

**Office of Inspector General
Corporation for National and
Community Service**

**AGREED-UPON PROCEDURES REVIEW OF
CORPORATION FOR NATIONAL AND
COMMUNITY SERVICE
EDUCATION AWARD GRANTS TO
BOYS AND GIRLS CLUBS OF AMERICA**

OIG REPORT 08-12



Corporation for
**NATIONAL &
COMMUNITY
SERVICE** 

Prepared by
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This report was issued to Corporation management on August 6, 2008. Under the laws and regulations governing audit follow-up, the Corporation is to make final management decisions on the report's findings and recommendations no later than February 6, 2009, and complete its corrective actions by August 6, 2009. Consequently, the reported findings do not necessarily represent the final resolution of the issues presented.



OFFICE OF INSPECTOR GENERAL

August 6, 2008

TO: Kristin McSwain
Director, AmeriCorps*State and National

Margaret Rosenberry
Director, Office of Grants Management

FROM: Carol Bates /s/
Assistant Inspector General for Audit

SUBJECT: *OIG Report 08-12, Agreed-Upon Procedures Review of Corporation for National and Community Service Education Award Program Grants to Boys and Girls Clubs of America*

We contracted with the independent certified public accounting firm of Regis & Associates, PC, (Regis) to perform agreed-upon procedures in its review of Corporation grants awarded to Boys and Girls Clubs of America (BGCA). The contract required Regis to conduct its review in accordance with generally accepted government auditing standards.

Regis is responsible for the attached report, dated February 29, 2008, and the conclusions expressed therein. We do not express opinions on BGCA's Schedule of Questioned Education Awards, Accrued Interest Award and Administrative Fees; conclusions on the effectiveness of internal controls; or compliance with laws, regulations, and grant provisions.

Under the Corporation's audit resolution policy, a final management decision on the findings in this report is due by February 6, 2009. Notice of final action is due by August 6, 2009.

If you have questions pertaining to this report, please call me at 202-606-9356.

Attachment

cc: Roxanne Spillett, President, Boys and Girls Clubs of America
William Anderson, Deputy Chief Financial Officer, Financial Management
Rocco Gaudio, Deputy Chief Financial Officer, Grants and Field Financial Management
Sherry Blue, Audit Resolution Coordinator
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**OFFICE OF INSPECTOR GENERAL
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE**

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EXECUTIVE SUMMARY

The Office of Inspector General (OIG), Corporation for National and Community Service (Corporation), contracted with Regis & Associates, PC to perform agreed-upon procedures on Boys and Girls Clubs of America (BGCA) to assist the OIG in compliance testing of member files for compliance with the provisions of the Education Award Program (EAP) grants for Program Years (PY) 2004-2005, 2005-2006 and 2006-2007. As a result of applying these procedures, we have questioned amounts totaling \$250,559, consisting of education awards of \$228,073, an accrued interest award (interest forbearance) of \$133, and administrative fees of \$22,353.

The detailed results of our agreed-upon procedures (AUP) and questioned amounts are presented in the Independent Accountant’s Report on Applying Agreed-Upon Procedures, Exhibit A, *Schedule of Questioned Education Awards, Accrued Interest Award and Administrative Fees*. A questioned amount is an alleged violation of a provision of law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds; or a finding that, at the time of testing, such amount is not supported by adequate documentation.

Questioned Amount. As a result of testing a judgmental sample of transactions, we questioned awards, as shown below:

Program	Number	AUP Period	Questioned Amounts		
			Education Award	Accrued Interest	Admin Fees
Education Award Program	03EDHGA001	05/01/05 - 12/31/06	\$ 213,898	\$ 133	\$ 21,082
Education Award Program	06EDHGA001	01/01/07 - 12/31/07	\$ 14,175		\$ 1,271
Total			\$ 228,073	\$ 133	\$ 22,353

Compliance Testing Results. The detailed results of our agreed-upon procedures revealed instances of non-compliance with grant provisions, regulations, or Office of Management and Budget (OMB) Circulars. Those instances of non-compliance are shown in Exhibit B in the Compliance Testing Results section of the *Independent Accountant’s Report on Applying Agreed-Upon Procedures*.

Exit Conference. The contents of this report were discussed with the Corporation and BGCA at an exit conference held in Atlanta, GA, on May 14, 2008. In addition, on June 18, the OIG provided a draft of the report to BGCA and to the Corporation for comment. BGCA’s responses to the findings and recommendations are included in Appendix A and summarized in each finding. The Corporation’s response, addressing Finding 1 only, is in Appendix B.

Agreed-Upon Procedures Scope

These agreed-upon procedures had the objectives of determining whether members enrolled in the program are eligible, are performing service in accordance with grant terms and

conditions and, if certified for an education award, have performed the minimum service hours required for the following grants:

<u>Program</u>	<u>Award Number</u>	<u>Award Period</u>	<u>AUP or Testing Period</u>
Education Awards Program	03EDHGA001	02/01/04 - 01/31/07	01/01/05 - 01/31/07
Education Awards Program	06EDHGA001	01/01/07 - 12/31/09	01/01/07 - 12/31/07

We also performed tests to determine compliance with grant terms and provisions. We performed our procedures during the period January 7, 2008, through February 29, 2008.

The OIG’s agreed-upon procedures, dated September 2007, provided guidance for understanding the BGCA and testing compliance with provisions of the Education Award Program grant. We used IDEA sampling programming software for selecting the sample for our testing. These procedures are described in more detail in the *Independent Accountants’ Report on Applying Agreed-Upon Procedures*.

Background

The Corporation supports national and community service programs that provide full- and part-time opportunities for Americans to engage in service that fosters civic responsibility, strengthens communities, and provides educational opportunities for those who make a commitment to service. The AmeriCorps program is one of the Corporation’s three major service initiatives. Approximately three-quarters of all AmeriCorps grant funding goes to governor-appointed State service commissions, which award competitive grants to nonprofit groups that then recruit AmeriCorps members to respond to local needs. The Corporation distributes most of the balance of its funding directly to multi-State and national organizations such as BGCA through a competitive grant process.

AmeriCorps Education Award Program (EAP) grants are fixed-amount awards. In determining the amount of these awards, the Corporation considers the number of “full-time equivalents” (FTE) that the grantee agrees to enroll. One FTE equals a full-time education award for which a minimum of 1,700 hours of service has to be completed. The Corporation sets a limit on the grant support per FTE. That amount has varied over the years due to program funding levels.

Because EAP awards are based on fixed amounts rather than incurred costs, grantees are not required to document their expenditures or submit Financial Status Reports. However, grantees must still comply with the law, regulations and grant provisions.

BGCA is a federally chartered, national organization that was formed to promote the health, social, educational, vocational, and character development of young people throughout the

United States. Through its national headquarters in Atlanta, GA, five regional service centers, and government relations office in Washington, DC, BGCA:

- Develops program services for young people;
- Assists community leaders to form new clubs;
- Provides training, management consulting, and resource materials to clubs;
- Promotes public and media awareness of club work; and
- Addresses legislative and public policy issues affecting young people.

BGCA is a Federal income tax exempt organization under Section 501(c)(3) of the Internal Revenue Code.

Created in 1997, the AmeriCorps Education Award Program expands opportunities for young people to serve their communities and earn financial help for their higher education.

BGCA's *CLUBService* initiative program allows members aged 17 and 18 and alumni aged 19 to 24, who are providing a significant amount of volunteer and community service at their local Clubs, to earn education awards while serving their communities.

BGCA's national headquarters does not exercise supervision, direction, or control over the local clubs or members. Each club has an independent board of directors, which has oversight over local Boys and Girls Clubs, programs and staff.

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Regis & Associates, PC performed the agreed-upon procedures described below, which were agreed to by the OIG, solely to assist the OIG in compliance testing of member files for compliance with the provisions of the Education Award Program (EAP) Grant Number 03EDHGA001 for PYs 2004-2005 and 2006-2007, and Grant Number 06EDHGA001 for PY 2006-2007. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and generally accepted government auditing standards. The sufficiency of these procedures is solely the responsibility of the OIG. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on BGCA management's assertions. Accordingly, we do not express such an opinion. Had we performed other procedures, other matters might have come to our attention that would have been reported to you.

We performed the procedures to verify that:

- Enrolled members were U.S. citizens, nationals, or lawful permanent residents and obtained high-school diplomas or equivalency certificates;
- Criminal record checks were conducted for members with substantial recurring contact with children or other vulnerable individuals;
- Member contracts were signed by members and included required AmeriCorps stipulations;
- Members' service hours reported in the Corporation's Web-Based Reporting System (WBRs) agreed with hours recorded on members timesheets;
- Members attended orientation;
- Mid-term and end-of-term performance evaluations were performed and documented;
- Hours recorded on members timesheets supported members eligibility to earn education awards;
- Eligibility for pro-rated education awards was documented for those members released early for compelling personal circumstances;

- BGCA certified to the National Service Trust that members were eligible to receive education awards;
- Members' enrollment, exit, and change-of status forms were completed and approved in WBRS within 30 days of members starting and ending service or changing status;
- No more than 20 percent of the aggregate of all AmeriCorps members' service hours were spent in training and educational activities; and
- Members' timesheets, forms, and contracts were in members files and were signed, dated, and did not contain discrepancies.

Results

As a result of applying the agreed-upon procedures we questioned \$250,559 of education awards, accrued interest awards on student loans, and administrative fees. The questioned awards are summarized in Exhibit A, *Schedule of Questioned Awards*. The compliance testing results are summarized in Exhibit B, *Compliance Testing Results*.

Issues identified include the following:

- Member files did not include documentation to support eligibility.
- Inadequate evidence to support whether criminal background checks were performed.
- Members recorded service hours before member contracts were signed.
- Member files were not retained and timesheets contained irregularities.
- BGCA did not complete member enrollment and exit forms and enter them in WBRS in a timely manner.
- BGCA did not conduct the required orientation sessions.
- Member contracts did not include required clauses on civil rights and equal opportunity.
- BGCA did not perform mid-term and end-of-term performance evaluations.
- BGCA's monitoring procedures were not fully performed, or results were not always documented.

EXHIBIT A

**BOYS AND GIRLS CLUBS OF AMERICA
EDUCATION AWARD PROGRAM**

**SCHEDULE OF QUESTIONED EDUCATION AWARDS, ACCRUED INTEREST
AWARD AND ADMINISTRATIVE FEES**

Exception Type Enrollment Eligibility:	Program Year	Number of Members	Member Status	Questioned Education Awards
No High School Diploma or Self-certification	2004-2005	49	Exited with Award	\$ 112,310
	2005-2006	39	Exited with Award	\$ 101,588
	2006-2007	6	Exited with Award	\$ 14,175
Total Questioned Education Award Costs		94		\$ 228,073

Program Year	Questioned Administrative Fees - Ineligible Members	Questioned Accrued Interest Award	Total Questioned Amount
2004-2005	\$ 12,070	0	\$ 12,070
2005-2006	\$ 9,012	\$ 133	\$ 9,145
2006-2007	\$ 1,271	0	\$ 1,271
Total Questioned Administrative Fees and Accrued Interest Award			\$ 22,486

**BOYS AND GIRLS CLUBS OF AMERICA
EDUCATION AWARD PROGRAM**

COMPLIANCE TESTING RESULTS

Finding 1. Members' files did not include documentation to support eligibility.

Our review of 424 member files found that 282 members did not have documentation to support that they earned a high school diploma or its equivalent with a written declaration under penalty of law that he or she met the AmeriCorps member eligibility requirements. BGCA did not provide documentation of education attained, a requirement of its participant transmittal checklist. We questioned \$228,073 of education awards for 94 members who were certified for an education award. The remaining 188 members were either in active status or had terminated their service.

BGCA did not comply with its policies and procedures and AmeriCorps regulations to ensure that applicants met AmeriCorps eligibility requirements before starting service. By not ensuring that applicants are eligible to participate in the program prior to their enrollment, participants may receive an education award to which they are not entitled.

Criteria

The BGCA ClubService Implementation Guide states, “[t]o enroll as a ClubService member, there are several requirements that must be met to confirm eligibility, including:

- School status: high school graduate, currently attending high school, working on obtaining a GED or already possessing a GED certificate.”

The BGCA CLUBService Participant Transmittal Checklist includes a list of “Attached Forms/Documentation”. The required documentation for education status is “copy of class schedule, latest grade report, high school diploma or G.E.D. certification”.

According to Title 45 C.F.R. § 2522.200(a)(2)(i) and (ii) *What are the eligibility requirements for an AmeriCorps participant?*, states that “[a]n AmeriCorps participant must . . . [h]ave a high school diploma or its equivalent or . . . agree to obtain a high school diploma or its equivalent prior to using the education award.” Furthermore, paragraph (b) of the same C.F.R. section states, “*Written declaration regarding high school diploma sufficient for enrollment.* For purposes of enrollment, if an individual provides a written declaration under penalty of law that he or she meets the requirements in paragraph (a) of this section relating to high school education, a program need not obtain additional documentation of that fact.”

Recommendations

We recommend that the Corporation:

- 1a. Requires BGCA to follow its policies and procedures and AmeriCorps regulations to ensure that adequate documentation is maintained to verify member eligibility, or that BGCA requires its members to provide a written declaration under penalty of law that he or she meets the education requirements;
- 1b. Disallows and recovers education awards and administrative fees for members determined to be ineligible; and
- 1c. Ensures that for members who are still serving, the documentation of high school diplomas or other equivalency certifications are maintained in member files before the members are certified for education awards.

Grantee's Response

BGCA management stated that it relied upon guidance, forms and instructions from the Corporation for maintaining appropriate documentation to support eligibility of members.

Corporation's Response

The Corporation concurred with BGCA's position. The Corporation stated that BGCA utilized a Corporation-produced enrollment form, although the form did not include the language "under penalty of law" as stated in the Corporation's regulations. The Corporation further stated that it anticipated allowing the related questioned education awards, and that it will ensure that all required language is included in its forms.

Auditor's Comment on Grantee's Response

BGCA was unable to provide documentation evidencing that the members with questioned education awards had either high school diplomas or equivalency certifications, or had signed, under penalty of perjury, that they met the education requirements. Our recommendations remain unchanged.

Auditor's Comment on the Corporation's Response

The documentation maintained by BGCA did not comply with the Corporation's regulations. In the absence of the penalty statement on the enrollment form, members are not made aware of the statutory penalties they may incur if they misrepresent their education status and, therefore, their eligibility to enroll in the AmeriCorps Program.

Finding 2. BGCA did not have documentation to support criminal background checks as part of the member screening process.

BGCA could not provide documentation to support criminal background checks completed as part of the screening process for 280 members.

BGCA officials said that criminal background checks were performed on all members by the local Clubs, where they were enrolled, and that the records are retained in the members' files at the various local Clubs' Human Resource departments. BGCA officials said that the only documents available at BGCA's headquarters relating to criminal background checks, are the records for the National Sex Offender checks, which were performed on members by headquarters staff. We asked that the documentation of criminal background checks be sent for our review and allowed three weeks for its submission. No documentation was provided for our review and no additional information was provided at the exit conference.

Lack of documentation of required criminal background checks increases the risk that a member, who should not have been working with children, could have direct contact with them, resulting in a potential liability for BGCA and the Corporation and potentially endangering program beneficiaries.

Criteria

The 2005/2006 AmeriCorps Education Award Special Grant Provisions, Section IV.C. *Member Enrollment*, state:

Criminal Background Checks. Programs with members (18 and over) or grant-funded employees who, on a recurring basis, have access to children (usually defined under state or local law as un-emancipated minors under the age of 18) or to individuals considered vulnerable by the program (i.e. the elderly or individuals who are either physically or mentally disabled), shall, to the extent permitted by state and local law, conduct criminal background checks on these members or employees as part of the overall screening process.

The grantee must ensure, to the extent permitted by state or local law, that it maintains background check documentation for members and employees covered by this provision in the member or employee's file or other appropriate file. The documentation must demonstrate that, in selecting or placing an individual, the grantee or the grantee's designee (such as site sponsor) reviewed and considered the background check's results.

Recommendation

2. We recommend that the Corporation requires BGCA to develop and implement policies and procedures on National Criminal History Checks as required by the final rule published in the Federal Register and effective for members enrolled after

November 23, 2007. This will help to ensure that, in the future, BGCA has procedures in place to comply with these requirements.

Grantee's Response

BGCA management stated that its member organizations perform background checks on staff and regular volunteers. The member organizations certify to BGCA in an annual report that background checks are being completed at the local level. Such records are being maintained at the local level, not at the national level.

Auditor's Comment

In response to our requests, documentation for background checks was not provided. We continue to recommend that BGCA implements policies and procedures to comply with the final rule cited above.

Finding 3. Members recorded service hours before contracts were signed.

Of the 424 member files that we reviewed, we noted the following:

- In PY 2004-2005, one member was credited with 24.5 service hours before the contract start date. We did not question the costs because the member served sufficient hours after the contract signed date to earn the education award.
- In PY 2005-2006, one member earned 40 hours before the member's contract start date. We did not question any costs because the member was in active status and had not been certified for an education award.
- In PY 2006-2007, one member earned four hours before the member's contract start date. We did not question any costs because the member was in active status and has not been certified for an education award.
- In PY 2006-2007, four member contracts were either not signed by the supervisor or the AmeriCorps member.

BGCA did not comply with the AmeriCorps provisions. Applicants who record service hours before contracts are in place may receive benefits, living allowances, and education awards and interest forbearance for which they are not entitled, as applicants do not become members until the effective dates of their contracts.

Criteria

The 2005/2006 AmeriCorps Education Award Grant Special Provisions, Section IV.C. *Member Enrollment*, states in part:

1. *Member Enrollment Procedures.*

- a. An individual is enrolled as an AmeriCorps member when all of the following have occurred:
 - i. He or she has signed a member contract;
 - ii. The program has verified the individual's eligibility to serve;
 - iii. The individual has begun a term of service; and
 - iv. The program has approved the member enrollment form in WBRIS.
- b. Prior to enrolling a member in AmeriCorps, programs make commitments to individuals to serve. A commitment is defined as signing a member contract with an individual or otherwise entering into a legally enforceable commitment as determined by state law.

Recommendation

- 3. We recommend that the Corporation requires BGCA to ensure that supervisors and members sign their contracts before recording service hours.

Grantee's Response

BGCA management stated that, in the future, all program materials will no longer reflect an enrollment date. Applications will be processed by BGCA staff and a start date will be assigned to the member. Once all application documents are received and processed, an email will be sent to the member's supervisor.

Auditor's Comment

The actions proposed and implemented by BGCA should be considered by the Corporation, which should also follow up to ensure that the planned actions were implemented. The start date of the term of service should not be earlier than the date the member signs the contract.

Finding 4. Some member files were not retained and timesheets contained irregularities.

Our review of 424 member files showed the following exceptions:

Exception Type	Program Year			Total
	2004-2005	2005-2006	2006-2007	
Missing member files	0	1	1	2
Timesheet was signed and dated before the end of the month	4	0	0	4
Timesheet was either not signed by the supervisor or not dated	3	2	1	6
Timesheet for June 2005 had hours recorded for June 31, 2005	1	0	0	1
Timesheets for more than one quarter were signed on the same date	1	1	0	2

We did not question any cost relating to the missing member files because the members are in an active status and have not qualified for education awards.

BGCA management did not ensure compliance with its records retention policy. BGCA's inability to retain complete and accurate records increases the risk of participants receiving education awards for which they are not eligible.

Criteria

The 2005/2006 AmeriCorps Education Award General Grant Provisions, V.B.1. *Financial Management Standards, Time and Attendance Records* requires that:

The grantee must keep time and attendance records on all AmeriCorps members in order to document their eligibility for in-service and post-service benefits. Time and attendance records must be signed and dated by both the member and an individual with oversight responsibilities for the member.

The AmeriCorps Education Award Grant Provisions 2005/2006, Section V.D., *Retention of Records* requires grantees to retain all program records for 3 years from the date of the submission of the applicable final closeout documents. If an audit is started prior to the expiration of the 3-year period, the records must be retained until the audit findings involving the records have been resolved and final action taken”

According to BGCA's ClubService Implementation Guide:

Record Keeping

Records of the CLUBService member's eligibility, financial information, service time, evaluation data and any personnel issues should be kept for seven years from the member's date of completion.

Recommendations

We recommend that the Corporation:

- 4a. Requires BGCA to follow its policies and procedures, and to ensure that complete and accurate member files are obtained and retained;
- 4b. Requires BGCA to comply with its procedures to ensure that the review and approval of hours is recorded on timesheets, that timesheets are signed by the member and supervisor and changes to timesheets are initialed by the member and supervisor, and that documentation of the review exists.

- 4c. Obtains and reviews the two members with missing files to ensure that these members are eligible to serve and that they meet the service hour requirements. If the members are not eligible, the Corporation should disallow and recover the administrative fees paid on these members. If member timesheets do not support the certified education award, BGCA should reimburse the Trust for the members' education awards.

Grantee's Response

BGCA management stated that member hours will be reconciled after the 2nd quarter and 4th quarter reports have been received to ensure that member hours are recorded accurately. Also, submitted member timesheets will be verified against BGCA's internal database. Regarding the missing member files, BGCA pointed out that the chart included in the draft report shows that there were no missing files in the 2004-2005 program year, and only one such instance in each of the following two grant years.

Auditor's Comment

The grantee's planned actions address the intent of the recommendations. However, we believe BGCA should make additional efforts to locate the two missing files, and that the Corporation should consider the actions proposed in Recommendation 4c if those efforts prove unsuccessful.

Finding 5. BGCA did not complete member enrollment and exit forms and enter them in WBRS in a timely manner.

Our review of 424 member files showed that BGCA did not have adequate documentation to support whether enrollment and exit forms were properly completed and submitted in a timely manner for 144 members. Specifically, we noted the following:

- BGCA did not complete 57 members' enrollment forms and enter them into WBRS within 30 days of members starting service.
- BGCA did not complete 87 members' exit forms and enter them into WBRS within 30 days of members ending service.
- We also noted the following exceptions:

Exception Type	Program Year		Total
	2004-2005	2005-2006	
Enrollment form signature page was missing	28	1	29
Exit form signature page was missing	5	10	15
Certifying Official did not sign the enrollment form	1	0	1
Certifying Official did not sign the exit form	0	1	1

BGCA officials were not adequately following AmeriCorps provisions, and were unable to explain why the forms were not entered in WBRS within 30 days of starting and finishing service. Without timely submission of these forms, the programs and the Corporation cannot properly monitor the service history of the affected members.

Criteria

The 2005/2006 AmeriCorps Education Award Special Grant Provisions, Section IV.O.3., *Reporting Requirements*, states in part:

AmeriCorps Member-Related Forms. The grantee is required to submit the following documents to the National Service Trust at the Corporation on forms provided by the Corporation. Grantees and sub-grantees may use WBRS to submit these forms electronically. Programs using WBRS must also maintain hard copies of the forms.

- a. *Enrollment Forms.* Enrollment forms must be submitted no later than 30 days after a member is enrolled.
- b. *Change of Status Forms.* Member Change of Status Forms must be submitted no later than 30 days after a member's status is changed. By forwarding Member Change of Status Forms to the Corporation, State Commissions and Parent Organizations signal their approval of the change.
- c. *Exit/End-of-Term-of-Service Forms.* Member Exit/End-of-Term-of-Service Forms must be submitted no later than 30 days after a member exits the program or finishes his/her term of service.

Recommendation

5. We recommend that the Corporation requires BGCA to follow AmeriCorps provisions and develop and implement policies and procedures to ensure that member enrollment and exit forms are signed and entered into Corporation systems in a timely manner.

Grantee's Response

BGCA management stated that program staff will work diligently to ensure that all member files and program materials are entered accurately and in a timely manner.

Auditor's Comment

BGCA did not include the actions it would take to ensure timely form processing. Our recommendation is not changed.

Finding 6. BGCA did not conduct the required orientation sessions.

Our review of the 424 member files showed no evidence that BGCA conducted the required AmeriCorps orientation sessions for members prior to start of service.

Management stated that most of the individuals enrolled in the EAP are alumni of other BGCA programs and, therefore, already have broad knowledge of the Corporation's AmeriCorps program. Management also said that new members were enrolled at various points throughout the year and it was therefore not feasible to organize orientation sessions for them.

If a member does not participate in the required orientation, he/she may not be aware of requirements to which he/she must adhere to successfully complete the EAP Program.

Criteria

The 2005/2006 AmeriCorps Education Award Special Grant Provisions, Section IV.E.3., *Training, Supervision, and Support*, states that:

The grantee must conduct an orientation for members and comply with any pre-service orientation or training required by the Corporation. This orientation should be designed to enhance member security and sensitivity to the community. Orientation should cover member rights and responsibilities, including the Program's code of conduct, prohibited activities (including those specified in the regulations), requirements under the Drug-Free Workplace Act (41 U.S.C. 701 et seq.) suspension and termination from service, grievance procedures, sexual harassment, other non-discrimination issues, and other topics as necessary.

Recommendation

6. We recommend that the Corporation requires BGCA to follow AmeriCorps provisions and ensure that all members receive the required orientation.

Grantee's Response

BGCA management stated that, in the future, BGCA will ensure that all members are aware of the duties, rights and responsibilities of CLUBService AmeriCorps members. Also, BGCA will introduce orientation materials to all Club sites. Orientation materials will be created during the summer of 2008 seeking input from local organizations via the quarterly memo which will be mailed in June. Once input is received from the field, documents will be created and distributed to the local organizations in October 2008. Organizations will be required to submit a verification form, certified by both the member and the supervisor, acknowledging that orientation has been completed within 30 days of start date.

Auditor's Comment

The actions proposed and implemented by BGCA should be considered by the Corporation, which should also follow up to ensure that the planned actions were implemented.

Finding 7. Member contracts did not include required clauses on civil rights and equal opportunity.

The member contract used by BGCA for PYs 2004-2005, 2005-2006, and 2006-2007 did not include AmeriCorps requirement on Civil Rights and Equal Opportunity. All member files reviewed lacked these requirements.

BGCA officials indicated that these provisions are incorporated into BGCA's organization-wide policies and are communicated to all employees and program sites. By not including these requirements in the member contracts, members may not be aware of rights under Civil Rights and Equal Opportunity as it relates to the EAP Program.

Criteria

The 2005/2006 AmeriCorps Education Award General Grant Provisions, Section V.F.3., *Public Notice of Nondiscrimination*, states:

The grantee must include information on civil rights requirements, complaint procedures and the rights of beneficiaries in member contracts, handbooks, manuals, pamphlets, and post in prominent locations, as appropriate.

Recommendation

7. We recommend that the Corporation requires BGCA to revise its member contract to include all AmeriCorps requirements stipulated in the grant.

Grantee's Response

BGCA management stated that its program staff, under the guidance of BGCA's General Counsel, has updated the program materials to accurately reflect the requirements. Language has already been submitted to the Corporation program officer in response to a site monitoring visit performed in November of 2007. Documentation was submitted to the Corporation on April 1, 2008. Updated materials reflecting these changes will be dispersed to all sites by August 31, 2008.

Auditor's Comment

Actions taken by BGCA to date are responsive to the recommendation. However, the Corporation should follow up after August 31, 2008, to ensure that the planned distribution of the updated member contract occurred and is being used by the members.

Finding 8. BGCA did not perform mid-term and end-of-term performance evaluations.

Our review of 424 member files showed no evidence that BGCA performed the required mid-term and end-of-term performance evaluations for members.

Management said that, based on their understanding of the EAP provisions, they were not required to perform mid-term and end-of-term performance evaluations for members.

Member performance evaluations are necessary to determine whether a member satisfactorily completed his or her term of service, is eligible for an education award, or eligible to serve a second term. Properly completed evaluations are necessary to ensure that members are eligible for additional service terms and that grant objectives have been met.

Criteria

Title 45 C.F.R § 2522.220(d) *Participant performance review*, states:

For the purposes of determining a participant's eligibility for a second or additional term of service and/or for an AmeriCorps education award, each AmeriCorps program will evaluate the performance of a participant mid-term and upon completion of a participant's term of service. The end-of-term performance evaluation will assess the following: (1) Whether the participant has completed the required number of hours described in paragraph (a) of this section.

Recommendation

8. We recommend that the Corporation ensures that BGCA adheres to the grant requirements regarding the mid-term and end-of-term evaluations.

Grantee's Response

BGCA management stated that, if so required by the Corporation, BGCA will require that all supervisors complete a mid-term and end-of-term evaluation for all enrolled members to be kept at the local Club site. When a member submits paperwork to exit from the program, a copy of each evaluation will be required. Performance reviews for second term members are stipulated in every member contract.

Auditor's Comment

Corporation regulations require mid-term and end-of-term evaluations. Our recommendation is not changed.

Finding 9. BGCA monitoring procedures were not fully performed, or results were not always documented.

BGCA did not retain complete documentation related to its site monitoring visits. BGCA utilized the AmeriCorps National Grantee Monitoring Tool for its site monitoring. However, the completed forms were not retained in the program files. BGCA management also said that it prepared follow-up letters for the sites regarding the issues identified during the site visits and the planned remedial action. However, there was no documentation on file to verify the actual issues identified and discussed with the site management during the visits.

Criteria

The 2005/2006 AmeriCorps Education Award General Grant Provisions, Section V.A. *General Provisions, Responsibilities under Grant Administration*, states in part:

1. Accountability of Grantee. The grantee has full fiscal and programmatic responsibility for managing all aspects of the grant and grant-supported activities, subject to the oversight of the Corporation. The grantee is accountable to the Corporation for its operation of the AmeriCorps Program and the use of the Corporation grant funds. The grantee must expend grant funds in a judicious and reasonable manner, and it must record accurately the service activities and outcomes achieved under the grant.

Title 45 C.F.R. § 2543.51(a), *Monitoring by grantees*, states:

Recipients are responsible for managing and monitoring each project, program, subaward, function or activity supported by the award. Recipients shall monitor subawards to ensure subrecipients have met the audit requirements as delineated in Section § 2543.26.

Recommendation

9. We recommend that the Corporation require BGCA to document the results of monitoring procedures and retain evidence of monitoring in its files.

Grantee's Response

BGCA management stated that changes are being made to its CLUBService Implementation Guide detailing updated monitoring protocols for all participating organizations. Once site visits are completed at each organization, a letter will be mailed detailing action steps that need to be taken to ensure that local organizations are in compliance with the rules and regulations of both AmeriCorps and BGCA. Organizations will have 30 days to respond with a written action plan to be completed within 90 days. BGCA program staff will perform desk reviews at that time to ensure the plan is being implemented at the local organization and evidence of monitoring will be retained.

Auditor's Comment

The actions proposed by BGCA are responsive to the recommendation. However, the Corporation should follow up to ensure that the planned actions were implemented.

This report is intended for the information and use of the Office of Inspector General, Corporation management, BGCA, and the U.S. Congress. However, this report is a matter of public record and its distribution is not limited.

Regis & Associates, PC

Regis & Associates, PC
February 29, 2008



**BOYS & GIRLS CLUBS
OF AMERICA**

July 17, 2008

Carol Bates
Assistant Inspector General for Audit
Office of Inspector General, Corporation for National and Community Service
1201 New York Avenue, N.W.
Suite 830
Washington, D.C. 20525

Re: *Agreed-Upon Procedures for Corporation for National and Community Service
Education Award Program Grants Awarded to Boys & Girls Clubs of America*

Dear Ms. Bates:

Thank you for the opportunity to comment on the draft report on the *Agreed-Upon Procedures for Corporation for National and Community Service Education Award Program Grants Awarded to Boys & Girls Clubs of America*. Boys & Girls Clubs of America greatly appreciates that these comments will be carefully considered and included as an appendix to the final report. Further, Boys & Girls Clubs of America acknowledges and values the efforts of the Corporation for National and Community Service (Corporation) in clarifying facts and supporting its position in this matter.

Boys & Girls Clubs of America (BGCA) strives to achieve the highest standards of compliance and to maintain its strong reputation for ethics and integrity. We are hopeful that our response to the draft report along with appropriate supporting documents will provide complete explanation and justification for removing some of the findings from the final report.

Please allow me to reiterate that BGCA acted with due diligence and good faith in the management of this grant, which has been instrumental in providing hope and opportunity to over 5,400 Boys & Girls Club members. As previously discussed, the findings contained several instances in which BGCA followed procedures at the guidance and direction of its program officer at the Corporation using the AmeriCorps Education Awards Program (EAP) provisions. There were also instances where the unique structure of BGCA necessitated working with its program officer to tailor the program to its structure with the Corporation's understanding. Finally, there are some findings where BGCA feels that in fact it did substantially comply with the grant requirements with only a small percentage of error, which did not have any material impact on the deliverables of the grant.

BGCA strongly maintains that none of the costs related to the grant are questionable including the education awards, accrued interest and administrative fees. BGCA respectfully requests that any reference to questioned costs be removed from the Executive Summary, the Schedule of Questioned Costs (contained in Exhibit A of the draft report) as well as Compliance Testing Results (contained in Exhibit B of the draft report) for reasons noted in the following Response to Findings.

In addition, please note that BGCA did not receive or disburse the questioned education awards in the amount of \$228,073. BGCA received only \$22,353 to administer the awards which were administered in an appropriate manner and all necessary and appropriate documentation in support of member eligibility was maintained.

Response to Findings

Finding 1. Members' files did not include documentation to support eligibility

BGCA strongly believes and respectfully requests that this finding and all questioned costs related to this finding against BGCA should be removed. BGCA legitimately relied upon guidance, forms and instructions from the Corporation for maintaining appropriate documentation to support eligibility of members. For this reason, there should be no finding against BGCA.

As stated in the report, under Title 45 C.F.R. § 2522.200(a)(2)(i) and (ii), use of written declaration regarding high school diploma is sufficient. As such, during the grant periods in question, at the direction of the Corporation, written declaration of education status was obtained from all participants. The enrollment form utilized was a form provided in 2004 by the Corporation to BGCA. (See form, attached as Exhibit A). The report notes that the provided form did not include the phrase "under penalty of law" and BGCA respectfully defers to the Corporation to address the content of the provided form. The provided form does make the applicant fully aware that having the equivalent of a high school diploma was a requirement for participation. In addition, there is no evidence that failure to have that language resulted in the enrollment of any participants that did not meet that criteria. In all respects, BGCA properly relied upon the direction and use of forms provided by the Corporation.

In response to the assertion that Boys & Girls Clubs of America did not comply with internal policies and procedures, at the beginning of this program, Boys & Girls Clubs of America prepared guidelines and a checklist for the member organizations and outlined the requirements for participation. In that initial checklist, BGCA indicated that documentation for education status was required. In 2004, when the Corporation informed BGCA the use of written declaration was allowable, this updated policy was communicated to Clubs as needed. In addition, this new policy was articulated during a member audit request from the National Service Trust, which is part of the U.S. Treasury and financial arm of the Corporation. The Trust periodically requests member documentation for random members from grantees to verify that enrollees are valid participants. See Exhibit B, which evidences BGCA's policy of accepting signatures of self-certification for school status. Thus, there was a change in BGCA's internal

procedures. As such, there was not a failure to comply with internal policies and procedures in this regard.

For these reasons, Boys & Girls Clubs of America continues to respectfully request that this finding against BGCA be removed.

Finding 2. BGCA did not have documentation to support criminal background checks completed as part of the screening process for 280 members

Assuring the safety of the Boys & Girls Club members is of the utmost importance to BGCA. As such, it respects and supports the need for criminal background checks for employees and volunteers. Effective January 2005, BGCA required that all member organizations perform background checks on staff and regular volunteers. The member organizations certify to BGCA in an annual report that background checks are being completed at the local level. Those records (the background checks) would be maintained at the local level, not at the national level.

This finding appears to relate to the recordkeeping by Boys & Girls Clubs of America. The AmeriCorps guidelines do not specify that the actual background checks be kept at the national level and to do so may have violated the Fair Credit Reporting Act. The applicable Americorps provision states as follows:

IV. L. MEMBER RECORDS AND CONFIDENTIALITY

- 1. Record-Keeping.*** *The grantee must maintain records specified in the Financial Management Standards (Section B) of the General Provisions below that document each member's eligibility to serve pursuant to the member eligibility requirements in the definitions section of these provisions. The records must be sufficient to establish that the individual was eligible to participate in the program and that the member successfully completed the program requirements.*

This provision does not require that copies of the background check be maintained at a centralized location. Therefore, BGCA respectfully submits that maintaining those records at the local sites would comply with the above provision.

Moving forward, in addition to the information collected on annual reports, BGCA will have member organizations complete a form for each participant certifying that the background check has been completed, in accordance with applicable state laws and regulations. This form will be included as part of the organizations' enrollment form and verified before they can enter the program.

Finding 3. Members recorded service hours before contracts were signed

BGCA does not concur with this finding as the lack of materiality in this finding supports the process that was in place during these grant periods. BGCA followed its policies and procedures and of the 424 member files audited there were only seven instances.

Moreover, there is no dispute that the recorded hours were legitimate hours served and that there was no intent to improperly record any hours. For these reasons, BGCA would continue to respectfully request that this finding be removed as a significant finding.

In the future, all program materials will no longer reflect an enrollment date. Applications will be processed by BGCA staff and a start date will be assigned to the member. Once all application documents are received and processed an email will be sent to member's supervisor. This should eliminate any future instances.

Finding 4. Member files were not retained and timesheets contained irregularities

Again, BGCA does not concur with this finding because the lack of materiality in this finding supports the process that was in place during these grant periods. With regard to the finding that member files were not retained, the chart illustrated on page 10 of the report shows that there were no missing files in 2004-2005 and only one such instance in each of the following two grant years.

With regard to the finding that the timesheets contained irregularities, over the three year period there were only 13 minor observations noted in the 424 audited member files.

Moving forward, member hours will be reconciled after the 2nd quarter and 4th quarter reports have been received to ensure that member hours are recorded accurately. Since WBRS is being phased out by CNCS we will verify submitted timesheets against our internal database.

Finding 5. BGCA did not complete member enrollment and exit forms and enter them in WBRS in a timely manner

Due to the separation of BGCA and the local organizations, getting the enrollment and exit forms processed within thirty (30) days was difficult and sometimes challenging. The program officer was aware of this process concern and assured BGCA that such delay was understood. For these reasons, BGCA would again request that this concern not be considered a material finding. In addition, BGCA has worked diligently to reduce the time to enter and exit members since the start of our program and will continue to do so.

Moving forward, BGCA program staff will work diligently to ensure that all member files and program materials are entered accurately and in a timely fashion.

Finding 6. BGCA did not conduct the required orientation sessions

The BGCA CLUBService program is unique in that it requires all AmeriCorps members to be current members or alumni of a Boys & Girls Club. As such, prior to becoming involved in the AmeriCorps program, all members are oriented to the organization through their personal involvement. For this reason, orientation related to the mission and purpose of BGCA was not necessary.

In the future, BGCA will ensure that all members are aware of the duties, rights and responsibilities of CLUBService AmeriCorps members and we will introduce orientation materials to all Club sites. Orientation materials will be created during the summer of 2008 seeking input from local organizations via the quarterly memo which will be mailed in June. Once input is received from the field, documents will be created and distributed to local organizations in October 2008. Organizations will be required to submit a verification form certified by both the member and the supervisor acknowledging that the orientation has been completed within 30 days of start date.

Finding 7. Member Contract did not include required clauses on civil rights and equal opportunity

BGCA absolutely promotes adherence to all legal rights and Equal Opportunity at all levels. BGCA program staff, under the guidance of General Counsel for BGCA has updated the program materials to accurately reflect the requirements. Language has already been submitted to CNCS program officer in response to a site monitoring visit performed by the Corporation in November of 2007. Documentation was submitted April 1, 2008 to the Corporation. Updated materials reflecting these changes will be dispersed to all sites by August 31, 2008.

Finding 8. BGCA did not perform mid-term and end-of-term performance evaluations

BGCA properly relied upon direction from the Corporation regarding evaluations. As set forth in Exhibit C, BGCA was assured that *“There is no evaluation requirement for EAPs, however, the regular National Direct grantees are required to have a mid-term and end of term evaluation.”*

As further explanation, both the EAP provisions and the general AmeriCorps provisions have a section entitled “Training, Supervision and Support” (See §7) but in that section of the EAP provisions, there is no reference to performance reviews at all. In the general AmeriCorps provisions, §7(g) does outline performance reviews requirements.

In the entire EAP provisions, there is only one reference to performance reviews, §8(b)(ii), which reads as follows:

- “ii. Satisfactory Performance Review. To be eligible to serve a second or subsequent term of service, a member must receive a satisfactory performance review for any prior term of service.”

As such, Boys & Girls Clubs of America was operating under the premise and direction of the Corporation that performance reviews were only required if a member were serving a second term and this understanding was confirmed by the program officer. Documentation has been provided to evidence this understanding (See Exhibit C). Furthermore, in accordance with the EAP provisions communicated to BGCA by the CNS Program manager, BGCA did require performance evaluations for members serving a second term.

For this reason, BGCA asserts that this finding should not be included in the final findings report.

Moving forward, if so required by the Corporation, BGCA will require that all supervisors complete a mid-term and end-of-term evaluation for all enrolled members to be kept at the local Club site. When a member submits paperwork to exit from the program, a copy of each evaluation will be required. Performance reviews for second term members are stipulated in every member contract.

Finding 9. BGCA monitoring procedures were not fully performed, or results were not always documented

Boys & Girls Clubs of America appreciates the chance to improve upon its monitoring procedures. While site visits have been and will continue to occur, changes are being made to CLUBService Implementation Guide detailing updated monitoring protocol for all participating organizations. Once site visits are completed at each organization a letter will be mailed detailing action steps that need to be taken to ensure that local organizations are in compliance with the rules and regulations of both AmeriCorps and BGCA. Organizations will have 30 days to respond with a written action plan to be completed within 90 days. BGCA program staff will perform desk reviews at that time to ensure the plan is being implemented at the local organization. Evidence of monitoring will be retained.

Conclusion

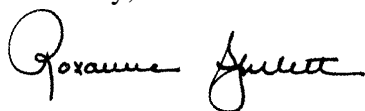
Boys & Girls Clubs of America greatly appreciates this opportunity to address these findings. As stated earlier, it is critical to Boys & Girls Clubs of America to maintain the highest integrity and transparency so your favorable consideration is valued.

Please allow Boys & Girls Clubs of America to reiterate that with regard to the first finding, Boys & Girls Clubs of America at the discretion and approval of the Corporation used the allowed option of a written declaration, and used the tool provided by the Corporation to support member eligibility. As such, there should not be any questioned costs associated with Boys & Girls Clubs of America.

Boys & Girls Clubs of America sincerely appreciates the continuing support of the Corporation and the confidence it has placed in the Boys and Girls Clubs Movement to inspire and enable all young people in need to realize their full potential as productive, responsible and caring citizens.

Boys & Girls Clubs of America welcomes any additional questions and concerns you might have related to the responses.

Sincerely,



Roxanne Spillett
President
Boys & Girls Clubs of America

cc: Ronald Huritz, Audit Manager, R.Huritz@cncsoig.gov and 202-606-9397
Lateef Abassi, CPA, Regis & Associates, PC

Exhibit A



CORPORATION FOR NATIONAL SERVICE ENROLLMENT FORM

This form will enroll an AmeriCorps Member in the National Service Trust, making the Member eligible for an education award. It also provides the Corporation for National Service with basic demographic information.



DIRECTIONS

Use black ink or pencil, print in capital letters and fill circles completely.

- Member: 1. Please complete Part 1 and Part 2. Sign Part 1. 2. Return the completed form to your Program Director.

PART 1 MEMBER: PLEASE COMPLETE AND SIGN

1. Name [Last First MI]

2. Date of Birth [] 3. Social Security Number []

4. Males 18 to 26 years old not yet registered with the Selective Service System: If you would like the Corporation for National Service to provide the information on this page to the Selective Service System so that the agency may register you, please fill in this circle. O

5. Current Address: (All information about your education award will be sent to this address until you notify the Corporation of a change of address.) [Number and Street City State ZIP E-Mail Address Home Phone Business Phone Ext]

6. Permanent Address (Name and address of person through whom you can always be reached once you leave the program.) [Last First MI Number and Street City State ZIP E-Mail Address Home Phone Business Phone Ext]

7. Member's Signature: _____ Date: _____

Privacy Act Statement - In compliance with the Privacy Act of 1974, the following information is provided. The collection of this information is authorized by the provisions of the National and Community Service Act, as amended by the National and Community Service Trust Act of 1993. The primary purpose of the information is to obtain from AmeriCorps program representatives their determination of whether a member successfully completed a term of service and is eligible for an education award. The evaluation information will help the Corporation improve its programming and services to members. For individuals who have indicated their desire to receive additional information on alumni organizations or special education opportunities for alumni, members' names, addresses, and phone numbers will be shared with those organizations for that purpose. Except as indicated here, no information will be disclosed outside the Corporation without written permission. The Internal Revenue Service has determined that the education award is taxable in the year it is used. Your Social Security Number (SSN) is solicited under the authority of the Internal Revenue Code (26 U.S.C. 6011(b) and 6109), for use as a taxpayer identification number. Failure to disclose the SSN or any other information may result in a denial of your receiving an education award or it may delay the processing of your education award.

Public reporting burden - Estimated time to complete this form, including time for reviewing instructions, gathering, and providing information the information needed to complete the form is 6.5 minutes for the Member section and 4.5 minutes for the Certifying Official section. Send comments regarding this burden or the content of the form to: Corporation for National and Community Service, National Service Trust, 1201 New York Avenue NW, Washington, DC 20525. The Corporation informs the potential persons who are to respond to this collection of information that such persons are not required to respond to the collection of information unless it displays a currently valid OMB control number on this page of the form (see CFR 1320.5(b)(2)(1)).

OMB Approval # 3045 0006

1. **Mark your gender.**
- Female
 - Male
2. **Mark your citizenship status.**
- U.S. Citizen
 - U.S. National
 - Lawful Permanent Resident Alien of the United States
3. **Are you registered to vote?**
- Yes
 - No
 - Not sure
 - Not eligible
 - Prefer not to respond
4. **Which of the following categories best describes your racial or ethnic origins? (Mark one from A and one from B.)**
- A. Race**
- American Indian or Alaskan Native
 - Asian or Pacific Islander
 - Black
 - White
- B. Ethnicity**
- Hispanic origin
 - Not of Hispanic origin
5. **Which one of the following best describes your marital status?**
- Single, never married
 - Married, living with husband/wife
 - Married, not living with spouse/legally separated
 - Widowed
 - Divorced
 - Prefer not to respond
6. **What is the highest level of education you have completed?**
- Less than high school completed
 - GED
 - High school graduate
 - Technical school/apprenticeship
 - Some college
 - Associates degree (AA)
 - College graduate
 - Some graduate school
 - Graduate degree
- I certify that:
- I have received a high school diploma or its equivalent
 - I agree to obtain a high school diploma or its equivalent; or
 - I am enrolled in an institution of higher education and am eligible for federal student financial assistance.
7. **Do you have a disability?**
- Yes (please specify): _____
 - No
 - Prefer not to respond
8. **Are you a veteran of the United States Armed Forces?**
- Yes
 - No
9. **What are the two most important reasons you decided to join this program?**
- To get an education award
 - To help other people/perform a community service
 - To be part of a national movement
 - To get a job/earn money
 - Friends have joined
 - To make friends
 - To learn about or work with different ethnic/cultural groups
 - Parents/teachers wanted me to join
 - To explore future job/education interests
 - To get involved in health issues
 - To get involved in education issues
 - To get involved in environment issues
 - To get involved in public safety issues
 - Other (please specify): _____
10. **How did you hear about this program? (Mark all that apply.)**
- Read about it in a newspaper/magazine article
 - Saw an advertisement in a newspaper/magazine
 - Saw/heard a public service announcement
 - Heard the President talk about it
 - Recruited by an organization/school
 - Guidance counselor/teacher
 - Parent/relative
 - Current or former AmeriCorps Member
 - Friend told me/friend applied
 - Heard about it on TV
 - Heard about it on the radio
 - Heard about it on the Internet/World Wide Web
 - Heard about it from an AmeriCorps recruiter/representative
 - Received information in the mail
 - Other (please specify) _____

Member's Signature _____ Date: _____



BOYS & GIRLS CLUBS
OF AMERICA

MEMO

Date: June 20, 2005
To: Bruce Kellogg,
Fax: 202-565-2742
From: Elaina Ouimet, Assistant Director, Teen Services
Subject: **Audit Request for Member Record:**
cc: Marie Netto

Bruce,

Per your email request I am faxing documents for member

1. Proof of citizenship and age – **please see attached copy of U.S. birth certificate**
2. Proof of high school diploma or its equivalent, or written declaration regarding high school diploma. **Please see attached signed member application (bubble sheet) where member certifies in question #6 his intention to achieve a high school diploma.**
3. Member application form – **Enclosed**
4. Enrollment form – **Enclosed**
5. Exit form – **Enclosed**
6. Timesheets – **Please see enclosed timesheets for the months of March – December 2004.**

Should you have any questions please contact me at 404-487-5801 or euimet@bgca.org.

Marie Netto

To: Elaina Ouimet

Subject: FW: member records for audit

-----Original Message-----

From: Kellogg, Bruce [mailto:BKELLOGG@cns.gov]

Sent: Thursday, June 16, 2005 1:23 PM

To: Marie Netto

Subject: member records for audit

Dear Colleague:

Once again the audit season is upon us. We are requesting a number of documents from files of specific members enrolled in FY 2005. The documents are:

1. Proof of citizenship and age as listed on the 45 CFR, chapter XXV, section 2522.200 (see attached file: 'Eligibility Requirement' page 3-4).
2. Proof of high school diploma or its equivalent, or written declaration regarding high school diploma. (also listed on the attached CFR)
3. Member application form
4. Enrollment form (NOT a print-out from WBRS)
5. Exit form (NOT a print-out from WBRS). If the member exited with a compelling reason, a copy of the letter to support it.
6. Timesheets (if applicable)

If any of these documents is not available for any reason, please indicate this and provide an explanation. **The deadline for this project is Wednesday, June 29, 2005.** Our fax number is 202 565 2742. If you have questions regarding this project, please let me know. I know your workload is no less than mine and I appreciate the effort these audits require. Thank you for your assistance.

The member records requested are:

Exhibit C

From: CNS Program Officer
Sent: Monday, March 24, 2008 12:03 PM
To: BGCA Staff
Cc: Senior Director BGCA, Program Director BGCA
Subject: RE: Evaluation Not a Requirement for EAPs

Hi BGCA Staff and Program Director, BGCA-

I am so sorry you are being forced to deal with this issue again. I have forwarded the email sequence on to Claire Moreno and have requested that she follow up with the Regis auditors to clarify the member evaluation piece for them. As we go forward, please keep bringing these issues to our attention, as we would like to have Claire work with Regis to clarify them before they are mistakenly included on the official audit findings document rather than waiting to rebut. Thank you so much for your patience as you navigate the audit process.

Please feel free to call or email if you have any further questions,
CNS Program Officer
Program Officer, AmeriCorps National

From: BGCA Staff
Sent: Friday, March 21, 2008 1:00 PM
To: CNS Program Officer
Cc: Senior Director BGCA; Program Director BGCA
Subject: FW: Evaluation Not a Requirement for EAPs

CNS Program Officer,

Please see below, where the regulations (referred to incorrectly as the provisions) are cited. How does this affect EAPs?

It appears this may be an issue on which we will need to wait until the official public cycle to rebut. Thanks.

BGCA Staff

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From: Regis & Associates
Sent: Friday, March 21, 2008 1:26 PM
To: BGCA Staff
Cc: Regis& Associates; Program Director, BGCA
Subject: RE: Evaluation Not a Requirement for EAPs

Hi BGCA Staff,

Thanks for forwarding the email from CNS Program Officer to me.

I have provided the relevant AmeriCorps Program provisions below:

45 C.F.R. § 2522.220

(d) **Participant performance review**. For the purposes of determining a participant's eligibility for a second or additional term of service and/or for **an AmeriCorps educational award**, each AmeriCorps program will evaluate the performance of a participant **mid-term** and **upon completion** of a participant's term of service. The end-of-term performance evaluation will assess the following:

- (1) Whether the participant has completed the required number of hours described in paragraph (a) of this section;
- (2) Whether the participant has satisfactorily completed assignments, tasks or projects; and
- (3) Whether the participant has met any other performance criteria which had been clearly communicated both orally and in writing at the beginning of the term of service.

Enjoy the Easter Holidays !

Thanks

-----Original Message-----

From: BGCA Staff

Sent: Friday, March 21, 2008 10:28 AM

To: Regis & Associates

Cc: Senior Director BGCA, Program Director BGCA, Senior Director Grants Manager BGCA

Subject: Evaluation Not a Requirement for EAPs

For issues F and G raised regarding evaluation, please see e-mail below from our AmeriCorps program officer stating that these are not, in fact, requirements for our type of program. Thank you.

From: CNS Program Officer

Sent: Monday, March 03, 2008 9:04 AM

To: BGCA Staff

Cc: Program Director, BGCA

Subject: RE: Evaluation Requirement?

BGCA Staff and Program Director BGCA.

There is no evaluation requirement for EAPs, however, the regular National Direct grantees are required to have a mid-term and end of term evaluation. The second term would be based on your evaluation of the members' value to your program—we leave it entirely up to the parent organizations' discretion.

Please give me a call or email if you have any further questions or would like to discuss.

Thank you,
CNS Program Officer

Program Officer, AmeriCorps National

"Without belief, we would be left with nothing but an overwhelming doom, every single day. And it will beat you. I didn't fully see, until this cancer, how we fight every day against the creeping negatives of the world, how we struggle daily against the slow tapping of cynicism. Dejectedness and disappointment, these are the real evils of life, not some sudden illness or cataclysmic millennium doomsday. I knew how why people fear cancer: because it is a slow and inevitable death, it is the very definition of cynicism and loss of spirit... So, I believed." Lance Armstrong

From: BGCA Staff [mailto:]
Sent: Thursday, February 28, 2008 12:36 PM
To: CNS Program Officer
Cc: Program Director, BGCA
Subject: Evaluation Requirement?

CNS Program Officer,

We have an additional clarification to seek from you regarding provisions about evaluations.

Our understanding from the provisions is that member's must have a satisfactory performance evaluation to be considered for a second term of service (although such is not a guarantee of a second term of service). This is stated in the member contract accordingly.

However, we do not keep such in our files. Is this is a requirement?

Also, is a mid-term evaluation required at all? Thank you for the official clarification.

BGCA Staff

BGCA Staff

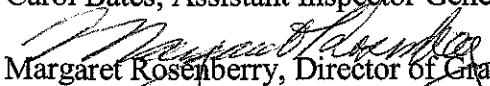
Boys & Girls Clubs of America

This e-mail message and all attachments transmitted with it may contain legally privileged and/ or confidential information. If you are not the addressee or authorized to receive this for the addressee, you may not use, copy, disclose or take any action based on this e-mail. If you have received this message in error, please delete it and notify the sender. Thank you.

This e-mail message and all attachments transmitted with it may contain legally privileged and/ or confidential information. If you are not the addressee or

Corporation for
**NATIONAL &
COMMUNITY
SERVICE** 

To: Carol Bates, Assistant Inspector General for Audit

From: 
Margaret Rosenberg, Director of Grants Management

Cc: Jerry Bridges, Chief Financial Officer
Frank Trinity, General Counsel
Kristin McSwain, Director of AmeriCorps
Sherry Blue, Audit Resolution Coordinator

Date: July 18, 2008

Subj: Response to OIG Draft of Agreed-Upon Procedures of Grants Awarded to Boys and Girls Clubs of America

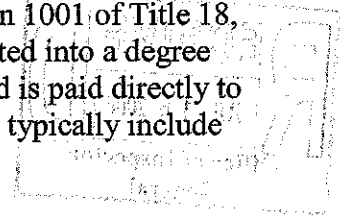
Thank you for the opportunity to review the draft Agreed-Upon Procedures report of the Corporation's grants awarded to Boys and Girls Clubs of America. We are addressing only one finding at this time. We will respond to all findings and recommendations in our management decision when the final audit is issued.

The auditors questioned education awards for 94 members because the member files had no documentation to support evidence of high school diplomas or other equivalency certifications. As we noted in our discussions on this finding, we recommend that the OIG revise its audit procedures. The Corporation's regulations allow programs to accept self-certification from applicants that they have a high school diploma. There is no requirement that the member file contain a copy of the diploma. A self-certification may be obtained on application forms or enrollment forms.

The program did have self certifications as you subsequently recognized, but the language did not include the phrase "under penalty of law" as stated in the Corporation's regulations. However, the grantee was using a Corporation-produced enrollment form which did not include the phrase. As a result, we anticipate allowing the questioned education awards. For the future, the Corporation will assure all required language is included.

We should also point out that the risk to the Government of ineligible members obtaining education awards based on their educational status is minimal. The risk is mitigated by additional program requirements to access the awards beyond the member file documentation. The AmeriCorps Voucher and Payment Request Form from which the Trust processes payment requests from members to an educational institution, includes a

certification of eligibility and language that “a knowing and willful false statement on the form can be punished by fine or imprisonment or both under Section 1001 of Title 18, USC”. Also, members can only access their award by being accepted into a degree program of an accredited institution of higher education. The award is paid directly to the institution that confirms the qualifications for acceptance which typically include validation of high school diploma or equivalent.



The Corporation will address the remaining questioned costs and other findings during audit resolution after the audit is issued as final.