



MARCH 25, 1998

OIG REPORT NO. 98-22(H)

MEMORANDUM FOR: J. W. DEES, ASSISTANT SECRETARY, OFFICE OF CONTRACT ADMINISTRATION, GEORGIA TECH RESEARCH CORPORATION, GEORGIA INSTITUTE OF TECHNOLOGY, ATLANTA, GEORGIA 30332-0420

SUBJECT: Memorandum Survey Report--Textile and Carpet Information Exchange Service Demonstration, ARC Grant No. CO-11484-94-I-302-0204 (Contract 94-49)

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 review included procedures to review costs incurred and claimed for reimbursement under the grant as well as costs claimed as the matching share. The period of performance was April 1, 1994 through April 25, 1997. We reviewed the grantee's reports, examined records, and held discussions with grantee officials February 23-24, 1998. 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, A-110, and the ARC Code.

BACKGROUND

ARC Grant No. CO-11484-94-I-302-0204 was awarded to Georgia Tech Research Corporation to assist Appalachian textile and carpeting manufacturers by establishing an information exchange service. The information service was to disseminate relevant, timely, and accurate industry information--including economic and technological developments and competitive opportunities and threats to textile and carpeting firms and the business assistance providers that serve them.

Specific tasks to be accomplished were:

- 1) Develop the resource base, tools and systems necessary to start-up and operate the information exchange service (IES).

- 2) Provide assistance to textile and carpet firms and business assisters, including but not limited to:
 - a. Compiling and maintaining an up-to-date textile and carpet industry-specific knowledge base;
 - b. Responding to requests for industry-related information;
 - c. Monitoring economic and technological developments in the textile/carpet industry and disseminating relevant information, through fact sheets, resource lists, and newsletters; and
 - d. At the project's conclusion, compiling a textile/carpet information resources handbook, of which a minimum of three copies shall be made available to ARC.
- 3) Evaluate in accordance with the plan approved under article 2-3, the effectiveness of the information exchange service, and provide full documentation on resources, costs, and level of effort required for the provision of the information exchange service in order to provide the critical information for the design and implementation of similar cost-effective approaches for information dissemination initiatives geared to assist industry and service providers; and
- 4) Host one workshop in Atlanta on the IES project.

The grant was for actual, reasonable and eligible project costs, not to exceed \$199,470. The grantee was to provide \$63,100 in cash, contributed services or in-kind contributions. The grantee claimed and received \$194,215.43 from ARC based on total project costs of \$322,843.20, including matching costs of \$128,627.77. When the grant account was closed on January 10, 1998, the remaining grant funds of \$5,254.57 were deobligated.

II. SURVEY RESULTS

A. PROGRAM REVIEW

As a result of the ARC project, the grantee established an information service (InfoTAC) for textile and carpet related manufacturers. InfoTAC was operated by the Information and Data Services Group of Georgia Tech's Economic Development Institute (EDI). A resource base was developed as proposed by the grant agreement and industry information and business assistance services were available to manufacturers in the 105 Appalachian counties of Alabama, Georgia, North Carolina and South Carolina. InfoTAC received 208 inquiries from 146 organizations during the grant period. Services provided by the ARC grant continue to be offered after the ARC project ended, however, they are available to Georgia businesses only.

The grantee provided the textile/carpet information resources handbook required by the grant agreement. They designed and distributed a Feedback/Evaluation Survey and an Annual Customer Evaluation of Services survey. The grantee reported that overall satisfaction with services was high.

B. FINANCIAL REVIEW

At the time of our on-site visit, we reviewed the grantee's financial records, including a sample of grant and matching expenditures. Documentation for several of the sample items was not readily available during our visit, primarily due to the fact that the expenditures were incurred up to 4 years earlier and were stored at other sites. Subsequent to our visit, the grantee provided additional documentation and no deficiencies as to the documentation or allowability of expenditures were noted.


Hubert N. Sparks
Inspector General



April 6, 1998

Mr. Philip Whitlow
ARC Program Coordinator
Georgia Department of Community Affairs
60 Executive Park South, NE, Suite 120
Atlanta, GA 30329-2231

re: **OIG Report 98-22(H), Grant CO-11484-94**

Dear Mr. Whitlow:

Enclosed is a copy of our report dealing with a grant to assist Appalachian textile and carpeting manufacturers by establishing an information exchange service.

Sincerely,

A handwritten signature in cursive script that reads "Hubert N. Sparks".

Hubert N. Sparks
Inspector General

Enclosure



March 26, 1998

Mr. J. W. Dees, Assistant Secretary
Office of Contract Administration
Georgia Tech Research Corporation
Georgia Institute of Technology
Atlanta, GA 30332-0820

re: OIG Report 98-22(H), Grant CO-11484-94

Dear Mr. Dees:

Enclosed is a copy of our report dealing with a grant to assist Appalachian textile and carpeting manufacturers by establishing an information exchange service. A copy of the report is being provided to the ARC Federal Co-Chairman, Executive Director, and Georgia State Alternate.

The courtesies and cooperation afforded the auditor were appreciated.

Sincerely,

A handwritten signature in cursive script, appearing to read "Hubert N. Sparks".

Hubert N. Sparks
Inspector General

Enclosure

cc: Ms. Holly Grelle-Lawe
Sr Research Associate, EDI



**APPALACHIAN
REGIONAL
COMMISSION**

*A Proud Past,
A New Vision*

Office of the Inspector General

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Mr. Philip Whitlow
ARC Program Coordinator
Georgia Department of Community Affairs
60 Executive Park South, NE, Suite 120
Atlanta, GA 30329-2231

re: OIG Report 98-22(H), Grant CO-11484-94

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Sincerely,

A handwritten signature in black ink that reads "Hubert N. Sparks". The signature is written in a cursive style with a large, prominent 'S'.

Hubert N. Sparks
Inspector General

Enclosure