



MAY 14, 1999

OIG REPORT 99-22(H)

MEMORANDUM FOR: MR. CHARLES O. BELL, PRESIDENT, DEKALB COUNTY COMMISSION, FORT PAYNE, ALABAMA

OBJECT: Memorandum Survey Report--Review of DeKalb County Tourism/Business Development Center, AL-12338-96

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 April 17, 1996, through April 16, 1997. It was subsequently amended through December 15, 1998. We reviewed the grantee's reports, examined records, and held discussions with grantee officials in Fort Payne, Alabama, April 5-6, 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-12338-96 was awarded to the DeKalb County Commission to provide funds for technical assistance in implementing Grantee's tourism/business development center. The center was to provide exhibit space, a multimedia theater/lecture room, hospitality training for area front-line employees, and technical assistance in the development of new tourist attractions and other tourist-related organizations.

In addition to this grant, ARC provided \$200,000 towards the purchase and renovation of the building that is to house the center. Those funds were administered by TVA and we understand their closeout on that portion of the project will address the purchase and renovation of the building, installation of exhibits, landscaping, radio station installation and highway signage. This grant was for the reimbursement of expenses not to exceed \$50,000 (no match required). The grantee claimed grant costs of \$50,000 and indicated that the county also incurred training costs related to this project

totaling \$4,853.50. At the time of our review, ARC had paid \$50,000 to the grantee and closed the grant account March 16, 1999.


RESULTS

Financial Review

During our visit, we reviewed the grantee's accounting records, including invoices and supporting documentation for grant costs totaling \$50,000. 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 purchased the building that will be used as a tourism/business development center and renovations were underway at the time of our visit. Grantee representatives indicated they expect the center to open the first of June 1999. The consultant hired by the grantee under this project completed the marketing study and plan specified by the grant agreement. We understand the study proposes a phased approach to tourism development. The first phase involves marketing the county's existing attributes and the second phase encourages the development of a single major attraction.


Hubert N. Sparks
Inspector General



May 14, 1999

Mr. Charles O. Bell, President
DeKalb County Commission
111 Grand Ave, SW, Suite 200
Ft Payne, AL 35967

re: OIG Report 99-22(H), ARC Grant AL-12338-96


Dear Mr. Bell:

Enclosed is our report on a grant for technical assistance in implementing a tourism/business development center.

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

The courtesies and cooperation provided the auditor were appreciated, and we wish you well in achieving project goals.

Sincerely,


Hubert N. Sparks
Inspector General

Enclosure