



APPALACHIAN
REGIONAL
COMMISSION

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Office of the Inspector General


May 14, 1999

MEMORANDUM FOR The Federal Co-Chairman
ARC Executive Director
ARC General Counsel ✓

SUBJECT: OIG Reports 99-17(H), 99-20(H), 99-21(H); ARC
Grants CO-12265-95, AL-7805-97, and AL-12305-96

The subject reports deal with grants for the Lake Cumberland, Kentucky, Regional Justice and Victims Advocacy Project, Alabama Consolidated Technical Assistance, and Alabama Strategic Plan for Telecommunications. No significant weaknesses were noted.

With respect to the Regional Justice and Victims Advocacy Project, a balance of \$2,277 should be returned to ARC and matching contributions of \$30,000 should be reviewed by ARC to ensure eligibility. Also, the grantee submitted a final report as part of the response to the draft report; and this is included as an attachment.


Hubert N. Sparks
Inspector General

Enclosures



MAY 5, 1999

OIG REPORT 99-20(H)

MEMORANDUM FOR: DEWAYNE FREEMAN, DIRECTOR, ALABAMA DEPARTMENT OF ECONOMIC AND COMMUNITY AFFAIRS (ADECA), MONTGOMERY, ALABAMA

OBJECT: Memorandum Survey Report--Review of Consolidated Technical Assistance Project, AL-7805-C16-97

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 period of performance for the grant was October 1, 1997, through September 30, 1998. We reviewed the grantee's reports, examined records, and held discussions with grantee officials in Montgomery, Alabama, March 29-30, 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-87 and A-102, and the ARC Code.

BACKGROUND

ARC Grant AL-7805-97 was awarded to the Alabama Department of Economic and Community Affairs (ADECA) to continue technical assistance to 35 counties in Appalachian Alabama. The grantee was to coordinate economic development opportunities for communities throughout the region, and develop and fund projects in cooperation with the seven local development districts. (During the course of this grant, two additional Alabama counties were added to the ARC Region bringing their total to 37 and increasing participating LDDs from seven to eight.)

The grant was for the lesser of \$156,000 or 75 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 \$48,000 (25%) in cash, contributed services, or in-kind contribution, as approved by ARC. The grantee claimed total project costs of \$145,043.16, including grant costs of \$108,817.55 (75%) and matching costs of \$36,225.61 (25%). ARC deobligated \$35,182.45 and closed the grant account January 19, 1999.

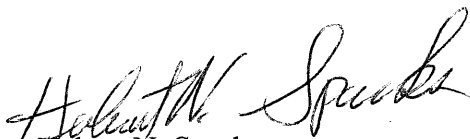
RESULTS

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. Total claimed costs were supported by the grantee's accounting records and 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 completed the work required by the grant agreement including providing technical assistance to eight LDDs that provide services to 37 Appalachian Alabama counties and contracting with the Alabama Indian Affairs Commission to provide technical assistance to Native Americans in Appalachian Alabama. During the grant period, Alabama's ARC Program Manager also provided technical assistance to local officials, public agencies, schools, nonprofit organizations and to the general public. ARC's funding of technical assistance for Appalachian Alabama is ongoing.


Hubert N. Sparks
Inspector General