
**APPALACHIAN REGIONAL COMMISSION
OFFICE OF INSPECTOR GENERAL**

**AUDIT OF GRANT AWARD
Shelton State Community College
Tuscaloosa, Alabama**

**Final Report Number: 18-30
Grant Number: AL-18287
August 2018**

Prepared by:

Leon Snead & Company, P.C.



**LEON SNEAD
& COMPANY, P.C.**

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& Management Consultants*

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August 14, 2018

Appalachian Regional Commission
Office of the Inspector General
1666 Connecticut Avenue, N.W.
Washington, DC 20009

Leon Snead & Company, P.C. completed an audit of grant number AL-18287 awarded by the Appalachian Regional Commission (ARC) to Shelton State Community College (SSCC). The audit was conducted at the request of the ARC, Office of Inspector General, to assist the office in its oversight of ARC grant funds.

The audit objectives were to determine whether: (1) program funds were managed in accordance with the ARC and Federal grant requirements; (2) grant funds were expended as provided for in the approved grant budget; (3) internal grant guidelines, including program (internal) controls, were adequate and operating effectively; (4) accounting and reporting requirements were implemented in accordance with generally accepted accounting principles (or other applicable accounting and reporting requirements); and (5) the matching requirements and the goals and objectives of the grant were met.

Overall, SSCC's financial management and administrative procedures and internal controls were adequate to effectively manage and account for the funds provided under the ARC grant. We determined that SSCC had established adequate processes and procedures for accounting for ARC funds and recording data related to the overall goals of the grant. Performance measures and goals were reasonably met. However, we questioned \$12,998 of the contractual costs charged to the grant because they were not adequately supported and \$340 of payroll related costs because they were charged to the grant in error.

These matters and the corresponding recommended corrective actions are discussed in the Findings and Recommendations section of this report. A draft report was provided to SSCC on July 23, 2018, for comments. SSCC provided a response to the report on August 10, 2018. The comments are included in their entirety in Appendix I.

Leon Snead & Company appreciates the cooperation and assistance received from SSCC officials during the audit.

Sincerely

Leon Snead & Company, P.C.
Leon Snead & Company, P.C.

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Background

Leon Snead & Company, P.C. completed an audit of grant number AL-18287 awarded by the Appalachian Regional Commission (ARC) to Shelton State Community College (SSCC) in Tuscaloosa, Alabama. The audit was conducted at the request of the ARC Office of Inspector General to assist the office in its oversight of ARC grant funds.

The grant provided ARC funding to support a project entitled Connecting People to the West Alabama Automotive Pipeline. The project was designed to provide services and training to residents of selected counties in the Western Alabama to help them qualify for and obtain jobs in the automotive industry. The project involved a phased approach of performing outreach efforts to increase awareness of the opportunities for training and employment; assessing and selecting individuals to be eligible to participate in the program; and developing career plans and providing training and other services to help them complete the training and obtain employment. SSCC partnered with other groups on the project including Community Works Tuscaloosa, West Alabama Chamber of Commerce, and University of Alabama Economic Development Academy. SSCC staff administered the overall grant and project, including coordinating with partners, overseeing contractors and instructors providing training, and monitoring expenditures and reporting to ARC.

Objectives, Scope, and Methodology

The audit objectives were to determine whether: (1) program funds were managed in accordance with the ARC and Federal grant requirements; (2) grant funds were expended as provided for in the approved grant budget; (3) internal grant guidelines, including program (internal) controls, were adequate and operating effectively; (4) accounting and reporting requirements were implemented in accordance with generally accepted accounting principles (or other applicable accounting and reporting requirements); and (5) the matching requirements and the goals and objectives of the grant were met.

The initial grant covered the period September 15, 2015 to March 15, 2016, and was later amended to end on May 31, 2017. The approved grant budget provided \$368,266 in ARC funds and required \$92,090 in non-ARC recipient matching funds from SSCC to cover the total estimated project costs of \$460,356. The ARC funding was primarily intended to pay for SSCC salary and fringe costs, contractual costs, equipment, and training costs for participants. Non-ARC recipient matching funds primarily were planned as contributed SSCC salary and benefits, equipment, and some of the participant costs. The grant had ended and was administratively closed out by ARC at the time of the audit. SSCC had been reimbursed with ARC funds for \$368,266 in total expenditures, and reported \$109,343 in non-ARC recipient matching funds expended for a total final project cost of \$477,609. We tested \$144,582 of the ARC expenditures and \$109,343 of non-ARC recipient matching costs to determine if the charges were properly supported and allowable.

We reviewed documentation provided by SSCC and interviewed the grant director and other personnel to obtain an overall understanding of the grant activities, accounting system, and general operating procedures and controls applicable to the grant. We reviewed financial and

project progress reports to determine if they were submitted to ARC in accordance with requirements. We reviewed the most recent A-133 audit report to identify any issues impacting the ARC grant and requiring additional attention during the audit. We reviewed matching funds documentation to determine if requirements were met. We evaluated grant results discussed in the final project progress report to determine if the planned performance goals and objectives were met.

The on-site fieldwork was performed at SSCC campus offices in Tuscaloosa, Alabama during June 4-8, 2018. The preliminary results were discussed with SSCC staff at the conclusion of the on-site visit and they were in general agreement with the issues identified and the related recommended actions.

The primary criteria used in performing the audit were 2 CFR 200, the ARC Code, and the grant agreements. The audit was performed in accordance with the *Government Auditing Standards*.

Summary of Audit Results

Overall, SSCC's financial management and administrative procedures and related internal controls were adequate to manage the funds under the ARC grant audited. In some cases, such as procurement, SSCC had not established its own formal policies but was instead following policies of its governing State organizations. Accounting procedures and records applicable to the grant were adequate and reporting requirements were reasonably met. The project reports were informative and submitted timely. The required non-ARC match funding amounts were met and adequately supported.

We questioned \$12,998 of contractual costs charged to ARC funds due to inadequate supporting documentation. Also, \$373.68 of payroll-related cost was charged to the ARC grant in error and is considered unallowable.

The performance measures and actual results discussed in the final project report reflected positive results and we considered the grant goals reasonably met. The program was expected to place 95 individuals into employment. As of June 30, 2017, the program had placed 108 individuals into employment. However, there were two aspects regarding the number of participants that were reported as employed through the grant that require management action.

The issues related to questioned costs and performance reporting are discussed in the Findings and Recommendations section of this report.

Findings and Recommendations

A. Questioned Costs

During our testing of costs charged to ARC funds, we questioned \$12,998 in costs reimbursed to contractors due to lack of adequate supporting documentation and we identified \$374 in unallowable costs because they improperly allocated to the ARC grant. This primarily occurred because SSCC did not require detailed information on the invoices the contractors submitted. This detailed information is necessary for the grantee to adequately review, validate, and approve costs incurred for grant activities.

Federal cost principles in 2 CFR 200, sections 403 to 405, cite several factors in determining if a cost is allowable under a federal grant. These include determining if the cost is reasonable and having adequate supporting documentation, and if the expense is within the scope of the grant and allocable to the grant funds. The grantee is responsible for reviewing and verifying that costs are necessary, reasonable, and allocable prior to charging them to the grant. For contractor costs involving services, supporting documentation necessary to adequately verify and pay invoice amounts would include receipts, payroll information, and other data depending on the type of costs.

SSCC awarded several contractual agreements under the grant for professional services to a non-profit called West Alabama Works (WAW). These contracts included: \$24,000 to perform outreach activities for promoting interest and participation in the grant program; \$24,000 to screen and process participants into the program; and \$22,500 to retain “navigators” to manage and support participants within the program. The audit included sampling and testing expenditures charged to ARC grant funds by reviewing supporting documentation provided by SSCC. The sample included some invoices and costs on the three agreements described above, that are shown in the table below.

Invoice Date	Invoice Amount	Contract Activity
9/2016	\$1,333	Outreach
9/2016	\$1,250	Navigators
10/2016	\$1,250	Navigators
10/2016	\$1,333	Outreach
11/2016	\$1,250	Navigators
11/2016	\$1,333	Outreach
11/2016	\$1,333	Recruitment/Assessment
12/2016	\$1,250	Navigators
12/2016	\$1,333	Outreach
12/2016	\$1,333	Recruitment/Assessment
Total Questioned	\$12,998	

None of the invoices reviewed contained details describing the specific services completed during the period for which they were being billed, or any other related supporting receipts. Each invoice had a simple description of the general services covered under the contract and a total amount for reimbursement. SSCC staff confirmed the contractor was not required to submit

detailed invoices and additional supporting documents. Lacking a detailed invoice and supporting documentation, we do not believe SSCC had an adequate basis to review and verify the costs prior to reimbursing the contractor and charging them to ARC grant funds.

Without this information, we were unable to independently verify the \$12,998 costs for the invoices sampled. Therefore, the total amount is considered inadequately supported and questioned as allowable grant costs. SSCC was reimbursed by ARC for a total \$70,500 on the three contract agreements and we confirmed with staff that, as with the sampled costs, none of the related invoices were detailed or had supporting documentation.

Our review indicated that \$339.71 in salary-related costs and the related \$33.97 indirect costs were charged to ARC funds in error. The amount involved salary paid to instructors who provided participant training, some of which was a valid cost under the ARC grant and some that should have been allocated to another funding source. The error was primarily due to the person preparing the data for the ARC financial report not having instructor information maintained in the payroll office, which would have helped identify the correct amount allocable to the ARC grant. This appeared to be an isolated situation and error since other salary costs charged to the grant were accurate and did not require the instructor information to verify amounts allocable to the grant.

Recommendations

SSCC should:

1. Obtain and review a detailed invoice breakout and supporting documentation for all costs reimbursed to WAW under the three agreements in the sample and verify they met federal guidelines for allowable costs.
2. Provide ARC a summary of the results and decisions on the amounts and, as applicable, a revised final financial report and refund for any amounts determined not to be correct or allowable.
3. Establish controls to ensure contractual costs are adequately documented and verified prior to being charged to any active or future federal grants.
4. Refund the \$339.71 and the related \$33.97 indirect costs that were identified as unallowable, and submit to ARC a corrected final financial report.

Grantee's Response

1. The questioned costs related to contract reimbursements totaling \$12,998 are being vetted for proper supporting documentation. SSCC requested additional supporting documentation and detailed invoice breakout for all costs reimbursed to West Alabama Works (WAW) under the three agreements in the sample to verify the actual costs met federal guidelines for allowable costs. As of today, August 10, 2018, we have been able to retrace and verify that the questioned costs were adequately supported by the invoices and expenditures between West Alabama Works and subcontractor, Community Works Tuscaloosa. The attached chart and supporting documentation (invoices and checks

between the two partnering entities) are provided today in an effort to illustrate SSCC's due diligence in verifying that the questioned costs included in the audit findings are substantiated by the invoices and payments made to subcontractor, Community Works Tuscaloosa. SSCC is requesting additional supporting documentation to further verify the payments made to Community Works Tuscaloosa by West Alabama Works. The additional supporting documentation will include contracts and/or timesheets reflecting the Navigators, Outreach Event Coordinator, and Development of Individual Success Plans (aka. Recruitment/Assessment in audit report) compensation related to this project. Furthermore, SSCC is requesting that West Alabama Works and Community Works Tuscaloosa provide supporting documentation for all ARC payments made within the three questioned cost contracts totaling \$70,500.00 in order to portray the entirety of the costs associated with the project with as much transparency as possible.

2. SSCC will provide the Appalachian Regional Commission (ARC) a summary of the results and decisions on the amounts, and if necessary, provide a revised final financial report and refund for any amounts determined not to be correct or allowable.
3. The questioned costs in the amount of \$339.71 and the related \$33.97 in indirect costs that were charged to the grant in error will be refunded to ARC. SSCC has already communicated this refund with ARC, and a check in the exact amount of \$373.68 is being cut to ARC. To document this action for the purposes of the audit report, a copy of the correspondence being submitted to ARC including the check will be delivered to Leon Sned and Company, P.C. via email.
4. SSCC also concurs with the recommendation of establishing controls to ensure contractual costs are adequately documented and verified prior to being charged to any active or future federal grants. Since the audit, SSCC has established such controls by assigning the Director of Grants and the Restricted Funds Officer with the assessment duties necessary of contractual costs associated with all grants according to the Catalog of Federal Domestic Assistance.

Auditor's Comments

ARC will determine whether the actions identified in the grantee's response are adequate to resolve the finding and close the recommendation.

B. Grant Performance Results

The grant had positive results as discussed in the final project report, and the grant goals were considered to have been met. However, two issues regarding the reported results for program participants obtaining employment were identified. First, the reported results in the final grant report of 108 people being trained under the grant and obtaining employment in the automotive industry did not include some participants who were still in training at the time the grant ended. Second, the reported number of 108 included some participants who gained employment after the grant training but in areas outside what was considered the automotive industry.

It appears that the reported results for this measure are neither accurate nor fully reflective of results for all participants during the grant period. The actual numbers involved, and how significantly they would change the final results, were not fully known at the time of the audit. However, we believe these updated results should be submitted to ARC to help accurately reflect the results of the grants performance.

Recommendation

SSCC should provide ARC a revised final report that separates the employment figures in two parts: (a) participants who entered and completed the program during the grant period and subsequently obtained employment in the automotive industry, and (b) participants who obtained employment outside of the automotive industry.

Grantee's Response

1. SSCC concurs with the portion of the report that suggests updated results be provided to ARC in order to capture the success of those that completed their program of study beyond the initial close date of the grant. This update includes whether or not these individuals obtained employment upon completion of training. SSCC will provide a revised final report that updates the performance results to reflect those that completed after the grant period.
2. SSCC also concurs with the second audit finding under the Grant Performance Results section of the report which suggests that some participants who gained employment after training were employed outside of the automotive industry. In order to reconcile the narrative associated with this outcome, SSCC will provide a revised final report that delineates those participants that obtained employment within the automotive industry versus those participants that obtained employment outside of the automotive industry.

Auditor's Comments

ARC will determine whether the actions identified in the grantee's response are adequate to resolve the finding and close the recommendation.

**Grantee's Responses to Draft Report
Dated August 10 and August 13, 2018**

Leon Snead Company

From: Koh, Jonathan [jkoh@sheltonstate.edu]
Sent: Friday, August 10, 2018 2:18 PM
To: Leon Snead & Company
Cc: Dubose, Nicole; Ashley, Bill
Subject: RE: Audit of ARC Grant No. AL-18287
Attachments: SSSC Response to Snead Audit -- ARC Grant AL-18287-15.pdf

Good Afternoon Mr. Snead,

We hope that this email finds you doing well. We accept the comments outlined in your draft report, and also concur with the recommendations that you have proposed. Attached is an outline of Shelton State Community College's (SSCC) response to the findings and recommendations provided in the audit report.

Additionally, while we continue to verify further supporting documentation from our partnering entities as discussed in the attached response, you will also be receiving a copy of the refund check (\$339.71 in salary-related costs and the related \$33.97 in indirect costs) and associated correspondence that we send to ARC on Monday.

We look forward to compiling the rest of the information and providing it to both your agency and ARC in the near future. If there is a specific time frame that you need that information by please do not hesitate to let me know. As always, feel free to call on us with any further questions or concerns. My contact information is provided for you below.

Best Regards,

Jonathan Koh
cc. William J. Ashley, President
Nicole DuBose, Director of Training for Business and Industry



SHELTON STATE

COMMUNITY COLLEGE

Jonathan Koh, Ph.D., MPA | Director of Grants

jkoh@sheltonstate.edu • sheltonstate.edu • p:205.391.2471

9500 Old Greensboro Rd • Tuscaloosa, AL 35405

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From: Koh, Jonathan
Sent: Friday, July 27, 2018 9:18 PM
To: Leon Snead & Company <leonsnead.companypc@erols.com>
Cc: Dubose, Nicole <ndubose@sheltonstate.edu>; Ashley, Bill <bashley@sheltonstate.edu>
Subject: Re: Audit of ARC Grant No. AL-18287

Good Evening Mr. Snead,

We have received the email and I note that the attachment is there. Thanks for the information and know that we appreciate Richard's time here.

Best Regards,
Jonathan Koh

Sent from my iPhone

On Jul 27, 2018, at 1:57 PM, Leon Snead & Company <leonsnead.companypc@erols.com> wrote:

Good Afternoon,

Could you please confirm receipt of the attached draft report and request for comments?

Thank you,
Leon Snead

From: Leon Snead & Company [<mailto:leonsnead.companypc@erols.com>]
Sent: Monday, July 23, 2018 10:36 AM
To: 'bashley@SheltonState.edu'
Subject: Audit of ARC Grant No. AL-18287

Good Morning Mr. Ashley,

Attached is a copy of the draft report on the above referenced audit for your review and comments. Please provide your comments by August 10, 2018. Please indicate whether you concur or nonconcur with the recommendations in the report and state what actions have been taken or are contemplated to implement the recommendations. If you have any questions, please call or e-mail me.

Please confirm your receipt of the attached report. Thanks very much for your assistance.

Leon Snead
(301) 738-8190

<Draft Report AL-18287.docx>



SHELTON STATE

COMMUNITY COLLEGE

August 10th, 2018

To: Leon Snead
Leon Snead & Company, P.C.
416 Hungerford Drive, Suite 400
Rockville, MD 20850

From: Jonathan Koh
Director of Grants
Shelton State Community College

CC. William J. Ashley
President
Shelton State Community College

Re: Audit of ARC Grant No. AL-18287

Mr. Snead,

Thank you for the thoughtful and thorough review of our project, Connecting People to the West Alabama Automotive Pipeline, funded by the Appalachian Regional Commission (grant number AL-18287). We accept the comments outlined in your draft report, and also concur with the recommendations that you have proposed. Below is an outline of Shelton State Community College's (SSCC) response to the findings and recommendations provided in the audit report.

Questioned Costs

1. The questioned costs related to contract reimbursements totaling \$12,998 are being vetted for proper supporting documentation. SSCC requested additional supporting documentation and detailed invoice breakout for all costs reimbursed to West Alabama Works (WAW) under the three agreements in the sample to verify the actual costs met federal guidelines for allowable costs. As of today, August 10, 2018, we have been able to retrace and verify that the questioned costs were adequately supported by the invoices and expenditures between West Alabama Works and subcontractor, Community Works Tuscaloosa. The attached chart and supporting documentation (invoices and checks between the two partnering entities) are provided today in an effort to illustrate SSCC's due diligence in verifying that the questioned costs included in the audit findings are substantiated by the invoices and payments made to subcontractor, Community Works Tuscaloosa. SSCC is requesting additional supporting documentation to further verify the payments made to Community Works Tuscaloosa by West Alabama Works. The additional supporting documentation will include contracts and/or timesheets reflecting the Navigators, Outreach Event Coordinator, and Development of Individual Success Plans (aka. Recruitment/Assessment in audit report) compensation related to this project. Furthermore, SSCC is requesting that West Alabama Works and Community Works Tuscaloosa provide supporting documentation for all ARC payments made within the three questioned cost contracts totaling \$70,500.00 in order to portray the entirety of the costs associated with the project with as much transparency as possible.

2. SSCC will provide the Appalachian Regional Commission (ARC) a summary of the results and decisions on the amounts, and if necessary, provide a revised final financial report and refund for any amounts determined not to be correct or allowable.
3. The questioned costs in the amount of \$339.71 and the related \$33.97 in indirect costs that were charged to the grant in error will be refunded to ARC. SSCC has already communicated this refund with ARC, and a check in the exact amount of \$373.68 is being cut to ARC. To document this action for the purposes of the audit report, a copy of the correspondence being submitted to ARC including the check will be delivered to Leon Snead and Company, P.C. via email.
4. SSCC also concurs with the recommendation of establishing controls to ensure contractual costs are adequately documented and verified prior to being charged to any active or future federal grants. Since the audit, SSCC has established such controls by assigning the Director of Grants and the Restricted Funds Officer with the assessment duties necessary of contractual costs associated with all grants according to the Catalog of Federal Domestic Assistance.

Grant Performance Results

1. SSCC concurs with the portion of the report that suggests updated results be provided to ARC in order to capture the success of those that completed their program of study beyond the initial close date of the grant. This update includes whether or not these individuals obtained employment upon completion of training. SSCC will provide a revised final report that updates the performance results to reflect those that completed after the grant period.
2. SSCC also concurs with the second audit finding under the Grant Performance Results section of the report which suggests that some participants who gained employment after training were employed outside of the automotive industry. In order to reconcile the narrative associated with this outcome, SSCC will provide a revised final report that delineates those participants that obtained employment within the automotive industry versus those participants that obtained employment outside of the automotive industry.

We appreciate your office's time and dedication to the effective use of federal funds. The reported findings, as well as your auditor's thoughts and recommendations during the time he spent with us have been very valuable and we look forward to revising the final report to reflect his concerns and recommendations.

Sincerely,



Jonathan Koh, Director of Grants

CC. William J. Ashley, President

Sample Questioned Cost Chart		
Invoice Date	Invoice Amount	Contract Activity
9/2016	\$1,333.00	Outreach
9/2016	\$1,250.00	Navigators
10/2016	\$1,250.00	Navigators
10/2016	\$1,333.00	Outreach
11/2016	\$1,250.00	Navigators
11/2016	\$1,333.00	Outreach
11/2016	\$1,333.00	Recruitment/Assessment
12/2016	\$1,250.00	Navigators
12/2016	\$1,333.00	Outreach
12/2016	\$1,333.00	Recruitment/Assessment
Total Questioned Costs	\$12,998.00	

Note: The questioned costs included in this chart are included in three fixed separate cost contracts with West Alabama Works. Outreach and Navigators are consistent with the terminology used throughout the grant cycle for billing and associated performance. However, "Recruitment/Assessment" may pose confusion as there was another contract (not included in the questioned costs) that is termed "Recruitment". In an effort to maintain the exact terminology used during the audit, the above "Recruitment/Assessment" contract activity refers to a contract that was termed Development of Individual Success Plans (ISP's) and is reflected as such on invoices from Community Works Tuscaloosa to West Alabama Works.

SSCC Response to Questioned Costs

The West Alabama Chamber Foundation Inc.

West Alabama Works Invoice Date to SSCC (matches auditor chart)	How Each Invoice Paid to West Alabama Works was Allocated between Community Works Tuscaloosa Invoices.	Community Works Tuscaloosa Invoice Descriptions to West Alabama Works	West Alabama Works Check Number Paid to Community Works Tuscaloosa	West Alabama Works Check Amount Paid to Community Works Tuscaloosa	West Alabama Works Check Date Paid to Community Works Tuscaloosa
9/2016	\$1,333.00	Outreach	1055	\$4,286.66	9/29/2016
9/2016	\$960.00	Navigators Salary	1055	\$4,286.66	9/29/2016
9/2016	\$290.00	Navigators Salary	1060	\$5,506.66	11/3/2016
10/2016	\$1,250.00	Navigators Salary	1060	\$5,506.66	11/3/2016
10/2016	\$1,333.00	Outreach	1060	\$5,506.66	11/3/2016
11/2016	\$1,250.00	Navigators	1076	\$5,736.66	1/25/2017
11/2016	\$1,333.00	Outreach	1076	\$5,736.66	1/25/2017
11/2016	\$1,333.00	Recruitment/Assessment	1076	\$5,736.66	1/25/2017
11/2016	\$180.00	Navigators Salary	1076	\$5,736.66	1/25/2017
12/2016	\$1,070.00	Navigators Salary	1071	\$3,846.66	1/24/2017
12/2016	\$1,333.00	Outreach	1071	\$3,846.66	1/24/2017
12/2016	\$1,333.00	Recruitment/Assessment	1071	\$3,846.66	1/24/2017
Total Questioned Costs Documented	\$12,998.00				

Notes: A) SSCC was able to retrace and verify that the questioned costs were adequately supported by the invoices and expenditures between West Alabama Works and subcontractor, Community Works Tuscaloosa. The above chart reflects such verification of the supporting documentation. B) In case there are any questions regarding the total amounts of the checks and additional referenced activities on the invoices from Community Works Tuscaloosa to West Alabama Works when referencing invoices between those two entities, please note that funds from a separate state funded grant (termed GOWD) are also included in the invoices. Those figures are included in check #'s 1060 and 1076. C) SSCC is currently requesting further supporting documentation from the subcontractor, Community Works Tuscaloosa. The additional supporting documentation will include contracts and/or timesheets reflecting the Navigators, Outreach Event Coordinator, and Development of Individual Success Plans (aka. Recruitment/Assessment in audit report) compensation related to this project. D) Furthermore, SSCC is requesting that West Alabama Works and Community Works Tuscaloosa provide supporting documentation for all ARC payments made within the three questioned cost contracts totaling \$70,500.00 in order to portray the entirety of the costs associated with the project with as much transparency as possible.

THE WEST ALABAMA CHAMBER FOUNDATION INC
WEST ALABAMA WORKS OPERATING
P.O. BOX 020410
TUSCALOOSA, AL 35402

1055
61-651072
E1

Sept. 29, 2016
Date

Pay to the Order of Community Works Tuscaloosa

\$ 4,286.66

Four Thousand, Two Hundred Eighty Six and 66/100 --- Dollars

BRYANT BANK

Tuscaloosa, Alabama

For

⑆062206512⑆ 1000343073⑈ 1055

710

Community Works Tuscaloosa
1655 N McFarland Blvd #207
Tuscaloosa, Alabama 35406

INVOICE FOR SERVICES

September, 2016

To: West Alabama Works, Inc.

Attention: Donny Jones/Tracy Crumpton

Per the terms of our contract, this is the invoice for our September 2016 services rendered for the West Alabama Work Navigation System. These funds are connected with the ARC/Hale County Grant.

Description	Period	Amount
Outreach Coordination	September	\$1333.33
Navigators Salary	September	\$960.00
ARC ISP's/Navigation	September	\$1,333.33
Two Outreach Events	September	\$360.00
August Outreach Event Hale County Food		\$300.00
Total Amount Due Community Works Tuscaloosa		\$4,286.66

Payable to:
Community Works Tuscaloosa

THE WEST ALABAMA CHAMBER FOUNDATION INC
WEST ALABAMA WORKS OPERATING
P.O. BOX 020410
TUSCALOOSA, AL 35402

1060
61-651/622
01

Nov. 3, 2016 Date

Pay to the Order of Community Works Tuscaloosa

\$ 5,506.66

Five thousand, Five Hundred Six and 66/100

Dollars



BRIANT BANK

Tuscaloosa, Alabama

For contract services

[Handwritten signatures]

⑆062206512⑆ 10003430731⑆ 1060

← Account 710

Per the terms of our contract, this is the invoice for our September 2016 services rendered for

Community Works Tuscaloosa
1655 N McFarland Blvd #207
Tuscaloosa, Alabama 35406

INVOICE FOR SERVICES

October, 2016

To: West Alabama Works, Inc.

Attention: Donny Jones/Tracy Crumpton

Per the terms of our contract, this is the invoice for our September 2016 services rendered for the West Alabama Work Navigation System. These funds are connected with the ARC/Hale County Grant.

Description	Period	Amount
Outreach Coordination	October	\$1333.33 ✓
Navigators Salary	October	\$1910.00 ✓
ARC ISP's/Navigation	October	\$1,333.33 ✓
Three Outreach Events	October	\$480.00
Follow up on Old Database Names (GOWD)	October	\$450.00
Total Amount Due Community Works Tuscaloosa		\$5,506.66

Payable to:
Community Works Tuscaloosa

THE WEST ALABAMA CHAMBER FOUNDATION INC
WEST ALABAMA WORKS OPERATING
P.O. BOX 020410
TUSCALOOSA, AL 35402

1076
61-651622
01

Pay to the Order of Community Works Tuscaloosa
Date

Jan. 25, 2017

\$ 5,736.66

Five Thousand, Seven Hundred Thirty six and 66/100

--Dollars--



BRYANT BANK

Tuscaloosa, Alabama

For November

⑆062208512⑆ 1000343073⑈ 1076

MP

Community Works Tuscaloosa
1655 N McFarland Blvd #207
Tuscaloosa, Alabama 35406

INVOICE FOR SERVICES

November, 2016

To: West Alabama Works, Inc.

Attention: Donny Jones/Tracy Crumpton

Per the terms of our contract, this is the invoice for our November 2016 services rendered for the West Alabama Work Navigation System. These funds are connected with the ARC/Hale County Grant and GOWD

Description	Period	Amount
Outreach Coordination (ARC)	November	\$1333.33 ✓
Navigators Salary	November	\$2140.00 ✓
ARC ISP's/Navigation	November	\$1,333.33 ✓
Three Outreach Events	November	\$480.00 ✓
Follow up on Old Database Names (GOWD Nav)	November	\$450.00 ✓
Total Amount Due Community Works Tuscaloosa		\$5,736.66

Payable to:

Community Works Tuscaloosa

THE WEST ALABAMA CHAMBER FOUNDATION INC
WEST ALABAMA WORKS OPERATING

P.O. BOX 020410
TUSCALOOSA, AL 35402

January 24, 2017

1071

61-851/0322
01

Pay to the Order of Community Works Tuscaloosa

Date

\$ 3,846.66

Three Thousand, Eight Hundred Forty Six and 66/100 ---Dollars



BRYANT BANK

Tuscaloosa, Alabama

For December 2016

⑆062206512⑆ 1000343073⑆ 1071

MP

Community Works Tuscaloosa
1655 N McFarland Blvd #207
Tuscaloosa, Alabama 35406

INVOICE FOR SERVICES

December, 2016

To: West Alabama Works, Inc.

Attention: Donny Jones/Tracy Crumpton

Per the terms of our contract, this is the invoice for our December 2016 services rendered for the West Alabama Work Navigation System. These funds are connected with the ARC/Hale County Grant and GOWD

Description	Period	Amount
Outreach Coordination (ARC)	December	\$1333.33
Navigators Salary	December	\$1070.00
ARC ISP's/Navigation	December	\$1,333.33
Outreach Events	December	\$240.00
Total Amount Due Community Works Tuscaloosa		\$3,846.66

Payable to:

Community Works Tuscaloosa

Leon Snead Company


From: Koh, Jonathan [jkoh@sheltonstate.edu]
Sent: Monday, August 13, 2018 10:48 AM
To: Leon Snead & Company
Cc: Ashley, Bill; Dubose, Nicole
Subject: FW: Audit of ARC Grant No. AL-18287-15
Attachments: SSCC Response to Snead Audit -- ARC Grant AL-18287-15.pdf; AL 18287-15 Revised Forms and Copy of Refund.pdf

Good Morning Mr. Snead,

Please see the email below. It includes the official ARC forms and a copy of the refund check we have sent to them. I hope that you can include this with our audit file while we work to compile the supporting documentation for the other questioned costs. Additionally, we will be re-evaluating the performance data per the audit. These areas of the report simply require more time to compile and assess. Do not hesitate to contact me with any questions or concerns.

Best Regards,

Jonathan Koh
cc. Nicole DuBose and President Ashley

 **SHELTON STATE**
COMMUNITY COLLEGE
Jonathan Koh, Ph.D., MPA | Director of Grants
jkoh@sheltonstate.edu • sheltonstate.edu • p:205.391.2471
9500 Old Greensboro Rd • Tuscaloosa, AL 35405

All information in this email, including attachments, is strictly confidential and intended solely for delivery to and authorized use by the addressee(s) identified above, and may contain privileged, confidential information pertaining to students educational records. If you are not the intended recipient, please take notice that any use, distribution, or copying of the information contained in this email and/or any action taken or omitted to be taken in reliance upon it, is unauthorized and may be unlawful. If you have received this communication in error, please notify the sender and delete this email from your computer.

From: Koh, Jonathan
Sent: Monday, August 13, 2018 9:43 AM
To: 'Jeff Schwartz' <jschwartz@arc.gov>; 'Chasteen, Kelly' <Kelly.Chasteen@adeca.alabama.gov>
Cc: Dubose, Nicole <ndubose@sheltonstate.edu>; Ashley, Bill <bashley@sheltonstate.edu>
Subject: FW: Audit of ARC Grant No. AL-18287-15

Good Morning Jeff,

Note that I have cc'd Kelly Chasteen (our ADECA- ARC Program Manager) on this email as well as the pertinent Shelton State contacts. Hope you are both doing well.

Below is our initial response to the audit report of the ARC grant project entitled, "Connecting People to the West Alabama Automotive Industry Pipeline". We wanted to keep you all in the loop as we progress through the audit process. Essentially, we have conducted the initial review of the questioned costs that were included in the audit samplings. There were two questioned costs areas. One area pertains to the contractual services lack of supporting documentation and the other pertains to a self-reported error in our accounting records.

You may recall our phone conversation last month, but I am following through with the refund of \$373.69 to coincide with the self-reported audit finding I mentioned. Per our conversation, I was to email you and Kelly with the revised

SF270, a revised Reimbursement Request Worksheet, a copy of the refund check, and a cover letter stating the reason for the refund. The actual check is being placed in the mail today.

Know that we are following the process outlined in our response to the audit for the other questioned costs and will keep ARC /ADECA updated accordingly. Should you need any other information or have any questions regarding this transaction, just let me know.

Thanks again for the support!

Best Regards,

Jonathan Koh
cc. Nicole DuBose and President Bill Ashley



SHELTON STATE

COMMUNITY COLLEGE

Jonathan Koh, Ph.D., MPA | Director of Grants
jkoh@sheltonstate.edu • sheltonstate.edu • p:205.391.2471
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SHELTON STATE

COMMUNITY COLLEGE

Office of the President

August 7th, 2018

Jeffrey H. Schwartz, Ed. D.
Appalachian Regional Commission
1666 Connecticut Avenue, NW, Suite 700
Washington, DC 20009-1068

Re: Refund for Questioned Costs Associated with AL-18287

Dr. Schwartz,

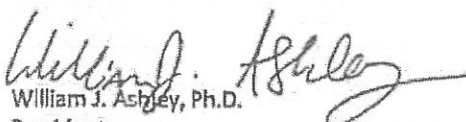
This letter is being sent in regards to the recent audit of the Connecting People to the West Alabama Automotive Industry Pipeline grant project as instituted by the Office of the Inspector General and conducted by Leon Snead & Company, P.C.

We at Shelton State Community College (SSCC) have accepted the comments outlined in the audit report and concur with the recommendations that were proposed. As we prepare a revised final report that meets the recommendations of the questioned costs and grant performance results outlined in the audit report, please accept the attached check that serves as a refund of \$373.68 (\$339.71 in salary-related costs and the related \$33.97 indirect costs). Also included with this packet is a revised SF270 to reflect this adjustment.

This refund is being submitted due to a recently self-recognized accounting error that occurred during grant administration. This was an isolated situation that involved salary being paid to an instructor who provided participant training, some of which was a valid cost under the ARC grant and some that should have been allocated to another funding source. The error was deemed to have occurred by SSCC not cross-referencing specific charges that related to the training being conducted within the scope of the ARC Connecting People grant. In summary, the instructor conducted a forklift safety training course and an OSHA certified forklift train-the-trainer course. These two courses are coded similarly within the SSCC accounting systems and the mischarge occurred due to this similarity within the online accounting system. The person preparing the data for the ARC financial report simply did not have access to contractual information maintained in the payroll offices at SSCC to cross-reference the similar charges. Therefore, the charges were inaccurately assumed to be allowable charges within the scope of the grant.

Know that we look forward to submitting the revised final report addressing each of the audit findings. Please do not hesitate to contact us with any questions or concerns regarding this refunded amount and/or the explanation provided above.

Sincerely,


William J. Ashley, Ph.D.
President

INVOICE		DESCRIPTION	GROSS AMOUNT	DISCOUNT	ADDITIONAL CHARGES	NET AMOUNT
NUMBER	DATE					
AL-18287-15	08/10/18	Appalachian Regional	373.69	0.00	0.00	373.69
CHECK NUMBER	CHECK DATE	VENDOR ID	TOTAL GROSS	TOTAL DISCOUNT	TOTAL ADDE	CHECK AMOUNT
00060614	08/10/18	S00251530	373.69	.00	.00	373.69

SHELTON STATE
COMMUNITY COLLEGE
 9500 Old Greensboro Road Tuscaloosa, AL 35405

Bank of Moundville
 Moundville, AL
 61-328-622

Appalachian Regional Commission
Name in box should match payor name label.

00060614

Check Date: 08/10/18
 Check Amount: \$*****373.69

This Check Void After 90 Days

Three Hundred Seventy-Three & 69/100***

PAY TO THE ORDER OF:

Appalachian Regional Commission
 Atten: Jeffery H. Schwartz, Ed. D.
 1666 Connecticut Avenue, NW
 Suite 700
 Washington DC 20009-1068

William J. Ashley
 President

Security features included. Details on back.

⑈060614⑈ ⑆082203285⑆ 3358629⑈

REQUEST FOR ADVANCE OR REIMBURSEMENT

(See instructions on back)

OMB APPROVAL NO **0348-0004** PAGE **1** OF **1** PAGES

1 TYPE OF PAYMENT REQUESTED

a "X" one or both boxes
 ADVANCE REIMBURSEMENT

b "X" the applicable box
 FINAL PARTIAL

2 BASIS OF REQUEST
 CASH
 ACCRUAL

3 FEDERAL SPONSORING AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH THIS REPORT IS SUBMITTED
Appalachian Regional Commission

4 FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY
AL-18287

5 PARTIAL PAYMENT REQUEST NUMBER FOR THIS REQUEST

6 EMPLOYER IDENTIFICATION NUMBER
63-6002149

7 RECIPIENT'S ACCOUNT NUMBER OR IDENTIFYING NUMBER

8. PERIOD COVERED BY THIS REQUEST
 FROM (month, day, year) **05/01/2017** TO (month, day, year) **05/31/2017**

9 RECIPIENT ORGANIZATION
 Name: **Shelton State Community College**
 Number and Street: **9500 Old Greensboro Road**
 City, State and ZIP Code: **Tuscaloosa, AL 35405**

10. PAYEE (Whom check is to be sent if different than item 9)
 Name:
 Number and Street:
 City, State and ZIP Code:

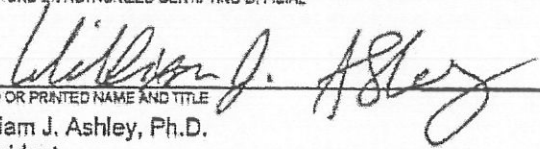
11. COMPUTATION OF AMOUNT OF REIMBURSEMENTS/ADVANCES REQUESTED

PROGRAMS/FUNCTIONS/ACTIVITIES ▶	(a)	(b)	(c)	TOTAL
a. Total program outlays to date <small>(As of date) 05/31/2017</small>	\$ 477,235.39	\$	\$	\$ 477,235.39
b. Less: Cumulative program income	0.00			0.00
c. Net program outlays (Line a minus line b)	477,235.39	0.00	0.00	477,235.39
d. Estimated net cash outlays for advance period	0.00			0.00
e. Total (Sum of lines c & d)	477,235.39	0.00	0.00	477,235.39
f. Non-Federal share of amount on line e	109,343.08			109,343.08
g. Federal share of amount on line e	367,892.31			367,892.31
h. Federal payments previously requested	284,894.22			284,894.22
i. Federal share now requested (Line g minus line h)	82,998.09	0.00	0.00	82,998.09
j. Advances required by month, when requested by Federal grantor agency for use in making prescheduled advances:	1st month			0.00
	2nd month			0.00
	3rd month			0.00

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)	\$ 0.00

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 August 10, 2018
	TYPED OR PRINTED NAME AND TITLE William J. Ashley, Ph.D. President	TELEPHONE (AREA CODE, NUMBER, EXTENSION) 205-391-2251

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, 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.		
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.		
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.		
7	This space is reserved for an account number or other identifying number that may be assigned by the recipient.		
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.		
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.		
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		
		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.	
		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 refunds, 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 subrecipients. 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.
		11b	Enter the cumulative cash income received to date, if 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.
		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.
		13	Complete the certification before submitting this request.



APPALACHIAN
REGIONAL
COMMISSION

Reimbursement Request Worksheet

Project Title: Connecting People to the West Alabama
Automotive Industry Pipeline

ARC Project No: AL-18287

From: 05/01/2017 To: 05/31/2017

BUDGET CATEGORY	ARC (Federal) Share			Matching (Non-Federal) Share			Total Program Outlays		
	Project Budget ¹	Current Period ²	YTD ³	Project Budget ¹	Current Period ²	YTD ³	Project Budget ¹	Current Period ²	YTD ³
Personnel	\$ -	\$ -	\$ -	\$ 39,100.00	\$ 3,001.42	\$ 58,758.80	\$ 39,100.00	\$ 3,001.42	\$ 58,758.80
Benefits	\$ -	\$ -	\$ -	\$ 9,950.00	\$ 1,102.78	\$ 21,650.89	\$ 9,950.00	\$ 1,102.78	\$ 21,650.89
Travel	\$ 150.00	\$ -	\$ 150.00	\$ -	\$ -	\$ -	\$ 150.00	\$ -	\$ 150.00
Equipment	\$ 36,560.00	\$ -	\$ 36,560.00	\$ 26,040.00	\$ 1,446.67	\$ 28,933.39	\$ 62,600.00	\$ 1,446.67	\$ 65,493.39
Supplies	\$ 7,004.72	\$ 623.73	\$ 7,004.72	\$ -	\$ -	\$ -	\$ 7,004.72	\$ 623.73	\$ 7,004.72
Contractual	\$ 86,833.88	\$ -	\$ 86,833.88	\$ -	\$ -	\$ -	\$ 86,833.88	\$ -	\$ 86,833.88
Other	\$ 204,239.40	\$ 74,829.10	\$ 203,899.32	\$ 17,000.00	\$ -	\$ -	\$ 221,239.40	\$ 74,829.10	\$ 203,899.32
Total Direct	\$ 334,788.00	\$ 75,452.63	\$ 334,447.92	\$ 92,090.00	\$ 5,550.87	\$ 109,343.08	\$ 426,878.00	\$ 81,003.70	\$ 443,791.00
Indirect costs	\$ 33,478.00	\$ 7,545.26	\$ 33,444.39	\$ -	\$ -	\$ -	\$ 33,478.00	\$ 7,314.87	\$ 33,444.39
TOTAL	\$ 368,266.00	\$ 82,998.09	\$ 367,892.31	\$ 92,090.00	\$ 5,550.87	\$ 109,343.08	\$ 460,356.00	\$ 88,318.57	\$ 477,235.39

¹ Figures from "Project Budget" column should be taken from the most recently approved project budget.

² Amount shown in the "Current Period" column should reflect costs incurred only during the current reporting period. This usually covers four months.

³ Amount shown in the "YTD" column is the total cost of this line item from the start of the project (beginning of the "period of performance") through the end of the current reporting period.

NOTE: Indirect cost rates are approved by the grantee's cognizant Federal agency as described in OMB Circular A-87 and others. To claim reimbursement for indirect costs, they must be included as a line item in the most recently-approved ARC budget.

Note: Other Budget Category Current Period activity includes Ready-to-Work and Forklift Instructor costs.