SKAMANIA COUNTY, WASHINGTON
January 1, 1992 Through December 31, 1992

Schedule Of Findings

1. Skamania County Should Comply With Grant Contract Provisions

The Washington State Department of Community Development (DCD) awarded Skamania County a conditional grant of $4,985,000 to be matched equally by the county for project costs related to an interpretive center. During the period June 26, 1992, through May 25, 1993, the county was improperly reimbursed $49,500 by DCD for "in kind" services. The project managers, Grayco Resources Inc., donated these development services and the county incurred no cost for them. The county's contract with DCD (S6-92-193001) states in part:

> 4. REIMBURSEMENT PROVISIONS
>
> (a) Payment shall be on a reimbursement basis only. For the purpose of this contract, reimbursement shall be construed to mean costs incurred and paid, or costs incurred and payable within 30 (thirty) days. (Emphasis ours.)

In addition, the county did not submit a report of matching funds or bank statement with its requests for reimbursement. This violates provisions in the DCD contract, Attachment F, which states in part:

> The COUNTY will submit to the DEPARTMENT with each request for payment, a report of matching funds available. This must include a bank statement . . . .

We found the following weaknesses in the County Museum Department's system for monitoring the DCD contract which led to these violations:

a. The county museum department director was not familiar with the grant contract requirements and did not adequately oversee compliance. According to the county job description, the museum director is responsible for administering the grant.

b. The museum director did not adequately review documentation for the payment requests on this contract.

c. The museum department did not have supporting documentation readily available to support grant reports submitted to the DCD.

Because the museum department did not comply with the contract provisions, DCD was not provided adequate documentation to determine if the county's reimbursement requests were proper. As a result, the county received $49,500 in reimbursements for which they

were not entitled under the contract terms.

Because the grant is conditional upon county compliance with contract requirements, county noncompliance jeopardizes the entire grant amount of $4,985,000.

We recommend that the county ensure that the museum director administers the grant according to the terms of the contract including submitting the required documentation with each reimbursement request. Additionally, we recommend the county repay DCD $49,500 for "in kind" project development services reimbursed but not incurred or paid by the county.