


Report Number 95-15

Date: May 26, 1995

CORPORATION

FOR NATIONAL

 **S E R V I C E**

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

OFFICE OF THE INSPECTOR GENERAL

**Review of Certain Expenditures
of Grant Number 444-6046/01**

Awarded to

**Truth or Consequences Housing Authority
Truth or Consequences, New Mexico**

This report is issued to the Corporation's Management Official. The reported findings do not necessarily represent the final resolution of the issues presented or the amount of disallowed costs. As required by OMB Circular A-50, *Audit Followup*, the Corporation must make a final management decision within 180 days of the report.

The Office of the Inspector General must approve any request for public release of the report.

**Corporation for National and Community Service
Office of Inspector General
Review of Certain Expenditures
Grant Number 444-6046/01
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The grants management officer of the South West Cluster Service Center in Dallas, Texas requested the OIG to review invoices and related financial data provided by the Truth or Consequences Housing Authority (TCHA) to support its grant expenditures. We reviewed the TCHA costs and supporting documents to determine their reasonableness and whether they were allowed under the approved grant award. We also assessed the need for an expanded audit effort to assist the grant's officer in the grant closeout process.

Results

We received from the grants management officer, for our review, various invoices and documentation totaling \$7,753. Of that amount, \$4,382 of the costs were incurred after the grant period had ended. We have questioned these out-of-period costs in total. Accepted Federal costs are listed in Attachment A of this report.

Background

The Truth or Consequences Housing Authority was established in 1967 and currently owns and manages 100 low rent housing units. TCHA's outreach involvement includes drug elimination, beautification, security, and recreation activities to enhance the quality of life for public housing residents and other low income individuals in the community. Drug Alliance Grant Number 444-6046/01 in the amount of \$25,000 was awarded to TCHA under the Domestic Volunteer Service Act to promote community awareness and address prevention activities in the local community. The grant's period of performance was August 16, 1993 through September 30, 1994. The grant agreement provided for non-Federal costs of \$6,575.

The grantee planned to achieve its objectives by using a mobile booth that would be transported to sporting and other social events throughout Sierra County to provide drug prevention information to youth in those areas. The booth was also intended to be used sell books, pencils, shirts, etc., to provide continued financial support for the program.

Scope and Methodology

Our review was limited to an examination of the invoices and related documents provided to the OIG by the Corporation's South West Cluster Service Center. We summarized invoices by cost category (see Attachment A) and reviewed each invoice in relation to the approved grant budget. We also attempted to determine whether claimed costs were incurred during the actual period of the award.

We did not contact the grantee nor review the organization's accounting records. We did not perform an audit of all costs charged to the grant nor did we evaluate its programmatic aspects or assess its accomplishments; consequently, our assessment is limited to the items reviewed. The results should not be projected as a sample in assessing other costs charged to this grant.

I. Questioned Costs

From the documentation provided, we determined that \$4,382 of these costs were incurred after the grant period ended and should be disallowed as out-of-period costs.

We recommend that CNS:

- o Disallow out-of-period grant costs in the amount of \$4,382.
- o Require the CNS program officer to audit the \$17,247 of remaining and unaudited Federal costs by requiring the grantee to provide source documentation.

II. Need for additional IG audit assistance

The low dollar amount and the simplicity of the types of expenditures involved in the grant do not warrant an audit by the OIG. Instead, a determination as to the acceptability of the grantee's costs can be easily and cost effectively performed by the grant's program officer.

Truth or Consequences Housing Authority
Drug Alliance Grant No. 444-6046/01
Schedule of Expenditures

Attachment A

Date	Description	Check No.	Staff Local Travel	Meals	Uniforms	Equipment	Supplies	Other	Recognition	Total Costs Reviewed	In Period Costs	Out Of Period Costs
09/23/94	TRC Big A Buger	2950		\$115.35						115.35	115.35	
09/26/94	Blue Note Cafe	2953		175.00					250.00	425.00	425.00	
09/23/94	Randel Baca/Cooler	2944					66.85			66.85	66.85	
07/21/94	Service Merchandise	2789					63.83			63.83	63.83	
09/20/94	Randel Baca/Supplies	2945					184.00			184.00	184.00	
09/09/94	Air & Water King-Bottled Water	2884		74.50			35.28			35.28	35.28	
09/09/94	Little Brothers Kitchen	2904					74.50			74.50	74.50	
09/09/94	Jerry's Tap & Canopies	2899					150.00			150.00	150.00	
09/09/94	Fonta Landford-Juice/Mileage	2902	55.75	168.00			21.28			168.00	168.00	
08/26/94	Planet Pizza						7.67			7.67	7.67	
09/09/94	Smith's Office Supplies	2914					11.76			11.76	11.76	
08/08/94	Air & Water King	2807										
07/21/94	Sabinal Vineyards, Inc. (Grape & Apple Juice)	2790					63.36			63.36	63.36	
08/08/94	Fonta Landford-Mileage	2830	58.50				58.50			58.50	58.50	
07/19/94	Down to Earth Products, Inc.	2815					463.41			463.41	463.41	
09/09/94	Down to Earth Products, Inc.	2921					549.58			549.58	549.58	
09/27/94	Sabinal Vineyards, Inc. (Grape & Apple Juice)	2960					440.00			440.00	440.00	
10/06/94	Pizza Hut	3015		89.90						89.90	89.90	
10/07/94	Air & Water King-Bottle Water	2973					117.60			117.60	117.60	117.60
10/07/94	Fonta Landford-Trailer Supplies	3057					131.66			131.66	131.66	131.66
10/07/94	Fonta Landford-Mileage	3057	44.00				44.00			44.00	44.00	44.00
10/18/94	Fonta Landford-Travel Adv	3059	65.00				65.00			65.00	65.00	65.00
10/18/94	Fonta Landford-Workshop Vol.	3059						127.50		127.50	127.50	127.50
10/26/94	Fonta Landford-Travel	3077	37.50							37.50	37.50	37.50
10/26/94	NAT&T Books-Ting Video	3079					294.75		127.50	294.75	294.75	294.75
10/26/94	The Bureau for Drug Abuse Violence-Video	3080					147.95			147.95	147.95	147.95
10/07/94	Consolidated Plastics Co.-Sup.	2983					243.83			243.83	243.83	
10/07/94	Down to Earth Products, Inc.- Supplies and Shirts	2988					342.93			342.93	342.93	342.93
10/31/94	Consolidated Plastics Co.						177.80			177.80	177.80	177.80
11/21/94	Sunland Steel					77.00				77.00	77.00	77.00
12/15/94	Consolidated Plastics Co.	3220					166.54			166.54	166.54	166.54
12/15/94	Down to Earth Product, Inc.-Shirts	3221					422.67			422.67	422.67	422.67
12/15/94	Dukat71"-Sign on Trailer	3229					400.00			400.00	400.00	400.00
12/15/94	Dukat71"-Shirts&Caps	3230					1,162.00			1,162.00	1,162.00	1,162.00
11/19/94	Viking Office Products	3138		500.00			167.26			500.00	167.26	167.26
10/30/94	Pizza Hut-Advance	3141										500.00
Total										7,753.19	3,371.03	4,382.16

* These costs represent expenditures that were purchased late in the grant period and there is concern as to their appropriateness as grant related costs. However, we have left the final determination of this matter to your office for final resolution as to their appropriateness as grant related costs.