

**MEMORANDUM REPORT ON REVIEW OF THE
OHIO VALLEY REGIONAL DEVELOPMENT COMMISSION
PORTSMOUTH, OHIO**

Enhancing Manufacturing Competitiveness in Appalachia

ARC Grant No: CO-11481-94-I-302-0204

March 1, 1994 through October 31, 1996

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

Report Number: 97-5 (H)

Date: January 17, 1996

MEMORANDUM REPORT ON REVIEW OF THE
OHIO VALLEY REGIONAL DEVELOPMENT COMMISSION
PORTSMOUTH, OHIO

Enhancing Manufacturing Competitiveness in Appalachia

ARC Grant No: CO-11481-94-I-302-0204

March 1, 1994 through October 31, 1996

Prepared By:

Tichenor & Associates
Certified Public Accountants
Woodbridge, Virginia

Under Contract Number J-9-G-5-0010 with the
U.S. Department of Labor
Office of the Inspector General
Office of Audit

TICHENOR & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS and MANAGEMENT CONSULTANTS

WASHINGTON OFFICE

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

FROM: Tichenor & Associates
Woodbridge, Virginia

REPORT FOR: The Federal Co-Chairman
ARC Executive Director
OIG Report No. 97-5(H)

SUBJECT: Memorandum Review Report on Ohio Valley Regional Development
Commission (the Commission), Enhancing Manufacturing Competitiveness
in Appalachia, Portsmouth, Ohio. Grant No: CO-11481-94-I-302-0204,
ARC Contract No. 94-47.

PURPOSE: The purpose of our review was to determine if (a) the total funds claimed for reimbursement by the Commission for its Enhancing Manufacturing Competitiveness in Appalachia project, 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) the objectives of the grant were met.

BACKGROUND: ARC awarded Grant Number CO-11481-94-I-302-0204 to the Commission for the period March 1, 1994 through October 31, 1996. Total grant funding was for an amount not to exceed \$200,000, or 100 percent of the actual, reasonable and eligible project cost. ARC did not require any grant matching funds. ARC made one advance and six progress payments to the Commission totaling \$180,000.

The funds from this grant were to support the Commission's efforts to address competitiveness challenges facing the plastic extrusion and plastic molding industry in the Ohio Valley Regional Development District, the Buckeye Hills-Hocking Valley Regional Development District, the Ohio Mid-Eastern Governments Association, Region II-Planning and Development District in West Virginia, and the FIVCO Development Council District in Kentucky. The specific tasks of the grant were to:

- Conduct a comprehensive assessment of existing extrusion and injection plastic industry situations compared to national and international market and production trends;
- Survey plastics industry on technology, production processes, and business data needs;
- Establish/build plastics industry network;
- Establish/build Information Delivery System network, including identifying accessible electronics network;
- Build data base on industrial, technical, business, and marketing resources and consultants;
- Establish Electronic Bulletin Board linkages with Partnership;
- Start offering technical information to plastics partnership members;
- Start delivery of one-on-one consultation services with plastics industry as identified by priority needs;
- Plan and conduct quarterly Advisory Committee meetings with project director to assess and evaluate project, and to provide information for the timely submission of quarterly and final reports;
- Conduct an annual Plastics Industry Workshop/Seminar that addresses critical issues and information needs; and
- Perform indepth annual comprehensive evaluations of demonstration project.

SCOPE: We performed a program results review of the grant project 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 listed above had been performed, if the accountability over ARC funds was sufficient as required by the applicable Office of Management and Budget (OMB) Circulars, and if the Commission had complied with the requirements of the grant agreement. In addition, we discussed the program objectives and performance with the Commission's personnel. Our results and recommendations are based on those procedures.

RESULTS: The following results were based on our review performed at the Commission's offices in Portsmouth, Ohio on September 19 and 20, 1996.

A. Incurred Costs

The Commission incurred total program costs of \$204,198, of which they claimed direct reimbursable costs from March 31, 1994 through June 30, 1996 of \$186,838. ARC reimbursed \$180,000 of the total funds requested. The Commission claimed \$17,360 in non-federal matching costs. The remaining balance of up to \$20,000 is not due from ARC until submission and approval of the final progress report and final financial report. We reviewed the direct costs incurred and determined that, in general, the funds had been expended as reported by the Commission. However, we determined that \$1,494 of program income from consulting services and workshops resulted under the agreement. We also determined that employee fringe benefit costs exceeded the approved budget by \$6,108. These costs are discussed below under Internal Controls.

B. Internal Controls

1. Program Income Not Offset Against Expenses

The Commission received \$1,494 of program income that was not offset against related expenses. Consulting services totaling \$1,124 for the Commission's Project Coordinator were billed to and reimbursed by an outside organization. These reimbursed services were not deducted from the Project Coordinator's salary costs. In addition, \$370 of program income was received as the result of workshops held across the state of Ohio, but was not offset against related expenses.

OMB A-110, Subpart C, .24 Program Income states, in part:

"(b) Except as provided in paragraph (h) below, program income earned during the project period shall be retained by the recipient and, in accordance with Federal awarding agency regulations or the terms and conditions of the award, shall be used in one or more of the ways listed in the following:

- (1) Added to funds committed to the project by the Federal awarding agency and recipient and used to further eligible project or program objectives.
- (2) Used to finance the non-Federal share of the project or program.
- (3) Deducted from the total project or program allowable cost in determining the net allowable costs on which the Federal share of costs is based."

The related Federal awarding agency regulations as summarized in Part II, Appalachian Regional Commission, General Contract Provisions, Article G4, Contract-Related Income, states, in part:

"...Pursuant to Section 18-7.3 of the ARC Code, contract-related income must be used to reduce the ARC grant amount, unless the ARC, pursuant to procedures of Section 303 of the Appalachian Regional Development Act, specifically approves the expenditure of such contract-related income to expand project services."

Therefore, the Commission needed ARC authorization to expend program income on project related expenses, either funded by ARC or other matching sources. Unless approval is received, we recommend that program income be used to reduce the ARC grant amount.

2. Employee Fringe Benefit Costs Exceeded Budget

As of August 31, 1996, the Commission's employee fringe benefit costs exceeded the approved budget by \$6,108. Amendment No. 1 to the Grant Agreement dated April 4, 1996, approved an increase in fringe benefits to \$38,250. As of August 31, 1996, the Commission's fringe benefits totaled \$44,358. No other budget modifications had been requested as of the date of our fieldwork.

OMB A-110, Subpart C, Post Award Requirements, .25 Revision to budget and program plans states:

"(a) The budget plan is the financial expression of the project or program as approved during the award process.

(b) Recipients are required to report deviations from budget and program plans, and request prior approvals for budget and program plans revisions, in accordance with this section."

C. Program Results

Based on our review of the project, we could not determine if all of the objectives and specific tasks identified in the grant, and summarized above, had been achieved. These tasks were very broad and specific to the plastics industry. We also noted a response to the Commission's draft final report, submitted to ARC dated August 28, 1996, in which the ARC Project Coordinator expressed concern over whether the Commission was addressing the specific objectives under the grant. A final report has been received by ARC and is being reviewed by the Project Coordinator.

DISCUSSION:

We discussed these issues with the Commission's management during the exit conference held on September 20, 1996. They responded by stating that they had planned to offset the \$1,494 of program income against expense on the final drawdown request. They also concurred that their fringe benefit rate was high and they were trying to lower the rate through a new health insurance provider. The Commission stated, in response to the program objectives, that Pennsylvania State University was retained by the ARC to evaluate all industrial competitiveness grants awarded by ARC. They also stated that the objectives had been substantially met and they were addressing the concerns of the ARC Project Coordinator through a revision of their final report.

RECOMMENDATIONS:

We recommend that ARC approve the use of the \$1,494 of program income or offset the income against related expenses on the final report. Also, we recommend that the Commission report and request approval of all budget deviations in a timely manner. In addition, we recommend that the Commission address all objectives of the grant in its final report to ARC.

THE COMMISSION'S RESPONSE TO THE DRAFT REPORT:

A. Incurred Costs

The Commission stated that although no matching funds were required, they incurred non-federal costs of \$17,359 through June 30, 1996, with the breakout of the non-federal resources being \$15,865 as in-kind and \$1,494 in cash.

B. Internal Controls

The Commission stated that the \$1,494 collected was identified as revenue from a non-federal resource. They stated that the treatment of the program income was consistent with OMB A-110, Subpart C, .24. They concluded that the reporting of the program income as a non-federal revenue would not affect the amount to be reimbursed by ARC and therefore the \$1,494 should not be required to be returned to ARC.

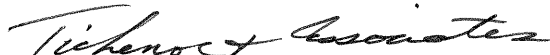
The Commission stated that they are analyzing methods to reduce the overall fringe benefit costs and that a budget modification can be submitted if necessary. The Commission also implemented a purchase order system which serves as a strengthening of internal controls and also provides a warning system when costs exceed the budget.

C. Program Results

The Commission feels that the overall objectives of the grant have been met. The closing of the project and submission of the final report has been challenging since both the Project Director and Coordinator both obtained new employment prior to the completion of the grant project. The final report was being revised and the Commission will address the issues of meeting all objectives of the grant in its final report.

AUDITOR'S ADDITIONAL STATEMENTS:

We continue to recommend that the use of program income be approved by ARC or used to reduce the ARC grant amount rather than applied to non-federal costs. In addition, we recommend that ARC continue to retain the 10 percent of grant funds until the Commission has submitted a final progress report which specifically addresses all 11 grant tasks and is completed in accordance with the Evaluation Plan submitted to ARC on June 1, 1994, and the report is accepted by ARC.


TICHENOR & ASSOCIATES
Woodbridge, Virginia

OHIO VALLEY REGIONAL DEVELOPMENT COMMISSION

A Regional Partnership Dedicated to the Development of Southern Ohio

November 25, 1996

OVERNIGHT DELIVERY

Mr. Wynn Beard, CPA
Audit Manager
TICHENOR & ASSOCIATES
Certified Public Accountants
9112 Leesgate Road, Suite 3
Louisville, KY 40222

RE: Draft Memorandum Report on OVRDC's
ARC Enhancing Manufacturing Competitiveness in Appalachia
Grant No. CO-11481-94-I-302-0204
March 1, 1994 through October 31, 1996

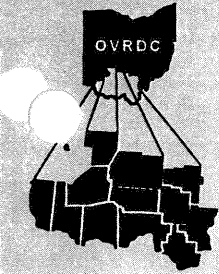
Dear Mr. Beard:

On November 1, 1996, the Ohio Valley Regional Development Commission (hereinafter referred to as "the Commission") received the draft memorandum report, on the above Appalachian Regional Commission (ARC) grant. The memorandum report is a result of your on-site review conducted on September 19 and 20, 1996. This letter and the attached supporting documentation is submitted as our response to the report. This written response is also a follow-up to the telephone response made by the Finance Director on November 14, 1996.

The following is our response to the results and recommendations contained in the memorandum report:

A. Incurred Costs

The Commission incurred total program costs of \$204,197.68 from March 1, 1994 through June 30, 1996. The Commission requested a total of \$186,838.21 reimbursement from ARC; however, the ARC contract has a 10% retention of funds until the project is accepted in final form. Therefore, only \$180,000 has been reimbursed, with a \$20,000 balance remaining as of this date. No matching funds were required; however, the Commission did incur non-federal costs of \$17,359.47 through June 30, 1996 on this project, with the breakout of the non-federal resources being \$15,865.94 as in-kind and \$1,493.53 in cash. Please refer to the attached EXHIBIT A (a copy of the financial status report for the period ending June 30, 1996) as supporting documentation.



OVRDC
740 Second Street
Room 102
Portsmouth OH 45662-4088

Voice: (614) 354-7795
In Ohio: 1-800-223-7491
FAX: (614) 353-6353

Chairman:
Robert Proud

Vice-Chairman:
Paul Rothwell

Treasurer:
Gerald V. Snyder

Executive Director:
Jeffrey Spencer

Serving the Counties of:

Adams

Brown

Clermont

Fayette

Gallia

Highland

Jackson

Lawrence

Pike

Ross

Vinton

B. Internal Controls

1. Program Income Not Offset Against Expenses

The Commission did collect (\$1,494) and identified this revenue as a non-federal resource for this project (please also refer to EXHIBIT A). The accounting of this revenue was treated as a non-federal resource, and as identified in your report within the program income identification given under OMB A-110, Subpart C, .24 Program Income was "(2) used to finance the non-federal share of the project or program". As a result please refer to EXHIBIT B, an example of the financial status report revised, which reflect the reporting of program income on this project as of June 30, 1996. The total amount of \$1,494 should not be required to be returned to ARC.

2. Employee Fringe Benefit Costs Exceeded Budget

The Commission has been analyzing methods to reduce the overall fringe benefit costs for all projects throughout this fiscal year. A budget modification can be submitted if necessary. The Commission has also implemented (as of November 15, 1996) a purchase order system which serves as a strengthening of internal controls and also provides a warning system when costs exceed the budget.

C. Program Results

The Commission feels that the overall objectives of the ARC Enhancing Manufacturing grant have been met. The closing of this project through the submission of the final report has been somewhat more challenging than originally perceived. During the months of June and July the Project Director and Coordinator both obtained new employment and tendered their resignations to the Commission. The submission and review of the draft final report took longer than expected, especially due to increased responsibilities of both parties. The Commission worked out part-time arrangements with the Project Coordinator to assist with the revisions on the final report and the Commission will be addressing the issues of meeting all objectives of the grant in its final report.

In closing, the Commission appreciates the opportunities ARC has provided in order to enhance manufacturing competitiveness in Appalachia.

TICHENOR & ASSOCIATES
Response to Memorandum Report
November 25, 1996

Page 3 of 3

My apologies for this short delay, I have had a death in my immediate family and have not be available to sign this response until today. If you should have any questions or need additional information, please call me at (614) 354-7795. Thank you for your attention and cooperation to the above.

Sincerely,



Jeffrey A. Spencer, Executive Director
OHIO VALLEY REGIONAL DEVELOPMENT COMMISSION

JAS:RBM

Attachments:

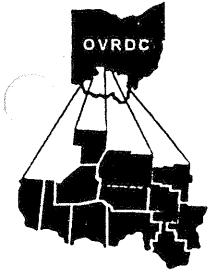
EXHIBIT A
EXHIBIT B

cc: Rebecca Banchy-McIlwain, Finance Director
OVRDC Finance Committee
Reynolds & Company
finance project file

EXHIBIT A

OHIO VALLEY REGIONAL DEVELOPMENT COMMISSION

A Regional Partnership Dedicated to the Development of Southern Ohio



August 13, 1996

OVRDC
740 Second Street
Room 102
Portsmouth OH 45662-4088

Voice: (614) 354-7795
In Ohio: 1-800-223-7491
FAX: (614) 353-6353

Chairman:
Robert Proud

Vice-Chairman:
Paul Rothwell

Treasurer:
Gerald V. Snyder

Executive Director:
Jeffrey Spencer

Mr. Jeffrey W. Thompson, Project Coordinator
Industrial Competitiveness Initiative
Appalachian Regional Commission
1666 Connecticut Ave., N.W.
Washington, D.C. 20235

FILE COPY

RE: ARC Contract No. 94-47/CO-11481-94-I-302-0204
Enhancing Manufacturing Competitiveness in Appalachia
Financial Status Report, Request #9

Dear Mr. Thompson:

Please find enclosed an original and two (2) copies of the Request for Reimbursement {SF 270} for the above mentioned project. This reimbursement request is for the period **April 1, 1996 - June 30, 1996**. The draft final report was submitted to you under a separate cover for your review and comment.

If you have any questions or need additional information, please feel free to call my office at (614) 354-7795. **Thank you** in advance for your assistance regarding this request.

Sincerely,

Rebecca Banchy-McIlwain, Finance Director
OHIO VALLEY REGIONAL DEVELOPMENT COMMISSION

RBM

Enclosures

Serving the Counties of:

Adams

Brown

Clermont

Fayette

Gallia

Highland

Jackson

Lawrence

Pike

Ross

Wade

Vinton

09/12/96
Rec'd call from
J. Thompson regarding
request #9
amount \$/B
9702.53
recall: 10% hold on \$ until
audit is final
signed serial & delivered
up to \$ 150,000
- balance after


EXHIBIT A

REQUEST FOR ADVANCE OR REIMBURSEMENT <i>(See instructions on back)</i>		OMB APPROVAL NO. 0348-0004		PAGE OF 1 2 PAGES
		1. TYPE OF PAYMENT REQUESTED a. "X" one or both boxes <input type="checkbox"/> ADVANCE <input checked="" type="checkbox"/> REIMBURSEMENT b. "X" the applicable box <input type="checkbox"/> FINAL <input checked="" type="checkbox"/> PARTIAL		2. BASIS OF REQUEST <input type="checkbox"/> CASH <input checked="" type="checkbox"/> ACCRUAL
3. FEDERAL SPONSORING AGENCY AND ORGANIZATION ELEMENT TO WHICH THIS REPORT IS SUBMITTED Appalachian Regional Commission		4. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY 94-47/CO-11481-94-		5. PARTIAL PAYMENT REQUEST NUMBER FOR THIS REQUEST #9
6. EMPLOYER IDENTIFICATION NUMBER 31-0926738	7. RECIPIENT'S ACCOUNT NUMBER OR IDENTIFYING NUMBER 319/5910	8. PERIOD COVERED BY THIS REQUEST		
		FROM (month, day, year) 04/01/96	TO (month, day, year) 06/30/96	
9. RECIPIENT ORGANIZATION Name : Ohio Valley Regional Development Commission Number and Street : 740 Second St., Rm. 102 City, State and ZIP Code : Portsmouth, OH 45662-4088		10. PAYEE (Where check is to be sent is different than item 9) Name Number and Street : SAME City, State and ZIP Code :		

11. COMPUTATION OF AMOUNT OF REIMBURSEMENTS/ADVANCES REQUESTED				
PROGRAMS/FUNCTIONS/ACTIVITIES ▶	(a)	(b)	(c)	TOTAL
ARC 302 Enhancing Manufacturing....				
a. Total program outlays to date (As of date) 06/30/96	\$ 204,197.68	\$	\$	\$ 204,197.68
b. Less: Cumulative program income	-0-			-0-
c. Net program outlays (Line a minus line b)	204,197.68			204,197.68
d. Estimated net cash outlays for advance period	reimb.			reimb.
e. Total (Sum of lines c & d)	204,197.68			204,197.68
f. Non-Federal share of amount on line e	17,359.47			17,359.47
g. Federal share of amount on line e	186,838.21			186,838.21
h. Federal payments previously requested	170,297.47			170,297.47
i. Federal share now requested (Line g minus line h)	16,540.74	9102.53	9/12/97	16,540.74
j. Advances required by month, when requested by Federal grantor agency for use in making prescheduled advances	1st month			-----
	2nd month			-----
	3rd month			-----

12. ALTERNATE COMPUTATION FOR ADVANCES ONLY	
a. Estimated Federal cash outlays that will be made during period covered by the advance	\$ -----
b. Less: Estimated balance of Federal cash on hand as of beginning of advance period	-----
c. Amount requested (Line a minus line b)	\$ -----

EXHIBIT A

13. CERTIFICATION		
I certify that to the best of my knowledge and belief the data on the reverse are correct and that all outlays were made in accordance with the grant conditions or other agreement and that payment is due and has not been previously requested.	SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL 	DATE REQUEST SUBMITTED 08/13/96
	TYPED OR PRINTED NAME AND TITLE Jeffrey A. Spencer Executive Director	TELEPHONE (AREA CODE, NUMBER, EXTENSION) 614/354-7795

This space for agency use

Public reporting burden for this collection of information is estimated to average 60 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0004), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET, SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

INSTRUCTIONS

Please type or print legibly. Items 1, 3, 5, 9, 10, 11c, 11e, 11f, 11g, 11i, 12 and 13 are self-explanatory; specific instructions for other items are as follows:

Item	Entry	Item	Entry
2	Indicate whether request is prepared on cash or accrued expenditure basis. All requests for advances shall be prepared on a cash basis.		activity. If additional columns are needed, use as many additional forms as needed and indicate page number in space provided in upper right; however, the summary totals of all programs, functions, or activities should be shown in the "total" column on the first page.
4	Enter the Federal grant number, or other identifying number assigned by the Federal sponsoring agency. If the advance or reimbursement is for more than one grant or other agreement, insert N/A; then, show the aggregate amounts. On a separate sheet, list each grant or agreement number and the Federal share of outlays made against the grant or agreement.	11a	Enter in "as of date," the month, day, and year of the ending of the accounting period to which this amount applies. Enter program outlays to date (net of refund rebates, and discounts), in the appropriate columns. For requests prepared on a cash basis, outlays are the sum of actual cash disbursements for goods and services, the amount of indirect expenses charged, the value of in-kind contributions applied, and the amount of cash advances and payments made to subcontractors and subrecipient. For requests prepared on an accrued expenditure basis, outlays are the sum of the actual cash disbursements, the amount of indirect expenses incurred, and the net increase (or decrease) in the amounts owed by the recipient for goods and other property received and for services performed by employees, contracts, subgrantees and other payees.
6	Enter the employer identification number assigned by the U.S. Internal Revenue Service, or the FICE (institution) code if requested by the Federal agency.	11b	Enter the cumulative cash income received to date, requests are prepared on a cash basis. For requests prepared on an accrued expenditure basis, enter the cumulative income earned to date. Under either basis enter only the amount applicable to program income that was required to be used for the project or program by the terms of the grant or other agreement.
7	This space is reserved for an account number or other identifying number that may be assigned by the recipient.	11d	Only when making requests for advance payments, enter the total estimated amount of cash outlays that will be made during the period covered by the advance.
8	Enter the month, day, and year for the beginning and ending of the period covered in this request. If the request is for an advance or for both an advance and reimbursement, show the period that the advance will cover. If the request is for reimbursement, show the period for which the reimbursement is requested.	13	Complete the certification before submitting this request.
<p>Note: The Federal sponsoring agencies have the option of requiring recipients to complete items 11 or 12, but not both. Item 12 should be used when only a minimum amount of information is needed to make an advance and outlay information contained in item 11 can be obtained in a timely manner from other reports.</p>			
11	The purpose of the vertical columns (a), (b), and (c), is to provide space for separate cost breakdowns when a project has been planned and budgeted by program, function, or		

Ohio Valley Regional Development Commission
 Ohio Valley Plastics Partnership
 ARC Enhancing Manufacturing Competitiveness in Appalachia
 Contract #94-47/CO-11481-94-1-302-0204
 Two Year Project Period: March 1, 1994 - (extended to): August 31, 1996
Financial Status Report

Reimbursement Request for the Period:

April 1, 1996 - June 30, 1996

Budget Items	Budget - 2nd Year			Expenditures for the Period			Expenditures Year-to-Date		
	TOTAL	IN-KIND	ARC	TOTAL	In-Kind/Cash	ARC	TOTAL	In-Kind/Cash	ARC
Personnel	81,500.00	5,000.00	76,500.00	7,349.23	830.00	6,519.23	71,328.16	4,017.50	67,310.66
Fringe Benefits	38,250.00	.00	38,250.00	5,024.42	.00	5,024.42	43,841.77	.00	43,841.77
Travel	18,080.00	2,080.00	16,000.00	800.53	293.53	507.00	14,652.66	1,305.23	13,347.43
Equipment	4,545.00	.00	4,545.00	.00	.00	.00	4,545.00	.00	4,545.00
Supplies	1,800.00	.00	1,800.00	.00	.00	.00	1,094.96	.00	1,094.96
Contractual	.00	.00	.00	.00	.00	.00	.00	.00	.00
Other	35,662.00	12,920.00	22,742.00	2,152.48	1,250.02	902.46	29,971.09	12,036.74	17,934.35
Total Direct Charges	179,837.00	20,000.00	159,837.00	15,326.66	2,373.55	12,953.11	165,433.64	17,359.47	148,074.17
Indirect Charges	40,163.00	.00	40,163.00	3,587.63	.00	3,587.63	38,764.04	.00	38,764.04
Total Project Cost	220,000.00	20,000.00	200,000.00	18,914.29	2,373.55	16,540.74	204,197.68	17,359.47	186,838.21

EXHIBIT A

EXAMPLE FSR

EXHIBIT B

column a. reporting as non-federal resources
column c. reporting as program income

REQUEST FOR ADVANCE OR REIMBURSEMENT <i>(See instructions on back)</i>		OMS APPROVAL NO. 0348-0004		PAGE 1 OF 2 PAGES
		1. TYPE OF PAYMENT REQUESTED <input type="checkbox"/> ADVANCE <input checked="" type="checkbox"/> REIMBURSEMENT b. "X" the applicable box <input type="checkbox"/> FINAL <input checked="" type="checkbox"/> PARTIAL	2. BASIS OF REQUEST <input type="checkbox"/> CASH <input checked="" type="checkbox"/> ACCRUAL	
3. FEDERAL SPONSORING AGENCY AND ORGANIZATION ELEMENT TO WHICH THIS REPORT IS SUBMITTED Appalachian Regional Commission		4. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY 94-47/CO-11481-94-	5. PARTIAL PAYMENT REQUEST NUMBER FOR THIS REQUEST #9 <i>Revised</i>	
6. EMPLOYER IDENTIFICATION NUMBER 31-0926738	7. RECIPIENT'S ACCOUNT NUMBER OR IDENTIFYING NUMBER 319/5910	8. PERIOD COVERED BY THIS REQUEST FROM (month, day, year) 04/01/96 TO (month, day, year) 06/30/96		
9. RECIPIENT ORGANIZATION Name : Ohio Valley Regional Development Commission Number and Street : 740 Second St., Rm. 102 City, State and ZIP Code : Portsmouth, OH 45662-4088		10. PAYEE (Where check is to be sent is different than item 9) Name Number and Street : SAME City, State and ZIP Code :		

11. COMPUTATION OF AMOUNT OF REIMBURSEMENTS/ADVANCES REQUESTED				
PROGRAMS/FUNCTIONS/ACTIVITIES ▶	(a)	(b)	(c) EXAMPLE	TOTAL
ARC 302 Enhancing Manufacturing....			S/B PROGRAM INCOME	
a. Total program outlays to date (As of date) 06/30/96	\$ 204,197.68	\$	\$ 204,197.68	\$
b. Less: Cumulative program income	-0-		1493.53	
c. Net program outlays (Line a minus line b)	204,197.68		202,704.15	
d. Estimated net cash outlays for advance period	reimb.		reimb.	reimb.
e. Total (Sum of lines c & d)	204,197.68		202,704.15	
f. Non-Federal share of amount on line e	17,359.47		15,865.94	
g. Federal share of amount on line e	186,838.21		186,838.21	
h. Federal payments previously requested	170,297.47		170,297.47	
i. Federal share now requested (Line g minus line h)	16,540.74	9702.53	16,540.74	
j. Advances required by month, when requested by Federal grantor agency for use in making prescheduled advances	1st month		9702.53	-----
	2nd month		6838.21	-----
	3rd month			-----
Balance after project is finished plus expenses incurred through				
12. ALTERNATE COMPUTATION FOR ADVANCES ONLY 10/31/96				
a. Estimated Federal cash outlays that will be made during period covered by the advance				\$ -----
b. Less: Estimated balance of Federal cash on hand as of beginning of advance period				\$ -----
c. Amount requested (Line a minus line b)				\$ -----

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(Continued on Reverse)

STANDARD FORM 270 (Rev. 2-82)
Prescribed by Office of Management and Budget
Cl. No. A-102 and A-110

TICHENOR & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS and MANAGEMENT CONSULTANTS

WASHINGTON OFFICE

12531 CLIPPER DRIVE SUITE 202
WOODBIDGE VA 22192

PARTNERS

WILLIAM R. TICHENOR
JONATHAN D. CROWDER
JAMES M. ANDERSON
DEIRDRE MCKENNA REED

BUSINESS: (703) 490-1004
METRO: (703) 352-1417
FAX: (703) 491-9426
E-MAIL: TICHASSOC@AOL.COM

January 17, 1997

Mr. Hubert N. Sparks
Inspector General
Appalachian Regional Commission
1666 Connecticut Avenue, N.W.
Suite 215
Washington, D.C. 20235

RE: Final Report on Ohio Valley Regional Development Commission, ARC Grant No.
CO-11481-94-I-302-0204.

Dear Hubert:

Enclosed please find two bound and two unbound copies of the final report on the above referenced ARC grant for the period March 1, 1994 through October 31, 1996. A draft report was issued to the Grantee for comment, and their comments have been received and incorporated into the final report. We have not provided a copy of the final report to the Grantee. If you have any questions or concerns, please feel free to contact me or Deirdre M. Reed at (703) 352-1417.

Sincerely,



Jonathan D. Crowder
TICHENOR & ASSOCIATES

Enclosures




January 20, 1997

MEMORANDUM FOR THE FEDERAL CO-CHAIRMAN

SUBJECT: QIG Reports 97-5(H), Grant CO-11481-94, Enhancing Manufacturing Competitiveness in Appalachia, and 97-6(H), Grant AL-11527-94, Newborn Screening Project

Attached are copies of our reports on the subject grants. Open issues regarding the use of program income, budget deviations, and accomplishment of objectives, with respect to the manufacturing competitiveness grant, should be addressed by ARC prior to final payment. For the newborn screening grant, the unavailability of a project person during part of the grant period and budget revisions can be resolved between ARC program and grantee staff.


Hubert N. Sparks
Inspector General

Attachment



**APPALACHIAN
REGIONAL
COMMISSION**

*A Proud Past,
A New Vision*

Office of the Inspector General

January 20, 1997


Mr. Dan Neff, Director
Governor's Office of Appalachia
77 South High Street, 28th Floor
P. O. Box 1001
Columbus, OH 43266-0101

re: OIG Report 97-5(H), Grant CO-11481-94

Dear Mr. Neff:

Enclosed is a copy of our report dealing with a grant for enhancing manufacturing competitiveness in Appalachia.

Sincerely,


Hubert N. Sparks
Inspector General

Enclosure



January 20, 1997

Mr. Jeffrey A. Spencer, Executive Director
Ohio Valley Regional Development Commission
Griffin Hall, Room 102
740 Second Street
Portsmouth, OH 45662-4088

re: OIG Report 97-5(H), Grant CO-11481-94

Dear Mr. Spencer:


Enclosed is a copy of our final report dealing with a grant for enhancing manufacturing competitiveness in Appalachia. The work was performed by auditors from Tichenor and Associates, C.P.A., under contract with my office.

A further response to my office is not requested. However, the noted issues with respect to use of program income, budget deviations, and accomplishment of grant objectives should be resolved with ARC program staff.

A copy of this report is being provided to the Federal Co-Chairman, ARC Executive Director, and Ohio State Alternate.

The courtesies and cooperation provided the auditors were appreciated.

Sincerely,


Hubert N. Sparks
Inspector General

Enclosure

OHIO VALLEY REGIONAL DEVELOPMENT COMMISSION

A Regional Partnership Dedicated to the Development of Southern Ohio

November 25, 1996

OVERNIGHT DELIVERY

Mr. Wynn Beard, CPA
 Audit Manager
 TICHENOR & ASSOCIATES
 Certified Public Accountants
 9112 Leesgate Road, Suite 3
 Louisville, KY 40222

RE: Draft Memorandum Report on OVRDC's
 ARC Enhancing Manufacturing Competitiveness in Appalachia
 Grant No. CO-11481-94-I-302-0204
 March 1, 1994 through October 31, 1996

Dear Mr. Beard:

On November 1, 1996, the Ohio Valley Regional Development Commission (hereinafter referred to as "the Commission") received the draft memorandum report, on the above Appalachian Regional Commission (ARC) grant. The memorandum report is a result of your on-site review conducted on September 19 and 20, 1996. This letter and the attached supporting documentation is submitted as our response to the report. This written response is also a follow-up to the telephone response made by the Finance Director on November 14, 1996.

The following is our response to the results and recommendations contained in the memorandum report:

A. Incurred Costs

The Commission incurred total program costs of \$204,197.68 from March 1, 1994 through June 30, 1996. The Commission requested a total of \$186,838.21 reimbursement from ARC; however, the ARC contract has a 10% retention of funds until the project is accepted in final form. Therefore, only \$180,000 has been reimbursed, with a \$20,000 balance remaining as of this date. No matching funds were required; however, the Commission did incur non-federal costs of \$17,359.47 through June 30, 1996 on this project, with the breakout of the non-federal resources being \$15,865.94 as in-kind and \$1,493.53 in cash. Please refer to the attached EXHIBIT A (a copy of the financial status report for the period ending June 30, 1996) as supporting documentation.

OVRDC
 9112 Leesgate Road
 Suite 3
 Louisville, OH 45662-4088

Phone: (614) 354-7795
 Toll Free: 1-800-223-7491
 Fax: (614) 958-5053

Chairman:
 Robert H. Houd

Vice-Chairman:
 Paul R. H. H. H.

Treasurer:
 Charles J. Snyder

Executive Director:
 Bruce J. Spencer

Serving the Counties of

Adams

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Clermont

Covington

Saline

Highland

Jackson

Lawrence

Pike

Ross

Vinton

TICHENOR & ASSOCIATES
Response to Memorandum Report
November 25, 1996

Page 2 of 3

B. Internal Controls

1. Program Income Not Offset Against Expenses

The Commission did collect \$1,494 and identified this revenue as a non-federal resource for this project (please also refer to EXHIBIT A). The accounting of this revenue was treated as a non-federal resource, and as identified in your report within the program income identification given under OMB A-110, Subpart C, .24 Program Income was "(2) used to finance the non-federal share of the project or program". As a result please refer to EXHIBIT B, an example of the financial status report revised, which reflect the reporting of program income on this project as of June 30, 1996. The total amount of \$1,494 should not be required to be returned to ARC.

2. Employee Fringe Benefit Costs Exceeded Budget

The Commission has been analyzing methods to reduce the overall fringe benefit costs for all projects throughout this fiscal year. A budget modification can be submitted if necessary. The Commission has also implemented (as of November 15, 1996) a purchase order system which serves as a strengthening of internal controls and also provides a warning system when costs exceed the budget.

C. Program Results

The Commission feels that the overall objectives of the ARC Enhancing Manufacturing grant have been met. The closing of this project through the submission of the final report has been somewhat more challenging than originally perceived. During the months of June and July the Project Director and Coordinator both obtained new employment and tendered their resignations to the Commission. The submission and review of the draft final report took longer than expected, especially due to increased responsibilities of both parties. The Commission worked out part-time arrangements with the Project Coordinator to assist with the revisions on the final report and the Commission will be addressing the issues of meeting all objectives of the grant in its final report.

In closing, the Commission appreciates the opportunities ARC has provided in order to enhance manufacturing competitiveness in Appalachia.

TICHENOR & ASSOCIATES
Response to Memorandum Report
November 25, 1996

Page 3 of 3

My apologies for this short delay, I have had a death in my immediate family and have not been available to sign this response until today. If you should have any questions or need additional information, please call me at (614) 354-7795. Thank you for your attention and cooperation to the above.

Sincerely,



Jeffrey A. Spencer, Executive Director
OHIO VALLEY REGIONAL DEVELOPMENT COMMISSION

JAS:RBM

Attachments:

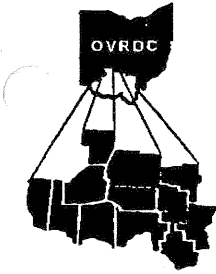
EXHIBIT A
EXHIBIT B

cc: Rebecca Banchy-McIlwain, Finance Director
OVRDC Finance Committee
Reynolds & Company
finance project file

EXHIBIT A

OHIO VALLEY REGIONAL DEVELOPMENT COMMISSION

A Regional Partnership Dedicated to the Development of Southern Ohio



August 13, 1996

OVRDC
740 Second Street
Room 102
Portsmouth OH 45662-4088

Voice: (614) 354-7795
In Ohio: 1-800-223-7491
FAX: (614) 353-6353

Chairman:
Robert Proud

Vice-Chairman:
Paul Rothwell

Treasurer:
Gerald V. Snyder

Executive Director:
Jeffrey Spencer

Serving the Counties of:

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- Fayette
- Gallia
- Highland
- Jackson
- Lawrence
- Pike
- Ross
- Scioto
- Vinton

FILE COPY

Mr. Jeffrey W. Thompson, Project Coordinator
Industrial Competitiveness Initiative
Appalachian Regional Commission
1666 Connecticut Ave., N.W.
Washington, D.C. 20235

RE: ARC Contract No. 94-47/CO-11481-94-I-302-0204
Enhancing Manufacturing Competitiveness in Appalachia
Financial Status Report, Request #9

Dear Mr. Thompson:

Please find enclosed an original and two (2) copies of the Request for Reimbursement {SF 270} for the above mentioned project. This reimbursement request is for the period **April 1, 1996 - June 30, 1996**. The draft final report was submitted to you under a separate cover for your review and comment.

If you have any questions or need additional information, please feel free to call my office at (614) 354-7795. *Thank you* in advance for your assistance regarding this request.

Sincerely,

Rebecca Banchy-McIlwain, Finance Director
OHIO VALLEY REGIONAL DEVELOPMENT COMMISSION

RBM 09/12/96
Enclosures
REC'D call from J. Thompson regarding request #9 amount \$/B \$9702.53

up to 15%...
recall 10% hold on \$ until amount is final signed serial & delivered

FILE COPY

EXHIBIT A

<h2>REQUEST FOR ADVANCE OR REIMBURSEMENT</h2> <p><i>(See instructions on back)</i></p>		OMB APPROVAL NO. 0348-0004		PAGE 1 OF 2 PAGES	
		1. TYPE OF PAYMENT REQUESTED a. "X" one or both boxes <input type="checkbox"/> ADVANCE <input checked="" type="checkbox"/> REIMBURSEMENT b. "X" the applicable box <input type="checkbox"/> FINAL <input checked="" type="checkbox"/> PARTIAL		2. BASIS OF REQUEST <input type="checkbox"/> CASH <input checked="" type="checkbox"/> ACCRUAL	
3. FEDERAL SPONSORING AGENCY AND ORGANIZATION ELEMENT TO WHICH THIS REPORT IS SUBMITTED Appalachian Regional Commission		4. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY 94-47/CO-11481-94-		5. PARTIAL PAYMENT REQUEST NUMBER FOR THIS REQUEST #9	
6. EMPLOYER IDENTIFICATION NUMBER 31-0926738		7. RECIPIENT'S ACCOUNT NUMBER OR IDENTIFYING NUMBER 319/5910		8. PERIOD COVERED BY THIS REQUEST FROM (month, day, year) 04/01/96 TO (month, day, year) 06/30/96	
9. RECIPIENT ORGANIZATION Name : Ohio Valley Regional Development Commission Number and Street : 740 Second St., Rm. 102 City, State and ZIP Code : Portsmouth, OH 45662-4088			10. PAYEE (Where check is to be sent is different than item 9) Name Number and Street : SAME City, State and ZIP Code :		

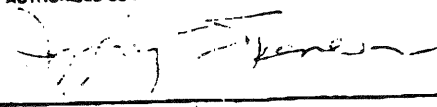
11. COMPUTATION OF AMOUNT OF REIMBURSEMENTS/ADVANCES REQUESTED				
	(a)	(b)	(c)	TOTAL
PROGRAMS/FUNCTIONS/ACTIVITIES ▶	ARC 302 Enhancing Manufacturing....			
a. Total program outlays to date <i>(As of date)</i> 06/30/96	\$ 204,197.68	\$	\$	\$ 204,197.68
b. Less: Cumulative program income	-0-			-0-
c. Net program outlays (Line a minus line b)	204,197.68			204,197.68
d. Estimated net cash outlays for advance period	reimb.			reimb.
e. Total (Sum of lines c & d)	204,197.68			204,197.68
f. Non-Federal share of amount on line e	17,359.47			17,359.47
g. Federal share of amount on line e	186,838.21			186,838.21
h. Federal payments previously requested	170,297.47			170,297.47
i. Federal share now requested (Line g minus line h)	16,540.74	9102.53		16,540.74
j. Advances required by month, when requested by Federal grantor agency for use in making prescheduled advances	1st month			-----
	2nd month			-----
	3rd month			-----

12. ALTERNATE COMPUTATION FOR ADVANCES ONLY	
a. Estimated Federal cash outlays that will be made during period covered by the advance	\$ -----
b. Less: Estimated balance of Federal cash on hand as of beginning of advance period	-----
c. Amount requested (Line a minus line b)	\$ -----

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(Continued on Reverse)

EXHIBIT A

13. CERTIFICATION		
I certify that to the best of my knowledge and belief the data on the reverse are correct and that all outlays were made in accordance with the grant conditions or other agreement and that payment is due and has not been previously requested.	SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL 	DATE REQUEST SUBMITTED 08/13/96
	TYPED OR PRINTED NAME AND TITLE Jeffrey A. Spencer Executive Director	TELEPHONE (AREA CODE, NUMBER, EXTENSION) 614/354-7795

This space for agency use

Public reporting burden for this collection of information is estimated to average 60 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0004), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET, SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

INSTRUCTIONS

Please type or print legibly. Items 1, 3, 5, 9, 10, 11c, 11e, 11f, 11g, 11i, 12 and 13 are self-explanatory; specific instructions for other items are as follows:

Item	Entry	Item	Entry
2	Indicate whether request is prepared on cash or accrued expenditure basis. All requests for advances shall be prepared on a cash basis.		activity. If additional columns are needed, use as many additional forms as needed and indicate page number in space provided in upper right; however, the summary totals of all programs, functions, or activities should be shown in the "total" column on the first page.
4	Enter the Federal grant number, or other identifying number assigned by the Federal sponsoring agency. If the advance or reimbursement is for more than one grant or other agreement, insert N/A; then, show the aggregate amounts. On a separate sheet, list each grant or agreement number and the Federal share of outlays made against the grant or agreement.	11a	Enter in "as of date," the month, day, and year of the ending of the accounting period to which this amount applies. Enter program outlays to date (net of refund rebates, and discounts), in the appropriate columns. For requests prepared on a cash basis, outlays are the sum of actual cash disbursements for goods and services, the amount of indirect expenses charged, the value of in-kind contributions applied, and the amount of cash advances and payments made to subcontractors and subrecipient. For requests prepared on an accrued expenditure basis, outlays are the sum of the actual cash disbursements, the amount of indirect expenses incurred, and the net increase (or decrease) in the amounts owed by the recipient for goods and other property received and for services performed by employees, contracts, subgrantees and other payees.
6	Enter the employer identification number assigned by the U.S. Internal Revenue Service, or the FICE (institution) code if requested by the Federal agency.	11b	Enter the cumulative cash income received to date, requests are prepared on a cash basis. For requests prepared on an accrued expenditure basis, enter the cumulative income earned to date. Under either basis enter only the amount applicable to program income that was required to be used for the project or program by the terms of the grant or other agreement.
7	This space is reserved for an account number or other identifying number that may be assigned by the recipient.	11d	Only when making requests for advance payments, enter the total estimated amount of cash outlays that will be made during the period covered by the advance.
8	Enter the month, day, and year for the beginning and ending of the period covered in this request. If the request is for an advance or for both an advance and reimbursement, show the period that the advance will cover. If the request is for reimbursement, show the period for which the reimbursement is requested.	13	Complete the certification before submitting this request.
<p>Note: The Federal sponsoring agencies have the option of requiring recipients to complete items 11 or 12, but not both. Item 12 should be used when only a minimum amount of information is needed to make an advance and outlay information contained in item 11 can be obtained in a timely manner from other reports.</p>			
11	The purpose of the vertical columns (a), (b), and (c), is to provide space for separate cost breakdowns when a project has been planned and budgeted by program, function, or		

Ohio Valley Regional Development Commission
 Ohio Valley Plastics Partnership
 ARC Enhancing Manufacturing Competitiveness in Appalachia
 Contract #94-47/CO-11481-94-I-302-0204
 Two Year Project Period: March 1, 1994 - (extended to): August 31, 1996
Financial Status Report

Reimbursement Request for the Period:

April 1, 1996 - June 30, 1996

Budget Items	Budget - 2nd Year			Expenditures for the Period			Expenditures Year-to-Date		
	TOTAL	IN-KIND	ARC	TOTAL	In-Kind/Cash	ARC	TOTAL	In-Kind/Cash	ARC
Object Class Categories									
Personnel	81,500.00	5,000.00	76,500.00	7,349.23	830.00	6,519.23	71,328.16	4,017.50	67,310.66
Fringe Benefits	38,250.00	.00	38,250.00	5,024.42	.00	5,024.42	43,841.77	.00	43,841.77
Travel	18,080.00	2,080.00	16,000.00	800.53	293.53	507.00	14,652.66	1,305.23	13,347.43
Equipment	4,545.00	.00	4,545.00	.00	.00	.00	4,545.00	.00	4,545.00
Supplies	1,800.00	.00	1,800.00	.00	.00	.00	1,094.96	.00	1,094.96
Contractual	.00	.00	.00	.00	.00	.00	.00	.00	.00
Other	35,662.00	12,920.00	22,742.00	2,152.48	1,250.02	902.46	29,971.09	12,036.74	17,934.35
Total Direct Charges	179,837.00	20,000.00	159,837.00	15,326.66	2,373.55	12,953.11	165,433.64	17,359.47	148,074.17
Indirect Charges	40,163.00	.00	40,163.00	3,587.63	.00	3,587.63	38,764.04	.00	38,764.04
Total Project Cost	220,000.00	20,000.00	200,000.00	18,914.29	2,373.55	16,540.74	204,197.68	17,359.47	186,838.21

EXAMPLE FSR

EXHIBIT B

column a. reporting as non-federal resources
column c. reporting as program income

REQUEST FOR ADVANCE OR REIMBURSEMENT <i>(See instructions on back)</i>		OMS APPROVAL NO. 0348-0004		PAGE OF 1 2 PAGES
		1. TYPE OF PAYMENT REQUESTED <input type="checkbox"/> ADVANCE <input checked="" type="checkbox"/> REIMBURSEMENT 2. BASIS OF REQUEST <input type="checkbox"/> CASH <input checked="" type="checkbox"/> ACCRUAL	3. FEDERAL SPONSORING AGENCY AND ORGANIZATION ELEMENT TO WHICH THIS REPORT IS SUBMITTED Appalachian Regional Commission	
6. EMPLOYER IDENTIFICATION NUMBER 31-0926738	7. RECIPIENT'S ACCOUNT NUMBER OR IDENTIFYING NUMBER 319/5910	8. PERIOD COVERED BY THIS REQUEST FROM (month, day, year) 04/01/96 TO (month, day, year) 06/30/96		
9. RECIPIENT ORGANIZATION Name : Ohio Valley Regional Development Commission Number and Street : 740 Second St., Rm. 102 City, State and ZIP Code : Portsmouth, OH 45662-4088		10. PAYEE (Where check is to be sent if different than item 9) Name Number and Street : SAME City, State and ZIP Code :		

11. COMPUTATION OF AMOUNT OF REIMBURSEMENTS/ADVANCES REQUESTED				
PROGRAMS/FUNCTIONS/ACTIVITIES ▶	(a)	(b)	(c) EXAMPLE	TOTAL
	ARC 302		S/S PROGRAM INCOME	
	Enhancing Manufacturing....			
a. Total program outlays to date (As of date) 06/30/96	\$ 204,197.68	\$	\$ 204,197.68	\$
b. Less: Cumulative program income	-0-		1493.53	
c. Net program outlays (Line a minus line b)	204,197.68		202,704.15	
d. Estimated net cash outlays for advance period	reimb.		reimb.	reimb.
e. Total (Sum of lines c & d)	204,197.68		202,704.15	
f. Non-Federal share of amount on line e	17,359.47		15,865.94	
g. Federal share of amount on line e	186,838.21		186,838.21	
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j. Advances required by month, when requested by Federal grantor agency for use in making prescheduled advances	1st month		9702.53	----
	2nd month		6838.21	----
	3rd month			----

Balance after project is finished plus expenses incurred through 10/31/96

12. ALTERNATE COMPUTATION FOR ADVANCES ONLY		10/31/96
a. Estimated Federal cash outlays that will be made during period covered by the advance		\$ -----
b. Less: Estimated balance of Federal cash on hand as of beginning of advance period		\$ -----
c. Amount requested (Line a minus line b)		\$ -----

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