepreneurial education in Northeastern Appalachian Georgia. The project is designed to provide small businesses with information in accessing capital and using technology for marketing and commerce purposes; to assist industrial development and tourism agencies in the project area; and to assist communities there in developing an environment in which technology-based industry can thrive.

The total project cost for the first period was estimated as \$345,400. The ARC grant was for \$263,270 (76%). The grantee was to pay or cause to be paid matching contribution which was \$82,130 (24%).

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 be meeting their requirements for matching funds.

The grantee's last reimbursement request dated April 17, 2001, claimed total costs of \$303,561, of which \$187,195 was ARC costs. The grant has been extended to May 31, 2002, with an additional \$154,150 obligated, for a total of \$400,515 in ARC funds.

Program Review

The grantee is continuing work on the project as required by the grant agreement and appears to have a successful program. The grantee is also submitting progress reports as required.


Hubert N. Sparks
Inspector General



September 20, 2001

Ms. Kimberly Foster, Director
Georgia Appalachian State
Development Center
North Georgia College and
State University
Dahlonega, GA 30597

re: OIG Report 01-49(H), ARC Grant GA-13548

Dear Ms. Foster:

Enclosed is a copy of our report on a grant dealing with an entrepreneurial education project in Northeastern Appalachian Georgia. We consider the report 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