



September 30, 2002

MEMORANDUM FOR The Federal Co-Chairman  
ARC Executive Director

SUBJECT: OIG Report 02-38—ARC Grant MS-13869-0-I  
Tupelo Middle School SELECT

Attached is a copy of the subject report dealing with Tupelo Middle School SELECT initiative. There are no issues requiring action or followup. We consider the report closed.

A handwritten signature in black ink, appearing to read "CH Jennings", with a long horizontal flourish extending to the right.

Clifford H. Jennings  
Inspector General

Attachment

cc: Ms. Judy Rae

**MEMORANDUM REPORT ON REVIEW OF  
TUPELO MIDDLE SCHOOL  
TUPELO, MISSISSIPPI**

**TUPELO MIDDLE SCHOOL SELECT**

**ARC Grant Number: MS-13869-0-I**

**February 1, 2001 through May 31, 2002**

**CAUTION:** *Certain information contained herein is subject to disclosure restrictions under the Freedom of Information Act, 5 U.S.C. 522 (b)(4). Distribution of this report should be limited to Appalachian Regional Commission and other pertinent parties.*

**Report Number: 02-38**

**Date: September 27, 2002**

**MEMORANDUM REPORT ON REVIEW OF  
TUPELO MIDDLE SCHOOL  
TUPELO, MISSISSIPPI**

**TUPELO MIDDLE SCHOOL SELECT**

**ARC Grant Number: MS-13869-0-I**

**February 1, 2001 through May 31, 2002**

**Prepared By:**

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TO: Appalachian Regional Commission (ARC)  
Office of Inspector General (OIG)

FROM: Tichenor & Associates, LLP  
Louisville, Kentucky

REPORT FOR: The Federal Co-Chairman  
ARC Executive Director  
OIG Report Number: 02-38

SUBJECT: Memorandum Review Report on Tupelo Middle School, Tupelo  
Middle School SELECT, ARC Grant Number: MS-13869-0-I.

PURPOSE: The purpose of our review was to determine if (a) the total funds claimed for reimbursement by Tupelo Middle School for its Tupelo Middle School SELECT initiative were expended in accordance with the ARC approved grant budget and did not violate any restrictions imposed by the terms and conditions of the grant; (b) the accounting, reporting and internal control systems provided for disclosure of pertinent financial and operating information; and (c) that the objectives of the grant were met.

BACKGROUND: The ARC awarded Grant Number MS-13869-0-I to Tupelo Middle School for the period February 1, 2001 through December 1, 2001. The ARC Project Coordinator approved Amendment Number 1 to the Grant Agreement on December 7, 2001 extending the period of performance through May 31, 2002. Total grant funding was for an amount not to exceed \$205,500 or 48 percent of actual, reasonable and eligible project costs. ARC required that the grant be matched with \$221,560 or 52 percent in cash, contributed services, or in-kind contributions, as approved by ARC. As of the end of our fieldwork, the Tupelo Public School District had made their request for final payment, but had not received the \$205,500 from the ARC.

The purpose of the Tupelo Middle School SELECT project was to promote entrepreneurship across different generations of Appalachian Mississippi citizens through the application of new information technology. The Tupelo Public School District partnered with NASA, Mississippi State University, and a Senior Service Center for elderly citizens to implement this program. All 8<sup>th</sup> grade students at the middle school participated in the Junior Achievement's Enterprise in Action training, and a select group

will continue the program with a Go Venture management simulation program. Upon completion of the training, the students will design a technology business, which will provide training for senior citizens and service providers. Mississippi State University's computer science students will serve as mentors for the middle school students. Elementary students will improve their reading and writing skills as they communicate with program partners. NASA will sponsor teleconference classes for student participants. Participating middle school students will also build and sell 6-10 computers.

SCOPE: We performed a program review of the grant as described in the Purpose above. Our review was based on the terms of the grant agreement and on the application of certain agreed-upon procedures previously discussed with the ARC, OIG. Specifically, we determined if the tasks described above were being performed, if the accountability over ARC funds is sufficient as required by applicable Office of Management and Budget (OMB) Circulars, and if Tupelo Middle School was in compliance with the requirements of the grant agreement. In addition, we discussed the program objectives and performance with Tupelo Middle School personnel. Our results and recommendations are based on those procedures. These review procedures were performed in accordance with applicable Government Auditing Standards.

RESULTS: The following results are based on our review performed at the Tupelo Public School District in Tupelo, Mississippi from September 18 through September 19, 2002.

**A. Incurred Costs**

Tupelo Middle School claimed total program costs of \$435,064 for the period February 1, 2001 through May 31, 2002 of which they claimed direct reimbursable cost of \$205,500 and matching costs of \$229,564. We reviewed the direct and matching costs claimed and determined that, in general the funds were expended as reported and were used to purchase computers located at Rankin Elementary School, Tupelo Middle School and United Methodist Senior Center (Traceway Manor).

**B. Internal Controls**

We did not identify any internal control weaknesses which could affect the accountability of cost or compliance with the terms of the grant agreement.

### **C. Program Results**

Our review of Tupelo Middle School SELECT project indicated all specific objectives identified in the grant and summarized above had been achieved. More specifically, computer and other technological equipment were purchased in order to link Rankin Elementary School, Tupelo Middle School, and Traceway Manor together. As a result, senior citizens were able to receive training on how to use computers, students developed leadership skills, and the elementary students gained "e-buddies" to help them develop stronger learning skills. Five hundred and fifty students participated in entrepreneurial training, which resulted in fifty new technology businesses developed and operated by Tupelo Middle School youths. Those businesses included computer-training services for senior citizens, building computers, and providing technical assistance to their school. The Grantee was, and is, very pleased with the success of this project and expects it to continue and grow in the future.

*Tichenor & Associates, LLP*

Tichenor & Associates, LLP  
Louisville, Kentucky  
September 19, 2002



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Welcome Ingrid+ Rickard, today is Monday, September 30, 2002

### Project - General: MS-13869-0 -I ✓

Project	Grantee	Location	Funding	Payment	Notes	Performance	Closeout
ID: 25506					◀ New Grantee ▶	◀ Select Gran	

Grantee's Name \*

Contact Person:

Type of Grantee:\*

Employer ID Number (EIN):

Phone:

Fax:

Email:

#### Grantee Address

Address

City

State

Zip Code

Proj  
Title: Tupelo Middle  
School SELECT