



SURVEY REPORT

REPORT ON REVIEW OF SOUTH CAROLINA GOVERNOR'S OFFICE DIVISION OF HEALTH COLUMBIA, SOUTH CAROLINA

Immunization Outreach Program for Appalachian Children

Grant No. CO-11463-94-I-302-1109
December 16, 1993 - June 30, 1995

OIG Report No. 96-27(H)
May 1, 1996

I. INTRODUCTION

A. PURPOSE

The purposes of our review were: (1) to determine the allowability of costs claimed under the two Appalachian Regional Commission (ARC) grants; (2) to determine if the grant objectives were met; and (3) to determine the current status of the project.

B. SCOPE

Our survey included procedures to review costs incurred and claimed for reimbursement under the subject grant, as well as costs claimed as matching funds. During our visit the week of February 26, 1996, we reviewed the grantee's reports, examined records and held discussions with the grantee's project officials and finance personnel in Columbia, South Carolina. We also visited some mini-grant recipients in Appalachian South Carolina. The initial period of performance for the grant was December 16, 1993 through December 14, 1994 but it was subsequently extended through June 30, 1995.

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.

C. BACKGROUND

ARC Grant No. CO-11463-94-I-302-1109 was awarded to the South Carolina Division of Health to provide funding for South Carolina's campaign to immunize two-year-olds in Appalachian South Carolina. The State's short-term goal was to immunize 80 percent of the two-year-old children in Appalachian counties by the end of April 1994. The grantee was to continue its outreach strategy and public awareness campaign. The grantee was to perform the following tasks in the Appalachian counties of South Carolina:

1) Appalachia I (Oconee and Anderson counties)

- a. Target Head Starts, day care centers, housing projects. Provide off-site clinics, extended hours and Saturday clinics;
- b. Work with WIC and new mothers on Medicaid to improve immunization levels; survey WIC moms regarding immunization participation;
- c. Encourage immunization awareness among local legislative delegation and private doctors; work with Clemson University students to develop barrier survey and Anderson Junior League to support immunization activities; and
- d. Community immunization events will be planned throughout the year.

2) Appalachia II (Greenville and Pickens counties)

- a. Health departments will hold special clinics for children on delinquent immunization list; WIC/Immunization clinics will be combined, providing both appointment and walk-in clinics; and
- b. Community immunization events will continue throughout the year.

3) Appalachia III (Spartanburg and Cherokee)

- a. Hold special immunization clinics at nine elementary schools to encourage younger siblings of students to be immunized. Have five days per week walk-in immunization clinics; add fast lane clinic by appointment two days per week.
- b. Community immunization events will continue throughout the year.

II. RESULTS

- A. Grant Expenditures -- The grantee initially claimed grant expenditures totaling \$75,000 and received that amount from ARC. However, at the time of our review a grantee official told us that they had inadvertently claimed costs incurred after the end of the grant period and would be returning some funds to ARC. Subsequent to our visit, the grantee returned \$4,568.08 to ARC based on actual expenditures of \$70,431.92. We verified that the grantee's accounting records indicate total expenditures were \$70,431.92 through the end of the grant period.

We judgmentally selected a sample of expenditures for review and found that expenditures were adequately documented. However, we noted that \$3,392.88 was charged to the grant for administrative (overhead) costs based on 10 percent of personnel costs. Article A2 of the grant agreement's Grant Administrative Provisions indicates that overhead and other indirect expenses of a State are not ordinarily eligible as project costs. The grantee's financial representative indicated that they charge indirect costs to other federal grants and were not aware of the ARC restriction. We noted that the grantee's approved budget included grant and matching costs totaling \$7,157 for indirect charges. We discussed this issue with an ARC official and understand that it is currently under review.

Recommendation: We recommend that the grantee contact ARC to resolve the issue of the allowability of charging indirect costs to an ARC grant.

- B) Matching Share -- OMB Circular A-102 requires that matching costs be verifiable from the grantee's records. During our visit, we were informed that the Department of Health and Environmental Control (DHEC), Division of Immunization and Prevention, was responsible for providing documentation for the matching costs totaling \$481,393. However, a DHEC official told us that they complied with a request from the grantee to identify the total DHEC immunization program expenditures for the six ARC counties but were not aware of the need to provide supporting documentation for individual expenditures. The official indicated DHEC has other federal grants and is aware of the requirement to provide supporting documentation for those grants.

We understand that the grantee experienced several key personnel changes since the grant application was originally submitted to ARC and current personnel were not aware of how the budget for matching costs was determined or why such a large amount of matching funds was offered to match a \$75,000 grant.

During our visit, the DHEC official provided the following information and documentation:


- 1) A spreadsheet indicating that expenditures for the immunization program for the six ARC counties totaled \$611,459 plus another \$1,658,175 for vaccines which were not included in the approved ARC budget.
- 2) Copies of DHEC purchase orders and related documents indicating that personal computers and printers totaling \$107,553 were purchased for DHEC district offices serving the six ARC counties. (The approved budget included \$54,922 for equipment.)
- 3) Other computerized data indicating that personnel costs for nurses and clerks in the districts totaled \$282,813. This is believed to correspond with the \$208,005 budget for personnel costs to be funded by the state.
- 4) A list of names and salaries of personnel in the DHEC district offices which are believed to relate to the matching contribution to be provided by the Federal/HHS component of the budget.

Although more detailed supporting documentation was not readily available for review, it appears that DHEC incurred substantial expenditures in the immunization program that could be used to match the ARC grant. Therefore, we are not questioning costs related to match.

Recommendation: We recommend that the grantee ensure that matching costs provided under current and future ARC grants are fully documented and auditable.

- C. Grant Status -- The grantee completed the various tasks required by the grant agreement. South Carolina's immunization campaign included a short term goal to immunize 80 percent of two-year-old in Appalachian South Carolina by 1994. A long term goal is to immunize 90 percent by 2000. As of April 1995, they reported that immunization rates were 85 percent for Appalachia I counties (Oconee and Anderson); 85 percent for Appalachia II counties (Pickens and Greenville); and 88 percent for Appalachia III counties (Spartanburg, Cherokee and Union).

The grantee has a current ARC grant to continue the immunization outreach program in Appalachian South Carolina.


Hubert N. Sparks
Inspector General

GRANT AGREEMENT

Between

SOUTH CAROLINA DIVISION OF HEALTH

and

THE APPALACHIAN REGIONAL COMMISSION

This grant agreement consists of the following:

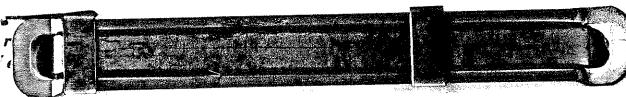
1. Cover Letter, attached
2. Part I -- Special Provisions
3. Supplement A to Part I
4. Supplement B to Part I
5. Part II -- General Contract Provisions
6. Part III -- Administrative Provisions

PART I -- SPECIAL PROVISIONS

PARTIES.

- LE 1.
- 1
- (1) The term "Grantee" refers to South Carolina Division of Health, 1205 Pendleton Street, Room 341-C, Columbia, South Carolina 29201. Hereinafter, Grantee may also be referred to as "Contractor."
 - (2) The Grantee's Project Director (see Part III -- Administrative Provisions, Article 8) is Ms. Erwin Wilcox, at the above address, telephone number 803-734-0461.
 - (1) The "Commission" refers to the Appalachian Regional Commission (ARC), 1666 Connecticut Avenue, N.W., Washington, D.C., 20235.
 - (2) The Commission's Project Coordinator (see Part III -- Administrative Provisions, Article 9) for this agreement is Dr. Henry King, 1666 Connecticut Avenue, N.W., Washington, D.C., telephone number 202-884-7779.

S.C. Immuniza-
tion Program for Appalachian Children



June 29, 1995

L. Dewitt Zemp, ARC Program Manager
Office of the Governor
Division of Economic Development
1205 Pendleton Street
Columbia, South Carolina 29101

Re: ARC Contract No. 94-20
CO-11463-94-I-302-1109
Immunization Outreach Program
Amendment No. 2

Dear Mr. Zemp:

The Appalachian Regional Commission has approved an amendment to the above-referenced agreement to extend the period of performance to June 30, 1995. This amendment involves no additional ARC funds and all other conditions of the grant agreement remain in full force and effect.

Enclosed for insertion in your copy of the agreement is page 6R-Am.2, which has been revised to reflect this amendment.

If you have any questions regarding this amendment, please contact Jan Jackson, Special Assistant to the General Counsel, at 202-884-7787.

Sincerely,

EVANGELINE E. WELLS
Assistant General Counsel

Enclosure

cc: Gail E. Robinson



APPALACHIAN REGIONAL COMMISSION

OFFICE OF THE
FEDERAL CO-CHAIRMAN
1666 Connecticut Avenue, N.W.
Washington, D.C. 20235
202/673-7856

MEMORANDUM

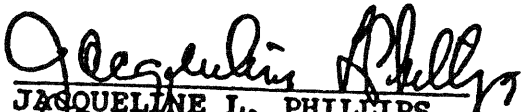
DATE: November 5, 1993
TO: Francis E. Moravitz
Executive Director
FROM: Co-Chairmen's Committee
SUBJECT: Request for a Grant for the South Carolina
Immunization Program for Appalachian Children
CO-11463-94-I-302-1109

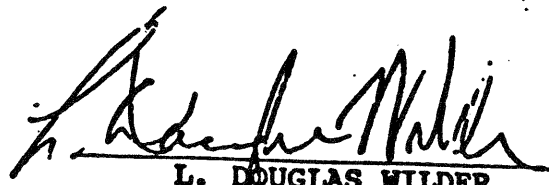
South Carolina has established an extensive campaign to immunize two-year old children in Appalachian South Carolina. Their short-term goal is to immunize 80 percent of the children in the Appalachian counties by the end of April of 1994. From 1990--1992 only 63 percent of children who visited Appalachian region county health departments were immunized. This is up from less than 50 percent in the 1988-1990 period. The long-term goal of the effort is to achieve immunization rate of 90 percent for two-year old children by the year 2000. The people of the six Appalachian counties face barriers of lack of knowledge about the importance and timing of immunizations, limited health care services, and limited transportation.

South Carolina is requesting a grant of \$75,000 to be used to further immunize the infants of the following South Carolina Counties: Anderson, Cherokee, Greenville, Oconee, Pickens, and Spartanburg, based on the number of live births per county.

It is recommended that the Office of General Counsel prepare a contract with the South Carolina Division of Health for \$75,000 for immunizations for children in the six Appalachian counties of South Carolina.

... is attached.
cc SAM 491


JACQUELINE L. PHILLIPS
Federal Co-Chairman


L. DOUGLAS WILDER
Governor of Virginia
States' Co-Chairman

12/16/93
Date Approved