



MARCH 22, 1999

OIG REPORT 99-12(H)

MEMORANDUM FOR: MR. ROBERT M. STROTHER, EXECUTIVE DIRECTOR, SOUTH CAROLINA APPALACHIAN COUNCIL OF GOVERNMENTS, GREENVILLE, SOUTH CAROLINA

SUBJECT: Memorandum Survey Report--Review of Internet Training Facilities Project, SC-12417-96

PURPOSE

The purposes of our review were (1) to determine the allowability of the costs claimed under the ARC grants, (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 initial period of performance for the grant was September 1, 1996, through August 31, 1997. It was subsequently amended to allow the grantee to begin earlier and the performance dates were July 1, 1996, through June 30, 1997. The grant was amended again to extend the grant through September 30, 1997. We reviewed the grantee's reports, examined records, and held discussions with grantee officials in Greenville, South Carolina January 25-29, 1999. 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-110 and A-122, and the ARC Code.

BACKGROUND

ARC Grant SC-11834-96 was awarded to the South Carolina Appalachian Council of Governments, Greenville, South Carolina, to develop online Internet and network training facilities serving Appalachian South Carolina at the University of South Carolina-Spartanburg, Wofford College and Spartanburg Technical College. According to the grant agreement, the following specific tasks were to be completed:

- 1) University of South Carolina--Spartanburg: provide connections and equip the library to facilitate access to the World Wide Web and a setting for on-line instruction.
- 2) Spartanburg Technical College (STC): establish an Internet Training Facility at STC and upgrade the telecommunication infrastructure in STC's Learning Resource

Center by expanding STC's capability to receive and transmit information and offer Internet connectivity to those who use the facility;

- 3) Wofford College: increase access to Wofford College library, AppNet, and Internet resources through the purchase of laptop PCS and by providing online training to educators, librarians, and the professional community.

The initial grant was for the lesser of \$164,000 or 50 percent of the actual, reasonable and eligible costs of the project. The grantee was to pay or cause to be paid the non-federal share of \$164,000 (50%) in cash, contributed services, or in-kind contribution, as approved by ARC. Prior to our review, the grantee had claimed total project expenditures of \$355,461.76, including grant costs of \$164,000 (46 percent) and matching costs of \$191,461.76 (54 percent). ARC disbursed the remaining grant funds and closed the account on March 30, 1998.


RESULTS

Financial Review

During our visit, we reviewed the grantee's accounting records, including invoices and supporting documentation for a sample of grant and matching costs charged to the project. We also reviewed documentation for project expenditures incurred by the participating schools. No deficiencies were noted as to the allowability of the expenses or the adequacy of the documentation for the expenditures we reviewed.

Program Review

The grantee provided the project coordination, technical assistance and other services necessary to complete the project. The ARC project provided the connections and equipment needed to establish Internet and network training facilities at the library sites of the University of South Carolina-Spartanburg, Spartanburg Technical College, and Wofford College. The facilities will continue to provide distance learning and other training opportunities to the people of Appalachian South Carolina.


Hubert N. Sparks
Inspector General



April 5, 1999

MEMORANDUM FOR The Federal Co-Chairman
ARC Executive Director


SUBJECT: OIG Reports and Request for Information on Unresolved Reports

Enclosed is a copy of our periodic update on expired grants [OIG Report 99-15(H)]. As noted, positive ARC actions have resulted in a continued reduction of open grants and actions to reallocate available funding. The report notes some grants for which additional action appears appropriate.

Also enclosed are the eight reports identified below. In seven cases, no deficiencies needing attention were noted. Report 99-5(H), Mississippi Consolidated Technical Assistance, contains a repeat recommendation pertaining to the timely closing of grants and deobligation of unused funds.

- 99-1(H)—ARC Grant TN-12829-98, Tri-Cities Appalachian International Trading Network
- 99-2(H)—ARC Grant NC-12320-96, Appalachian International Business Center
- 99-4(H)—ARC Grants MS-12324-96/97, Leadership and Civic Infrastructure Initiative Project
- 99-5(H)—ARC Grants MS-7763-95/96/97, Consolidated Technical Assistance
- 99-11(H), ARC Grant SC-12415-96, Science and Math To Go
- 99-12(H), ARC Grant SC-12417-96, Internet Training Facilities
- 99-13(H), ARC Grant SC-12303-96, Adding Rural Counties to AppNet
- 99-14(H), ARC Grant SC-11834-96, Economic Development Information System

Information is requested on the status of recommendations contained in reports 98-24(H), Georgia Revolving Loan Fund, and 98-36(H), Sawmill Center for the Arts.


Hubert N. Sparks
Inspector General

Enclosures

cc: Ms. Judy Rae



March 24, 1999

Mr. Robert M. Strother, Executive Director
SC Appalachian Council of Governments
P. O. Box 6668
Greenville, SC 29606

re: OIG Reports 99-12(H), 99-13(H), and 99-14(H); Grants
SC-12417-96, SC-12303-96, and SC-11834-96


Dear Mr. Strother:

Enclosed are copies of our reports dealing with the subject grants. The reviews disclosed no deficiencies; and, thus, responses are not requested.

A copy of each report will be provided to the Federal Co-Chairman, ARC Executive Director, and the South Carolina State Alternate.

The courtesies and cooperation provided the auditor were appreciated.

Sincerely,


Hubert N. Sparks
Inspector General

Enclosures



APPALACHIAN
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COMMISSION

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A New Vision*

Office of the Inspector General

March 24, 1999


Mr. Dan Ruff, ARC Program Manager
Office of Community Grant Programs
1122 Lady Street, Suite 700
P. O. Box 927
Columbia, SC 29201

re: OIG Reports 99-11(H), 99-12(H), 99-13(H), and 99-14(H); Grants
SC-12415-96, SC-12417-96, SC-12303-96, and SC-11834-96

Dear Mr. Ruff:

Enclosed are copies of our memorandum reports dealing with the subject grants.

Sincerely,


Hubert N. Sparks
Inspector General

Enclosures