

ASU GEAR UP Grant Program

Appalachian State University received a 6-year \$6.8 million GEAR UP partnership grant from the U.S. Department of Education in August 2005 with a start date of September 1, 2005. The annual budget was on average \$1.1 million per year.

GEAR UP is a federally funded college access program with a dollar for dollar cost share requirement. The primary goal of GEAR UP is to provide support to eligible school districts to increase the high school graduation and college enrollment rates. Appalachian State University GEAR UP identified four school districts to serve (Alleghany County, Avery County, Burke County, and Hickory City Schools). GEAR UP services include college visits, after school programming, tutoring, and summer enrichment opportunities for middle and high school students and parents over the life of the grant. It also provides professional development opportunities to teachers, counselors, and administrators in target schools.

Representatives from the federal Department of Education (DOE) GEAR UP office conducted a site visit of ASU's GEAR UP Program August 26-29, 2008.

The DOE's review identified 3 areas of concern: inadequate internal processes and controls within ASU's GEAR UP program; failure to identify matching dollars for the cost share requirement; and lack of properly trained and competent staff for the project. Both Chancellor Peacock and President Bowles have assigned senior staff to respond to DOE and to implement corrective policies, regulations, and procedures. A status report follows.

ASU has removed the GEAR UP program director. The Assistant Director, the Program Enrichment Coordinator and the Assistant Director of Finance resigned their positions with GEAR UP and accepted new positions at ASU prior to June 2008. Each was hired through a formal search process.

In addition to the federal review, ASU's internal auditor is conducting an audit of the GEAR UP program. The internal audit includes ten specific audit objectives and corresponding procedures. The internal auditor intends to complete her work by the end of October unless circumstances necessitate additional work.

Update on action items identified

- 1. Determine if any cost share or federal expenditures from years 1 & 2 of the project are unallowable. Determine if additional cost share can be recovered from years 1-3.**
 - 3. If unallowable expenditures are discovered, develop plan for repayment.**
- The Director Special Funds Accounting, has reviewed all existing documentation and is currently determining if unallowable costs were charged to the grant or the cost share, and if so, how much.

- Participating school districts have been asked to complete the “Cost Share Justification” form to provide additional information for incomplete documentation that was submitted to the GEAR UP office at ASU.
- Payroll charges that were identified by ASU as unallowable due to actual time and effort were removed from the GEAR UP account and charged to indirect funds.

2. Staff the project with full time, permanent employees.

- **ASU is in the process of filling the following positions:**
 - GEAR UP Director
 - GEAR UP Assistant Director
 - GEAR UP Enrichment Program Coordinator
 - GEAR UP Accounting Specialist
 - GEAR UP Program Assistant
 - GEAR UP Coordinator in Avery County

3. Establish systems for record keeping, data collection, and maintenance

- New policy manual created and all school GEAR UP staff trained on October 1, 2008
- New contracts have been written by the University Attorney and are being reviewed one final time. We plan to mail Monday Oct. 6
- Data has been requested from NC Department of Instruction and will be reviewed as soon as we receive it.
- Names of current cohort students have been requested of the school data managers and will be uploaded no later than October 27, 2008, so that GEAR UP coordinators can input student services data. On October 27, 2008, GEAR UP will sponsor database training in collaboration with the GEAR UP North Carolina program.

4. Work with U.S. Department of Education to develop new budget and cost share budget for years 4-6.

- Each activity proposed and related budget is submitted to the program officer for her review. As of October 6, the Program Officer has approved all student activities that have been submitted.

5. GEAR UP Assistant Director for Finance will report directly to Special Funds Accounting Director.

- When hired, this reporting line will be established.

6. GEAR UP Director will report directly to a Vice Chancellor.

- When hired, this reporting line will be established.

7. An institutional plan for auditing external funds on a regular basis will be implemented immediately.

- In order to improve level of oversight for compliance during the post award process, the Office of Special Funds Accounting has added a new position for grant and contract management.

ASU expects the final DOE report by the end of October 2008.