



November 15, 2001

OIG REPORT 02-12 (H)

**MEMORANDUM FOR: DR. J. KENNETH ROBERTS
SUPERINTENDENT
MCDOWELL COUNTY BOARD OF EDUCATION**

SUBJECT: Memorandum Survey Report
Review of McDowell County Mobile Technology Project
WV-13610

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 April 21, 2000 to June 30, 2001. We reviewed the grantee's reports, examined records, and held discussions with grantee officials in Welch, West Virginia, on October 31, 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-87 and A-102, and the ARC Code. Audit work was performed in accordance with Government Auditing Standards.

BACKGROUND

ARC Grant WV-13610 was awarded to the McDowell County Board of Education to provide funds to underwrite the acquisition of lap top computers, servers, software programs, installation costs, license fees, and consultant training services for 136 students and 26 teachers. This will result in improved classroom instruction in math, science, reading, language skills and access to the Internet.

The total project cost was \$312,000. The ARC grant was for \$250,000 (80%) and the grantee was to pay or cause to be paid the non-federal matching contribution of \$62,500 (20%).

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.

The grantee's final reimbursement request, dated October 22, 2001, claimed total costs of \$323,752, which included grant costs of \$250,000 (77%) and matching costs of \$73,751 (23%). A final report has also been received and the grant will be closed.

Program Review

The grantee appears to have completed the tasks required in the grant. However, the school was not allowed to provide free Internet access to the students at home as planned, as this would have made the school a "Server" and the school would lose its discounted service. Thus, the grantee is searching for the most affordable Internet service for the families to join.


Hubert N. Sparks
Inspector General