

Corrective Actions for Common OIG Audit Findings

The findings below from OIG audits were common in audits conducted of Corporation for National & Community Service (CNCS) AmeriCorps grants.

| Finding | Corrective Action |
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| <p>Budget Allocations Grantees charge costs in one grant that are actually carried out in a succeeding budget period in a new grant. For example, a grantee issues a contract late in the budget year for activities the contractor will complete in the succeeding year under a new grant. Contractor payments span both grants. Auditors question the costs as unallocable to the grant and CNCS typically would disallow them during audit resolution.</p> | <p>Budget Allocations Review budget to actual expenditures on a monthly basis. Ensure you charge the costs to the correct grant or budget period. Ensure you seek approval from CNCS to use funds from a previous budget period in the succeeding new grant budget period or through a no-cost extension. Do not assume CNCS will approve the request. In many cases, it may not be approved.</p> |
| <p>Account Reconciliation Grantees/subgrantees are not reconciling expenditures in their accounting systems/general ledger to amounts claimed on Federal Financial Reports (FFR). The amount claimed on the FFR does not match the accounting records. Auditors question the difference between what the account system demonstrates as expended and what the FFR reports. CNCS must disallow the costs if the grantee cannot reconcile the difference.</p> | <p>Account Reconciliation Create and implement procedures to conduct a regular reconciliation between the new FFR (replacing the FSR and FCTR) and the accounting system and document the process in written procedures. If different offices or individuals prepare the reports, ensure they communicate with one another and reconcile differences.</p> |
| <p>Staff Timekeeping Staff allocating time to more than one grant are not keeping timesheets that show actual time spent on each grant. The project director's timesheet does not allocate time between two different grants. The timesheet only records work hours vs. vacation, sick, and other leave. Auditors question total salary costs because they can't determine how much time was actually spent on the different grants. The staff person and supervisor spend significant</p> | <p>Staff Timekeeping Ensure timesheets record hours by activity or cost center to track the actual time spent on each grant and clearly follow the requirements of the Cost Principles.</p> |

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| <p>time during audit resolution reconstructing calendars and checking activities over the year to substantiate time allocated to the grants</p> | |
| <p>Time and Attendance Grantees/subgrantees charge salaries to a grant based on budgeted amounts instead of actual after-the-fact time reported on timesheets. For example, the grantee budgets for 20% of a staff member, claims 20% of the staff time, but timesheets support only 18%. The auditors question the entire claimed salary for all staff. During audit resolution, the grantee has to go back and recalculate time spent for all staff based on the timesheets. Some disallowances will occur if the claimed costs are not supported by the timesheets.</p> | <p>Time and Attendance Ensure accounting staff are reporting payroll expenditures based on actual hours by grant or activity and not using budgeted time entered into the accounting system at the beginning of the year as the allocation method when completing expenditure reports. Develop a system to compare actual time against budgeted time and document the process in writing (governments only can charge budgeted time, non-profits are not allowed).</p> |
| <p>Subgrantee Monitoring Grantees do not have good fiscal monitoring policies and procedures in place to ensure subrecipient financial systems are set up to manage Federal funds. For example, the grantee fiscal monitoring tool does not include a process to check amounts recorded in the accounting system to amounts claimed on expense reports.</p> | <p>Subgrantee Monitoring Review and strengthen fiscal monitoring policies and procedures of subgrantee financial systems. Develop a written tool, and set-up regular on-site or desk monitoring visits.</p> |
| <p>Match Grantees/subgrantees claim match that is not sufficiently supported. For example, grantees/subgrantees claim match for an activity that doesn't appear in the approved budget or for which there is no supporting documentation, such as time and attendance records for donated staff. Auditors will question the unsupported match. If supporting documentation cannot be provided, some disallowance of Federal funds may result because the match is not met. Audit resolution requires significant time and effort to confirm all match.</p> | <p>Match Record all claimed match in accounting journals as both revenue and expenditure. Make sure claimed match is included in the budget and you maintain appropriate supporting documentation. Do not record match until supporting documentation is received and in hand.</p> |

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| <p>Match Grantees/subgrantees claim match that is excessive or substitute match for activities not in the approved budget. For example, grantees/subgrantees claim a significant overmatch for donated Public Service Announcements or provide support during the audit for match to a training activity not included in the approved budget. Auditors may decide to audit the entire match or question the entire match based on inability to confirm whether the match is reasonable or allocable under the approved budget. When off-budget match appears, auditors may question the necessity of the cost. Audit resolution requires significant time and effort to confirm all match.</p> | <p>Match Make sure claimed match is reasonable and included in the budget. Per your grant provisions or regulations, request budget amendments as necessary to include new sources of match not included in the original budget.</p> |
| <p>Participant Evaluations/Appraisals Grantees/subgrantees are not conducting evaluations as required or not maintaining records of evaluations.</p> <p>For AmeriCorps, auditors question the living allowance and education awards for members serving a second term without appropriate evaluations supporting successful completion of the first term.</p> | <p>Participant Evaluations/Appraisals Include regular review of member/volunteer files to ensure all of the documentation is available. Develop and implement written policies and procedures for conducting and retaining member evaluations which vary by type of participant: Full and Half-time members require mid and end-of-term evaluations. All others only at end-of-term.</p> |
| <p>Criminal History Checks Grantees/subgrantees are not conducting background checks of all participants or staff who receive a stipend, education award, salary or other remuneration All costs for unchecked participants or staff will be questioned and likely disallowed.</p> | <p>AmeriCorps Background Checks Going Forward: Make sure all programs/operating sites understand the requirements of CNCS’s regulations and any state specific laws that may also apply: Customize participant contracts and maintain documentation that a background check was done on all participants and funded staff. Make sure you include review of background checks in your subgrantee monitoring plans if you have subgrantees.</p> |

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| <p>AmeriCorps Member Timekeeping Member timesheets are not signed by both the member and supervisor. Member timesheets do not add up to the term of service claimed. Auditors question the portion of unearned living allowance and the entire education award earned by those members because they did not meet the requirements.</p> | <p>AmeriCorps Member Timekeeping Review timesheets and perform periodic reconciliations of completed timesheets with My AmeriCorps Portal certifications of hours completed. Make this a part of your monitoring plan if you have subgrantees.</p> |
| <p>AmeriCorps Enrollment Grantees allow members to begin service before members sign contracts. The auditors deduct hours served before the member signed the contract and question the education award earned if the decrease in hours results in less hours served than required to earn the education award. CNCS may have had to rule that the education award is not valid because the grant provisions stipulate the conditions for enrollment. Grant Provision change (08/09).</p> | <p>AmeriCorps Enrollment Going Forward: Establish and implement written policies that address members' signing contracts before commencement of service so they are fully aware of their rights and responsibilities.</p> |