



Corporation for
**NATIONAL &
COMMUNITY
SERVICE** 

Fiscal Year 2005

Performance and Accountability Report

Report Information

Comments and Questions

Thank you for your interest in the Corporation for National and Community Service's FY 2005 Performance and Accountability Report. We are interested in your feedback regarding the content of this report. Please feel free to email your comments and questions to Tyndall Traversa (TTraversa@cns.gov) or Jason Smith (JSmith@cns.gov) or write to:

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Online and Ordering Information

The Corporation's FY 2005 Performance and Accountability Report is available on the internet at: http://www.nationalservice.gov/about/role_impact/strategic_plan.asp. Additional copies may be ordered by contacting Tyndall Traversa (TTraversa@cns.gov) or Jason Smith (JSmith@cns.gov).

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More Information About the Corporation

To learn more about the Corporation or any of its programs, visit www.nationalservice.org or call 202-606-5000 or TTY 202-565-2799.

Corporation for
**NATIONAL &
COMMUNITY
SERVICE** ★★ ★



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Make a Difference. Volunteer.

Corporation for National and Community Service

FY 2005 Performance and Accountability Report

January 2006

Preface

Purpose of the Report

The Corporation for National and Community Service's (Corporation's) FY 2005 Performance and Accountability Report presents performance and financial information to enable the the Congress, the President and the public to assess the performance of the Corporation relative to its mission and resources. This document meets reporting requirements under the Government Performance and Results Act, the Federal Financial Management Improvement Act, the Federal Managers' Financial Integrity Act, the Government Corporation Control Act, the Improper Payments Act, and the Federal Information Security Act, among others. This document also is structured to meet applicable guidance from the Office of Management and Budget (OMB), as well as the recommendations of the Association of Government Accountants' Certificate of Excellence in Accountability Reporting (CEAR) program.

Report Organization

Message from the Chief Executive Officer

The Message from the Chief Executive Officer (CEO) includes the CEO's assessment of the agency's performance, including an assessment of the reliability and completeness of the performance and financial data in the Report, as well as a statement of assurance as required by the Federal Managers' Financial Integrity Act (FMFIA) and the Federal Financial Management Improvement Act, indicating that management controls are in place and financial systems conform to government-wide standards.

M Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) provides an overview of the agency's performance, including mission, management, and financial performance: The MD&A includes the following segments:

- An overview, including a discussion of the Corporation's strategic goals and initiatives;
- A discussion of the agency's mission performance highlights, including the agency's evaluations; and
- A discussion of the agency's management performance highlights, including the agency's organizational structure, its progress towards its management performance goals and in implementing the President's Management Agenda, OMB's findings using the Program Assessment Rating Tool, a discussion of the management controls, improper payments and audit results, and an analysis of the Corporation's financial condition.

F Financial Management

The Financial Management section contains the message from the Deputy Chief Financial Officer (DCFO) describing the agency's financial performance, a discussion of the limitations of the financial statements, the Corporation's financial statements, including all related notes, and the Independent Auditor's Report, including the Corporation's response.

A Appendices

The Appendices contain supplementary information about the Corporation's performance: a break-out of the agency's focus area funding by program, the derivation of estimated funding by goal, program performance statistics, a program performance discussion by program, a report on the sources and uses of donations made to the Corporation, a summary of the key financial factors affecting the National Service Trust, and a glossary.



Corporation for National and Community Service
1201 New York Avenue, NW
Washington, DC 20525

January 2006

Message from the Chief Executive Officer

I am pleased to present to Congress and the public the Corporation's FY 2005 Performance and Accountability Report. This report details the Corporation's FY 2005 mission and management performance, and financial condition.

2005 was a challenging year for our Nation. The hurricanes that hit the Gulf Coast brought tremendous destruction and human misery to that region. In response to that unprecedented national disaster, more than 13,000 Corporation-sponsored volunteers rallied to help meet the enormous needs that arose both within the region and throughout the country. Among many other activities, our programs' participants worked in warehouses and call centers, cleared debris, assisted evacuees in shelters (and helped place them in more permanent housing), and recruited and managed thousands of other volunteers to assist in these efforts.

The storms laid bare another, deeper crisis in America. For many viewers of the disaster, the images on television were an unexpected and shocking notice of the racial inequity, poverty, and generational hopelessness that exists in our country. As President Bush has said, too many of our fellow citizens remain "cut off from the opportunity of America," not only in the hurricane-affected region, but in towns and cities across our country. In 2005, the staff, members, participants and partners of the Corporation's AmeriCorps, Learn and Serve America, and Senior Corps programs worked hard to be a part of the solution to these regional and national challenges, and I am proud of all that the Corporation has achieved.

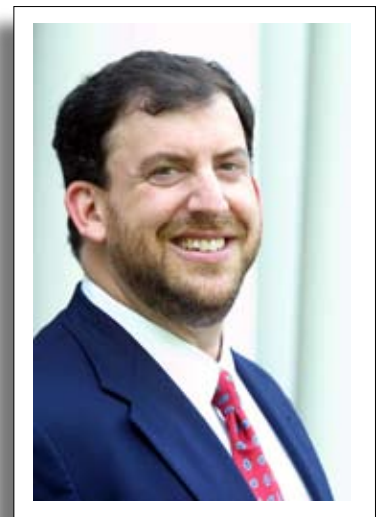
Some measures of success this year include:

- Mentoring and other support to about 400,000 children and youth in disadvantaged circumstances, including 16,000 children of prisoners;
- Opportunities and support for almost 500,000 children and youth in disadvantaged circumstances to volunteer; and
- Assisting 100,000 elderly and disabled citizens to continue living independently.

All told, almost 3.7 million volunteers either directly sponsored, recruited, or managed by the Corporation met a wide range of local and community needs in education, the environment, public safety, housing, public health, disaster response-sponsored, elder care, and other areas.

Strategic Plan

Following extensive consultation with constituents across the nation, the Corporation and our Board of Directors in FY 2005 completed a strategic plan for 2006-2010. This plan focuses all of the Corporation's programs on four areas where we believe we can make a significant difference in the next five years: helping children and youth in disadvantaged circumstances, expanding the capacity of the nonprofit sector to engage volunteers, and increasing the number of volunteers nationwide, particularly children and youth in disadvantaged circumstances,



students, and Baby Boomers. Moreover, the plan ties these focus areas to concrete national targets for FY 2010, such as:

- 75 million Americans volunteering;
- Over over 5.5 million children and youth from disadvantaged circumstances mentored; and
- Over 3 million children and youth from disadvantaged circumstances, 5 million college students, and 29 million Baby Boomers engaged in community service.

Approved late in the year, the plan is already an integral part of many of the agency's operations, including how we are looking at FY 2005 grant funding and training and technical assistance. This is an encouraging sign that a strategic approach to doing business will help us be more effective and efficient in meeting national and community needs.

Management Progress

Over the past year, the agency continued to implement reforms in nearly every aspect of the agency's operations, including:

- Further implementing risk-based grants monitoring;
- Rulemaking in the AmeriCorps*State and National program;
- Increasing that program's rating on OMB's Program Assessment Rating Tool to "adequate;"
- Implementing improvements in human capital management to increase employee performance;
- Upgrading the agency's information technology, including completing a significant portion of the agency's data warehouse and improving the functionality of its grants management system; and
- Making many other improvements that will enhance the agency's effectiveness

I'm also pleased to report that, for the sixth straight year, the Corporation received an unqualified audit opinion on our FY 2005 financial statements. The Office of the Inspector General (OIG) did identify, however, two reportable conditions: one related to grants monitoring and the other to the agency's internal control over payroll processes. The agency will fully address these findings in FY 2006.

The OIG's review also found that the agency's systems, internal controls and operations were in compliance with the Federal Manager's Financial Integrity Act and the Federal Financial Management Improvement Act. The agency was also in compliance with the Federal Information Systems Management Act, except for deficiencies related to the documentation of security and Privacy Act assessments. As a result, the agency provides unqualified assurance on its financial reporting controls and compliance with financial management system requirements. We provide qualified assurance on our agency controls due to the security and Privacy Act assessment deficiencies noted above.

Finally, the National Academy of Public Administration (NAPA) recently completed a review of the Corporation's leadership, management, and operations, concluding that the agency is functioning well in each of these areas. NAPA also made a number of recommendations for further improvements, which we are already enacting, such as working to establish an Information Technology Investment Review Board. Other NAPA suggestions will require more review and thoughtful consideration over the coming year.

< *CEO Message continued from previous page*

The Corporation's progress in FY 2005 was a direct result of the commitment, hard work, and talent of the agency's staff. Over the coming years, I am confident the agency will continue its progress toward efficient and well-managed operations, meeting our national strategic goals, and making an even greater impact on community needs.

A handwritten signature in black ink, appearing to read "David Eisner". The signature is fluid and cursive, with a large initial "D" and "E".

David Eisner
Chief Executive Officer

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Management's Discussion and Analysis

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Corporation Performance Highlights

Overview

The Corporation for National and Community Service (the Corporation) provides service opportunities to hundreds of thousands of Americans, promotes volunteering in communities throughout the country and helps nonprofit organizations to effectively engage volunteers. In so doing, the Corporation provides highly cost effective, caring and compassionate volunteer services to improve the lives of the Nation's neediest citizens. In FY 2005, the Corporation:

- Provided about 215 million hours of service nationwide,¹ helping meet the Nation's educational, environmental and other human needs;
- Sponsored and/or managed about 3.7 million volunteers, including about 121,000 stipended program members and participants, 450,000 Retired and Senior Volunteer Program participants, 1.5 million Learn and Serve America participants and 1.7 million other community volunteers; and,
- Helped more than 70,000 nonprofit organizations, public agencies, and educational institutions to expand their capacity to meet community needs through service.

The agency also contributed to an increase in the number of Americans who volunteer—up 0.8 million to an estimated 65.3 million volunteers in FY 2005.

¹ Including about 25.6 million hours through Learn and Serve America, 1.8 million through AmeriCorps'NCCC, 49.2 million through AmeriCorps'State and National, 11.4 million through AmeriCorps'VISTA, 109.1 million through the Senior Corps programs (66 million through RSVP, 30 million through FGP, 13 million through SCP; and 1.7 million through the Senior Volunteer Program); and 8.9 million through community volunteers recruited/managed by Corporation program members/participants, except by Senior Corps participants.

Strategic Plan

In FY 2005, the Corporation developed a more focused strategic plan for FY 2006-FY 2010. This plan reflects input from hundreds of people and organizations in the nonprofit, volunteer sector. The plan also reflects the Corporation's and its Board of Directors' vision for the agency as a highly cost effective, leveraged catalyst for volunteer service to improve the lives of the Nation's neediest citizens. Central to the plan are three key strategies: support local communities to identify and address their most critical needs; strengthen local communities, including the nonprofit, government and private sectors, to engage its citizens to meet the community's own needs; and, encourage Americans to support their communities through volunteering. The plan also identifies a number of focus areas and cross-cutting priorities that reflect emerging demographic, social and economic trends—both challenges and opportunities—and identifies overall management excellence as one of the agency's key goals. Although only recently established, the Corporation integrated this plan into the agency's FY 2005 operations and has already begun to see its impact.

The strategic plan is designed to achieve three strategic goals:

Goal 1. Meet critical needs in local communities through service

Across America, millions of lives are improved, problems resolved, injuries healed, and injustices overcome as a result of interventions by caring, compassionate and skilled volunteers in Corporation-supported programs. While these volunteers provide services to help meet a broad range of the Nation's educational, environmental, and other human needs, they have a particularly valuable role to play in mentoring children and youth in disadvantaged circumstances, providing disaster relief, and helping the Nation's elderly to continue living independently.

Goal 2. Strengthen communities to engage citizens

Corporation programs help nonprofit

organizations, public agencies, educational institutions, and volunteer connector organizations build the capacity to engage citizens in service, thus strengthening the community's ability to meet local needs. In particular, the Corporation's programs help these organizations to provide an environment that supports volunteer activities, including creating meaningful volunteer opportunities and effectively managing volunteers of all types and interests—students, Baby Boomers, children and youth from disadvantaged circumstances, individuals seeking short-term or one-time volunteer experiences and individuals willing to make long-term volunteer commitments. Moreover, the Corporation helps establish service-learning programs in the Nation's schools, from kindergarten through college, thus

promoting a culture of service that will continue to strengthen our communities into the future.

Goal 3. Engage Americans in a lifetime of volunteering and service

The Corporation offers all Americans meaningful opportunities to serve and improve their communities and their own lives. Through service, the Corporation helps to create an ethic of responsibility and citizen engagement, as well as helping those who serve to enhance valuable skills; to engage in rewarding service projects; and, also to gain health and social benefits. The Corporation also targets specific populations where the potential for increased volunteering is enormous, such as students, Baby Boomers, and children and youth from disadvantaged circumstances.



Corporation Strategic Plan for 2006-2010

Mission

Improve lives, strengthen communities, and foster civic engagement through service and volunteering

Strategic Goals

- 1 Meet critical needs in local communities through service
- 2 Strengthen communities to engage citizens
- 3 Engage Americans in a lifetime of volunteering and service

Focus Areas

- » Ensure a brighter future for all of America's children and youth
- » Provide more opportunities for citizens to serve and volunteer
- » Engage students in their communities
- » Harness experience to meet 21st century challenges

Cross-Cutting Priorities

Disaster preparedness and relief
Rural and distressed communities
Senior independent living

Management Initiative

Achieve management excellence

Corporation Programs

The Corporation operates three major sets of programs—Learn and Serve America, AmeriCorps and Senior Corps—and a number of smaller programs and activities to achieve significant impacts on the agency's strategic goals. These programs, each with its own

structure, target population, emphasis, and contribution to the agency's goals, are united in a common purpose—engaging citizens dedicated to making their communities better.

Each Corporation Program's Contribution to the Strategic Goals

CORPORATION PROGRAM	Meet critical needs in local communities through service	STATEGIC GOAL Strengthen communities to engage citizens	Engage Americans in a lifetime of volunteering and service
<p>Learn and Serve America</p> <p>AmeriCorps [AmeriCorps*National Civilian Community Corps (NCCC); AmeriCorps*State and National; and AmeriCorps*Volunteers in Service to America (VISTA)]</p> <p>Senior Corps [Retired and Senior Volunteer Program (RSVP); Foster Grandparent Program (FGP); and Senior Companion Program (SCP)]</p>	<p>Engages young people in service projects to help their schools and communities</p> <p>NCCC Assists communities with special projects and mobilizes quickly to provide disaster relief State and National Provides a wide range of direct services to the Nation's neediest citizens and communities VISTA Provides direct services, as well as support to nonprofit organizations to help fight poverty</p> <p>RSVP Provides a wide range of direct services to the Nation's neediest citizens and communities FGP Provides mentoring and other support to children with exceptional needs SCP Provides support services to frail and elderly adults to enable them to continue living independently</p>	<p>Strengthens the commitment to service in the Nation's schools by integrating service into the curriculum</p> <p>NCCC Brings communities together around improvement and renewal projects, helping to establish lasting partnerships and coalitions to meet community needs State and National Leverages community volunteers by providing volunteer recruitment and management support to community organizations VISTA Builds the capacity of nonprofit organizations by assisting with fund-raising, promoting donations of goods and services, recruiting and managing volunteers and improving project operations and effectiveness</p> <p>RSVP, FGP, and SCP Build the capacity of nonprofit organizations to serve additional people, expand services offered and/or improve service effectiveness</p>	<p>Builds an ethic of service in young people, helping to ensure the American people continue to honor their responsibilities to their neighbors and communities</p> <p>NCCC Provides a team-based, residential service experience that builds members' life and job skills, as well as the motivation to continue in public service State and National Encourages lifelong community service by showing members they can make a difference VISTA Encourages lifelong community service by showing members they can make a difference and training members in nonprofit and volunteer management</p> <p>RSVP, FGP, and SCP Encourage community service among seniors by providing rewarding volunteer opportunities and significant health and social benefits to the volunteer; RSVP also leverages additional volunteers</p>

Corporation Program Descriptions

Learn and Serve America

This grant program supports service-learning activities in schools and community organizations by annually helping over one million students from kindergarten through college meet community needs while improving their academic skills and learning the importance and impact of good citizenship. Learn and Serve America grants are used to create new programs or replicate existing programs, as well as to provide training and development to staff, faculty, and volunteers.

AmeriCorps

AmeriCorps is a network of national service programs that meet critical needs in areas such as education, public safety, health, and the environment through partnerships with public agencies, nonprofits, faith-based and other local organizations. AmeriCorps engages more than 70,000 individuals of all ages in intensive, year-long community service. These AmeriCorps members leverage about one million community volunteers to help build the capacity of nonprofit organizations and provide a broad range of direct services, such as tutoring and mentoring youth, building affordable housing, teaching computer skills and cleaning parks and streams. AmeriCorps members earn an education award upon completion of their service of up to \$4,725 to help finance college. AmeriCorps includes three programs:

- » **National Civilian Community Corps (NCCC)** engages men and women ages 18-24 in a full-time, team-based, residential program. These members provide flexible, quick response capabilities to meet community needs that might otherwise not be eligible for other Corporation support. NCCC is particularly well-suited to provide rapid response disaster relief.
- » **AmeriCorps*State and National** provides grants to nonprofit organizations to engage Americans of all backgrounds in service to address community needs in education, public safety, health and the environment.
- » **Volunteers in Service to America (VISTA)** provides full-time volunteers to community organizations to help create and expand anti-poverty programs and build the capacity of the organizations where they serve.

Senior Corps

The Senior Corps is a network of programs that use the experience, skills, and talents of about 500,000 volunteers age 55 and older to meet community needs through service with more than 65,000 local nonprofits, public agencies, and faith-based organizations. Senior Corps includes three program models:

- » **Retired and Senior Volunteer Program (RSVP)** provides the most flexibility of service—volunteers choose how, where and how often they want to service, with commitments ranging from a few hours to 40 hours per week. Volunteers are eligible to receive reimbursement for mileage and insurance coverage while on assignment.
- » **Foster Grandparent Program (FGP)** provides support and service to children and youth with exceptional needs in a variety of settings including hospitals, drug treatment centers, and child care centers. Volunteers serve 15-40 hours per week, during which they provide direct service. Volunteers must be 60 or over and must meet income eligibility requirements to receive a monetary stipend of \$2.65 per hour.
- » **Senior Companion Program (SCP)** enables individuals aged 60 and up to assist frail, homebound individuals with daily living tasks such as bill paying, buying groceries and finding transportation for medical appointments. Senior Companions serve 15 to 40 hours per week and receive ongoing training in topics such as Alzheimer's disease and stroke. Those who meet income requirements receive an hourly stipend of \$2.65.

Other Corporation Programs

These programs include partnerships with the Points of Light Foundation to support volunteer centers and employee volunteer programs and with America's Promise to help build the character and competence of America's youth. The Corporation also operates a number of smaller grant programs, such as the Martin Luther King, Jr. Day of Service grants to engage volunteers in specific short-term community projects, Disability Grants to effectively engage individuals with disabilities in service, Next Generation Grants to develop innovative approaches and new community organizations and Challenge Grants to promote greater private support. Moreover, the Corporation provides extensive training and technical assistance to nonprofit organizations, operates a Student Service-Learning Clearinghouse, and provides Presidential Freedom Scholarships and President's Volunteer Service Awards to youth who demonstrate a substantial commitment to volunteering.

Focus Areas for 2006-2010

To help focus the Corporation's programs to achieve significant and lasting progress toward the agency's three strategic goals, the strategic plan identifies four key focus areas. Progress in each focus area contributes to the agency's success in achieving its strategic goals.

The Corporation's four focus areas are:

- **Ensure a brighter future for all of America's children and youth**

Children and youth, particularly those from disadvantaged circumstances, need support from caring adults in their families, schools and communities. Through volunteer mentors and the experience of volunteering in their own communities, the Corporation helps these "at-risk" children and youth to develop and successfully transition to adulthood. (Children and Youth Focus)

- **Provide more opportunities for citizens to serve and volunteer**

The number of Americans volunteering has increased from about 60 million in FY 2002 to about 65 million in FY 2005. The Corporation helps to increase the number of volunteers, as well as the impact of their service on communities throughout the Nation. (Volunteer Generation and Management Focus)

- **Engage students in their communities**

Service-learning teaches the Nation's youth about the value of service and the responsibility for all Americans to support their communities

throughout their lifetimes. The Corporation helps to expand service-learning to schools throughout the country—from kindergarten through college—thus increasing the community services provided currently, as well as in the future, and helping to connect students and schools to meet community needs. (Students in Service Focus)

- **Harness experience to meet 21st century challenges**

The aging of the Baby Boomer generation, often considered an increasing burden for taxpayers, also represents an enormous asset—77 million individuals, most with valuable experience and skills that can help address critical community needs. The Corporation helps to engage this population by helping nonprofit organizations to provide service opportunities that effectively engage Baby Boomers to use their skills and maximize their contributions to their communities. (Baby Boomer Focus)

In FY 2005, the Corporation built on prior efforts in these areas by intentionally focusing its resources, including its outreach efforts, and FY 2006 grant criteria in most of its major programs, on these areas. The contribution of each focus area to the agency's strategic goals is described below. The following descriptions of each focus area provide a brief summary of the challenge and/or opportunity the Nation and the Corporation faces and the Corporation's efforts in FY 2005 to address each area.

Contribution of Each Focus Area to the Strategic Goals

STRATEGIC GOALS	FOCUS AREAS			
	Children and Youth	Volunteer Generation and Management	Students in Service	Boomers in Service
Goal 1: Meet critical needs in local communities through service	Mentor children and youth from disadvantaged circumstances and engage them in service	Engage more volunteers to meet local needs, including mentoring disadvantaged youth, assisting the elderly and providing disaster relief	Engage students in service, including mentoring disadvantaged youth, assisting the elderly and meeting other critical community needs	Engage Baby Boomers in service, particularly to mentor children and youth from disadvantaged circumstances and help the elderly remain independent
Goal 2: Strengthen communities to engage citizens	Help build a culture of responsibility and service, particularly in distressed communities	Expand nonprofit capacity to engage and manage volunteers effectively	Make service-learning an integral component of the American educational experience; better connect students and schools to meet community needs	Expand nonprofit capacity to engage and manage Baby Boomer volunteers
Goal 3: Engage Americans in a lifetime of volunteering and service	Engage children and youth from disadvantaged circumstances in service	Promote volunteering as a regular part of all Americans' lives	Develop a lifelong commitment to service among the Nation's students and a commitment among schools and colleges to support their communities through service	Engage more Baby Boomers in service to their communities

Focus Areas Descriptions

Children and Youth Focus (\$267 million¹)



¹ See Appendix I for a description of the components of this funding.

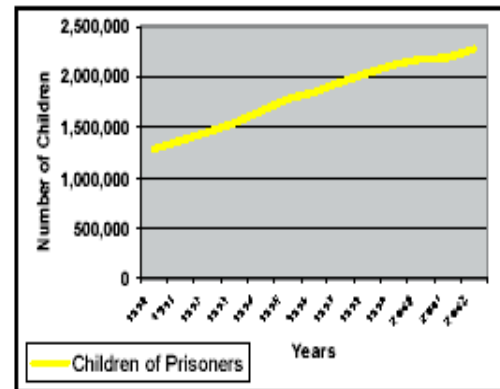
Far too many of America's children and youth must overcome tremendous challenges to become productive adults, capable of earning an adequate wage, supporting a family and contributing to their communities. Many do not have consistent, positive parenting or the presence of an adult in their lives to help guide them. Many turn to drugs, alcohol, tobacco, promiscuity, violence and other risky behaviors. All too common circumstances, such as those noted below, often lead to a variety of impediments to becoming a successful adult.

- » 17 percent of American children live below the poverty level.
- » 4.9 million children live in severely distressed neighborhoods with high poverty rates.
- » 37 percent of fourth graders and 26 percent of eighth graders cannot read at grade level.

Particularly challenged are those with an incarcerated parent, those who previously have been involved in the criminal justice system, and those in foster care.

Community-based interventions by caring and trained volunteers can make all the difference in building hope for a productive future into young peoples' lives. Historically, the Corporation has placed its highest priority on assisting children and youth from disadvantaged circumstances. In FY 2005, the Corporation devoted about \$267 million to provide volunteer mentors, and to enable volunteers to provide other proven interventions to about 400,000 children and youth, as well as to engage these children and youth in volunteering themselves. The Foster Grandparent Program (FGP), which focuses exclusively on assisting children and youth with special needs, helped about 263,000² such children in FY 2005. The Learn and Serve America program engaged almost 500,000 "at-risk" children in service-learning programs. Through the Corporation's other

Children of Prisoners



In 2003, over two million children had an incarcerated parent, nearly double the number in 1991.

programs, working with faith-based and other community organizations, as well as state and national groups, the Corporation provided valuable mentoring support and volunteer opportunities to many other children and youth from disadvantaged circumstances, including children of prisoners and juvenile offenders. As demonstrated by recent research,³ the Corporation's strategy of providing opportunities to engage children and youth from disadvantaged circumstances in mentoring and as volunteers has helped to significantly improve these youths' chance of lifelong success.

² Data reflects FY 2004. Source: Child Find Data Bank, accessed at <http://www.childrensdatabank.org> and Helping America's Youth, accessed at <http://helpingamericasyouth.gov>.

³ Public/Private Ventures, 2002; Morrow & Styles, 1995; Tierney, Grossman, & Resch, 1995; and Larkin, 2005

Focus Area Descriptions

Volunteer Generation Management Focus (\$373 million¹)

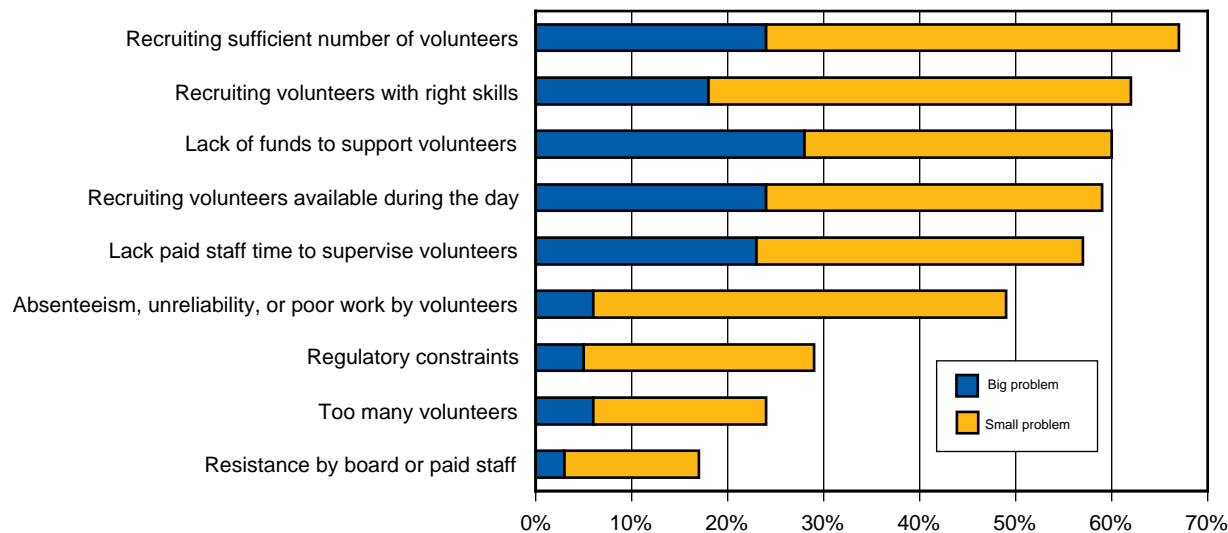


¹ See Appendix I for a description of the components of this funding.

Since President Bush's Call to Service in 2002, the number of Americans ages 16 and older who volunteered has increased by about 6.3 million to 65.3 million in FY 2005.⁴ Nonetheless, almost 70 percent of nonprofits experienced significant problems in recruiting a sufficient number of volunteers. Many nonprofits also experienced other problems in their volunteer programs, including recruiting volunteers with the right skills and supporting the staff necessary to supervise their volunteers.⁵ At the same time, an estimated 80 million additional people were interested in volunteering, but did not do so in 2005.^{6,7}

By devoting about \$373 million to this focus area in FY 2005, the Corporation helped to engage increasing numbers of volunteers, enhance the management of volunteers and address the problems encountered by nonprofits in their volunteer programs. To achieve these objectives, the Corporation is substantially increasing its focus on supporting grantee organizations to recruit, train, and manage community volunteers through the AmeriCorps and Senior Corps programs. In addition, the Corporation is expanding its support for local organizations that help nonprofits and volunteers connect with each other, as well as helping to build volunteer management capacity and

Percentage of Charities and Congregational Social Service Outreach Activities That Cite Various Challenges as a Problem in Their Volunteer Programs



expertise at nonprofits that rely on volunteers. Moreover, the agency is strengthening the link between nonprofits that need volunteers and faith-based and other community organizations that supply large numbers of volunteers, and is placing a greater emphasis on promoting and measuring volunteering nationally.

⁴ Current Population Survey (CPS) data.

⁵ Study of America's Charities and Congregations, 2003

⁶ From the prior year Current Population Survey (CPS) data and the Study of America.

⁷ Research conducted by the Corporation and others in recent years shows that increasing the individuals engaged in volunteering requires extensive recruitment, but it also requires building and sustaining the capacity and infrastructures of nonprofit organizations and communities to support these volunteers, match them with appropriate, meaningful opportunities, train them to succeed, and manage and reward their work.

Focus Area Descriptions

Students in Service Focus (\$84 million¹)



¹ See Appendix I for a description of the components of this funding.

Strengthening the culture of civic engagement in America begins with connecting children with the meaning of community participation from an early age. Student involvement in service and service-learning not only creates avenues to develop the next generation of citizens who take responsibility for their communities, but also provides benefits to the individual volunteer, such as improved academic achievement, character and competence.

From 1984 to 1999, the percentage of American K-12 schools with formal service-learning programs rose from 9 percent to 32 percent⁸, in part because of Learn and Serve America's seed money and technical assistance provided by the Corporation. Since 1999, however, the percentage has remained essentially flat.

Similarly, although many colleges recognize the importance of civic responsibility and community service, many do not provide adequate support for student volunteer management and coordination, or for the development of community partnerships. Currently, about one-third of colleges and universities and 60 percent of community colleges have made a commitment to service-learning⁹; 16 percent of Federal Work-Study funds are used for community service activities¹⁰; and 3.3 million college students volunteer. These numbers indicate an enormous untapped potential for postsecondary institutions to play a greater role in addressing community needs.

By devoting about \$84 million to this focus area in FY 2005, the Corporation is working to promote a lifetime of service and expand volunteering by bringing service-learning to more of America's schools. To expand service-learning to half

of the Nation's kindergarten through grade 12 schools by 2010 and expand volunteering among students broadly, the Corporation is focusing Learn and Serve America funds on:

- » Programs that incorporate service-learning into the school's core curriculum, policies, and professional development, thus ensuring that service-learning will continue beyond the program grant period; and
- » Programs designed to expand volunteering among college students, including helping to provide the volunteer recruitment and management expertise necessary to operate effective volunteer programs and to partner with other community organizations to meet community needs.

The Corporation also is encouraging higher education institutions to provide substantial incentives for service.¹¹ Moreover the Corporation is promoting the use of "best practices" in service-learning by maintaining a clearinghouse for service-learning information and program tools.

By enabling so many more American students to participate in service-learning, the Corporation is building a larger volunteer resource base. These individuals, over their lifetimes, will be more civically responsible and likely to volunteer. Service-learning students gain a responsibility to their communities and experience the satisfaction of giving to others. Moreover, research has shown that service-learning improves the academic performance and civic engagement of students while reducing risky behaviors such as drug use.¹² For students from disadvantaged backgrounds, service-learning can not only help them address local community needs, but also help to put them on a path toward college access and workforce preparation.

⁸ Service-learning and Community Service in K-12 Public Schools, by Rebecca Skinner and Chris Chapman, National Center for Educational Statistics, U.S. Department of Education, September 1999; available at <http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=1999043>. This reflects schools with formal service-learning programs. Subsequent research in FY 2004 reflects schools that have incorporated service-learning into curricula.

⁹ Data on colleges and universities provided by Campus Compact; data on community colleges provided by the American Association of Community Colleges.

¹⁰ Reported by higher education institutions' annual student financial and fiscal operational reports to the U.S. Department of Education

¹¹ Incentives include: matching the AmeriCorps education award, providing academic credit for service experiences and providing support for students who volunteer through the Federal Work Study program.

¹² RMC Research, study on Michigan Learn and Serve, 2003.

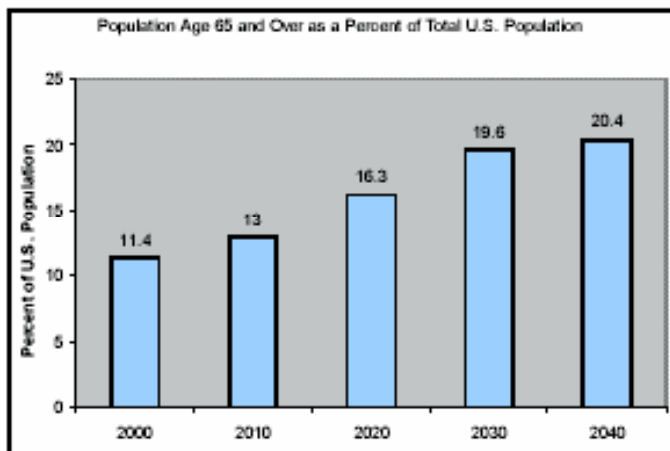
Focus Area Descriptions

Baby Boomer Focus (\$62 million¹)



¹ See Appendix I for a description of the components of this funding.

The aging of America's 77 million Baby Boomers (the generation born between 1946 and 1964) is often seen as a massive cost threatening to overburden society with soaring Social Security, Medicare and other government commitments and to put rapidly increasing demands on caregivers, social service providers and nonprofit organizations.



Source: U.S. Census

The Corporation views this population differently. Baby Boomers, as a group, are highly skilled, educated and motivated. They have tremendous potential to provide solutions to some of our most intractable social needs, including the expanding need for independent living support for the elderly. Research tells us that Baby Boomers, as a whole, will not withdraw completely from the work place in "traditional retirement."¹³ Instead, they will seek a balance of work, leisure, civic engagement, and other interests. The oldest of the Baby Boomers are retired or will soon be retired. They and the majority of Boomers still engaged in their careers represent an unprecedented potential volunteer pool to help meet growing community needs in areas such as education and health care.

In particular, the Baby Boomer generation represents a valuable resource to help the rapidly increasing number of frail elderly and people with disabilities to continue living independently. The fastest growing age group in America is aged 85 and older, and they are a major driver of health care costs. Reducing the need for expensive professional in-home care or nursing home care for the Nation's aging population would not only help to improve the quality of life for millions of Americans, but also save society billions of dollars.

In FY 2005, the Corporation continued to expand its focus on engaging Baby Boomers in service now and preparing the nonprofit community to attract increasing numbers of Baby Boomers as they move into semi-retirement. With an investment of about \$62 million in FY 2005, the Corporation engaged about 39,000 Baby Boomers as participants in Corporation programs, primarily through the RSVP program, but also in the Special Volunteer Program, AmeriCorps*VISTA, AmeriCorps*State and National, Challenge grant, and Next Generation grant programs. In addition, the agency began providing specialized training and technical assistance to help community organizations attract and retain Boomers with the kind of flexible, high-impact volunteer opportunities that they desire. These efforts were supplemented with the Corporation's: 1) development of a national advertising campaign to promote Boomer volunteering; 2) outreach to nonprofits, the private sector and professional associations to help engage Boomers; and, 3) planning for future activities and opportunities to continue expanding Baby Boomer volunteering.

¹³ Harvard School of Public Health and MetLife Foundation, 2004, *Reinventing Aging: Baby Boomers and Civic Engagement*.

Mission Performance Highlights

Overview

The following performance measures reflect the Corporation's progress toward achieving the goals identified in the agency's recently completed strategic plan. Because the Corporation had not yet fully developed its revised strategic plan at the time the FY 2005 budget was submitted to Congress, the Corporation did not identify performance goals for the Corporation as a whole at that time. Although many of the following measures were not established prior to the start of FY 2005 and, in some cases, data are still under development, these measures are included to provide greater perspective on the Corporation's overall goals and the way the Corporation will measure its performance against these goals. For these newer measures, the agency cannot compare its performance against previously established performance targets. In most cases, FY 2005 performance is compared against the prior year's performance. More detailed information on the agency's programs and performance against the FY 2005 program performance measures, as well as the agency's recently established program performance measures, is provided in Appendix III: Program Performance—Statistics.

Corporate Performance Measure Highlights*

Goal/Performance Measure		FY 2004 Actual	FY 2005 Actual	FY 2010 Target
Goal 1: Meet critical needs in local communities through service	Service to Communities: Number of hours of service provided through Corporation program participants (including leveraged volunteers; in millions) ¹	204	215	300
	Children & Youth: Number of children and youth from disadvantaged circumstances mentored nationwide (including those mentored through Corporation programs, as well as through other programs; in millions)	N/A	2.5	5.5
	Number of children of prisoners receiving mentoring and other services through Corporation programs	N/A	16,251	27,000
	Number of children and youth from disadvantaged circumstances serving their communities through Corporation programs ²	N/A	486,230	605,700
	Disaster Relief and Preparedness: Number of Corporation program participants providing disaster relief and preparedness ³	---	---	---
	Independent Living: Number of clients who receive support through Corporation programs to live independently ⁴	75,000	98,586	250,000
	All Community Needs: Percent of Corporation-funded grantees meeting program/project performance goals ^{3,5}	---	---	---

* Many of these measures are estimated based on survey data and/or related data sources. Further information on each measure's source and basis of estimate is available by contacting: ttraversa@cns.gov or jsmith@cns.gov.

1 FY 2004 and FY 2005 estimated. Includes AmeriCorps members, Learn and Serve America participants and Senior Corps volunteers, as well as community volunteers recruited and/or managed by Corporation members/participants/volunteers, except for Senior Corps.

2 For FY 2005, excludes AmeriCorps' State and National due to data unavailability. Does not include unaffiliated community volunteers recruited and/or managed by Corporation members/participants.

3 Data under development.

4 Reflects service to primarily elderly adults, as well as those otherwise limited in their abilities to maintain independent living. Includes respite support. Includes data for Senior Corps only for FY 2004 and FY 2005. FY 2004 data estimated. Data will be collected for all Corporation programs in the future.

5 Beginning in FY 2004, all grantees began submitting proposed performance goals. In FY 2004, the Corporation reviewed the first round of self-assessments against these goals and is developing standards for measuring grantee performance. Data is expected to be available beginning with FY 2007; data will include those grantees who have met or are on track to meet the performance goals.



Goal/Performance Measure		FY 2004 Actual	FY 2005 Actual	FY 2010 Target
Goal 2: Strengthen communities to engage citizens	Grantee Capacity: Percent of program/project resources from non-Corporation sources ⁶	40.5%	39.1%	47.0%
	Percent of organizations that say AmeriCorps members helped them to increase the number of persons served to a large or moderate extent	78%	92%	90%
	Volunteer Management: Percent of all nonprofits that regularly use effective volunteer recruitment and management practices ⁷	31.0%	N/A	50.0%
	Service-learning: Percent of all kindergarten through grade 12 schools that have incorporated service-learning into curricula ⁸	29%	N/A	50%
Goal 3: Engage Americans in a lifetime of volunteering and service	Volunteer Generation: Number of Americans who volunteer (in millions) ⁹	64.5	65.3	75.0
	Number of volunteers leveraged through Corporation-funded programs (in millions) ¹⁰	2.4	3.6	4.0
	Percent of former AmeriCorps members who continue to volunteer in their communities after their term of service	82%	72% ¹¹	90%
	Percent of former AmeriCorps members who accepted public service employment (including governmental and nonprofit work) within three years after completing their AmeriCorps service	N/A	87%	TBD
	Student Volunteers: Number of college students engaged in service nationwide (in millions; including those serving through Corporation, as well as other programs) ¹²	3.3	3.3	5.0
	Baby Boomer Volunteers: Number of Baby Boomers engaged in volunteering nationwide (in millions; including those serving through Corporation, as well as other programs) ¹³	25.7	25.8	28.7
	Volunteer Benefits: Percent of AmeriCorps members indicating that their service experience and training helped to a great or moderate extent in their job, education pursuits or community service activities ¹⁴	93%	86%	93%
	Percent of Learn and Serve America grantees reporting positive impacts on academic performance of participants	35%	36%	45%
	Percent of Senior Corps volunteers who report that their service has improved their knowledge, health, or social connectedness ¹⁵	94%	N/A	94%

6 Excludes VISTA.

7 Includes those organizations using effective practices in at least two of the following three areas: screening and matching; training; and, recognizing volunteers' contributions. Survey to be conducted periodically; data not collected for FY 2005.

8 FY 2004 data from the Westat-NYLC Survey of School Principals. Survey not conducted in FY 2005. Prior research (Service-learning and Community Service in K-12 Public Schools, by Rebecca Skinner and Chris Chapman, National Center for Educational Statistics, U.S. Department of Education, September 1999; available at <http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=1999043>) reflected schools with formal service-learning programs.

9 From the Census Current Population Survey Supplement on Volunteering.

10 FY 2004 and FY 2005 estimated. Includes volunteers/participants in the RSVP and Learn and Serve America programs, as well as other volunteers recruited and/or managed by Corporation members/participants/volunteers; excludes stipended Corporation program participants in AmeriCorps, Senior Companion Program and Foster Grandparent Program.

11 Changes in the survey instrument account for much of the decrease in FY 2005. FY 2004 reflects all forms of civic engagement; FY 2005 reflects only volunteering.

12 Data from the annual Census/CPI sample survey. Includes students engaged in community service and supported through the Federal College Work-Study Program.

13 From the Census Current Population Survey Supplement on Volunteering.

14 Reflects respondents who indicated the skills they learned during their service "greatly" (28 percent in FY 2005) or "moderately" (58 percent in FY 2005) helped them.

15 Reflects respondents who indicated their service "greatly" or "moderately" improved their knowledge, health or social connectedness. Data to be collected periodically; data not collected for FY 2005.



Rebuilding Pass Christian, Mississippi

With AmeriCorps members standing behind her, "Good Morning America" anchor Robin Roberts tells the television audience how the members worked tirelessly to clean up a street in her hometown of Pass Christian, Miss., before revealing the fruits of their labor.

¹ The distribution of budget authority by goal is based on the primary role of program and the components of each program, such as the education award and senior stipend. The derivation of this distribution is provided in Appendix II: Derivation of FY 2005 Budget Authority by Strategic Goal.

The ultimate impact of the Corporation's programs is demonstrated in the changes made in local communities and the lives that are improved by national service participants and the community volunteers they leverage. Measuring this impact presents significant challenges resulting from the broad nature of the agency's programs in terms of geographic dispersion, range of needs addressed, the number and type of organizations supported, and the varying role of the volunteer. Nonetheless, the agency is beginning to gather the information necessary to assess the agency's key impacts on its ultimate beneficiaries.

One proxy measure of this impact is the number of hours of service provided through the Corporation's programs. In FY 2005, the agency increased the number of hours of service by about 11 million to about 215 million service hours, despite an overall decrease in the agency's budget of \$8 million. This increase in service hours reflects the agency's efforts to leverage community volunteers, as well as an increase of about 370,000 Learn and Serve America program participants.¹ About 106 million hours of service were provided by the Corporation's modestly stipended members and participants. Almost 95 million hours of service were provided by the Corporation's non-stipended program participants.² Another 15 million hours were provided through the community volunteers recruited and/or managed by Corporation members and participants.

¹ The increase in participants, in turn, the result of a greater number of grantees in their second or third grant year, when start-up activities are no longer required.

² 62 million hours of service were provided by the agency's specially-trained and modestly stipended AmeriCorps members, 109 million by Senior Corps participants (including stipended Senior Companions and Foster Grandparents and non-stipended RSVP volunteers), and 26 million hours by non-stipended Learn and Serve America participants.

Goal One:

Meet Critical Needs in Local Communities through Service and Volunteering

(\$426 million)¹

To better assess the impact of these 215 million hours of service on the agency's ultimate beneficiaries, the Corporation began requiring grantees to identify and report against annual performance measures and targets for their programs/projects in FY 2004. Since most Corporation grants cover a three-year period, data for the percentage of all Corporation grantees that meet the program/project performance goals will not be available until FY 2007.

Children and Youth:

With regard to the Corporation's performance in meeting needs in its top priority area, Children and Youth, the agency is continuing to develop reliable data sources to measure its impacts. Preliminary assessments for several Corporation programs indicate that Corporation programs help a significant number of children and youth in disadvantaged circumstances. Corporation volunteers mentored an estimated 16,250 children of prisoners and about 400,000 children and youth from disadvantaged circumstances in FY 2005. Almost 500,000 children and youth from disadvantaged circumstances volunteered in their communities through Corporation programs.³

³ Children of prisoners are served primarily through AmeriCorps' VISTA and Foster Grandparent Program (FGP); most of the children and youth from disadvantaged circumstances mentored through Corporation programs were supported by FGP; those serving through Corporation programs were engaged primarily by the Learn and Serve America program. See Appendix III: Program Performance—Statistics.

Disaster Relief and Preparedness:

M The Corporation also provides resources to help prepare for and respond to disasters, such as the multiple hurricanes that struck the United States in August and September 2005. The level of the Corporation's support depends largely on the number and severity of the disasters that occur in any year. The Corporation's response to Hurricane Katrina is detailed in the following pages. In addition, about 10,000 current AmeriCorps and Senior Corps participants, as well as 3,600 former AmeriCorps members are available to be sent into disaster zones or around the country to help with evacuee services whenever disaster strikes.

Independent Living:

The Corporation places a high priority on meeting the needs of the elderly and disabled to help them to remain living in their own home. In FY 2005, Corporation programs, primarily Senior Corps, helped about 100,000 elderly and disabled citizens to live independently—up by about 33 percent over the FY 2004 estimate of 75,000. Moreover, the 500,000+ seniors who volunteer through Corporation programs benefited from their service through improved mental and physical health, thus helping them to continue living independently for a longer time.

"...PEOPLE OF ALL WALKS OF LIFE NEED SOMEONE..."

At 83, Senior Companion Ruth Harris of Denver volunteers a minimum of 20 hours a week, providing encouragement and support to families facing the death of a loved one. During the past 12 years, Ruth has tended to the needs of 1,100 elderly individuals. Today, Ruth volunteers three days a week providing companionship and care to Alzheimer's patients and people living with HIV. She believes that "people of all walks of life need someone," and counts among her most rewarding experiences helping a frail man who refused to eat. It took her three months, but eventually, she "won him over" and helped him regain his strength.

See http://www.nationalservice.org/for_individuals/current/stories.asp for more stories of service.

Corporation Response to Hurricane Katrina

When Hurricane Katrina hit the Gulf Coast this past August, the United States suffered damage unlike anything yet seen by this generation. Almost eighty percent of New Orleans was left flooded, and hundreds of thousands of Americans were displaced from their homes. Immediately, the Corporation began providing emergency assistance and establishing long-term relief and recovery for the people of Louisiana, Mississippi, Alabama and other areas affected by the storm.

Within one day following the storm, disaster-relief-trained National Civilian Community Corps (NCCC) teams and Rapid Response members serving with the Red Cross were on-site in Louisiana, providing leadership, as well as service, to help mobilize and effectively use volunteers to meet the immediate needs of those displaced by the hurricane. The Corporation's other programs also immediately mobilized their grantees and volunteers throughout the Nation, demonstrating the flexibility and responsiveness that is so critical to the effectiveness of disaster response. In addition, the Corporation-supported USA Freedom Corps volunteer clearinghouse rapidly updated its volunteer matching website to enable the almost two million people who contacted the site since August 28 to connect with volunteer opportunities.

To date, more than 13,000 AmeriCorps, Senior Corps and Special Volunteer Program participants across the country have contributed to the relief effort, participating in a broad range of activities that include mobilizing and coordinating volunteers, mass care provision, shelter support, supply collection and

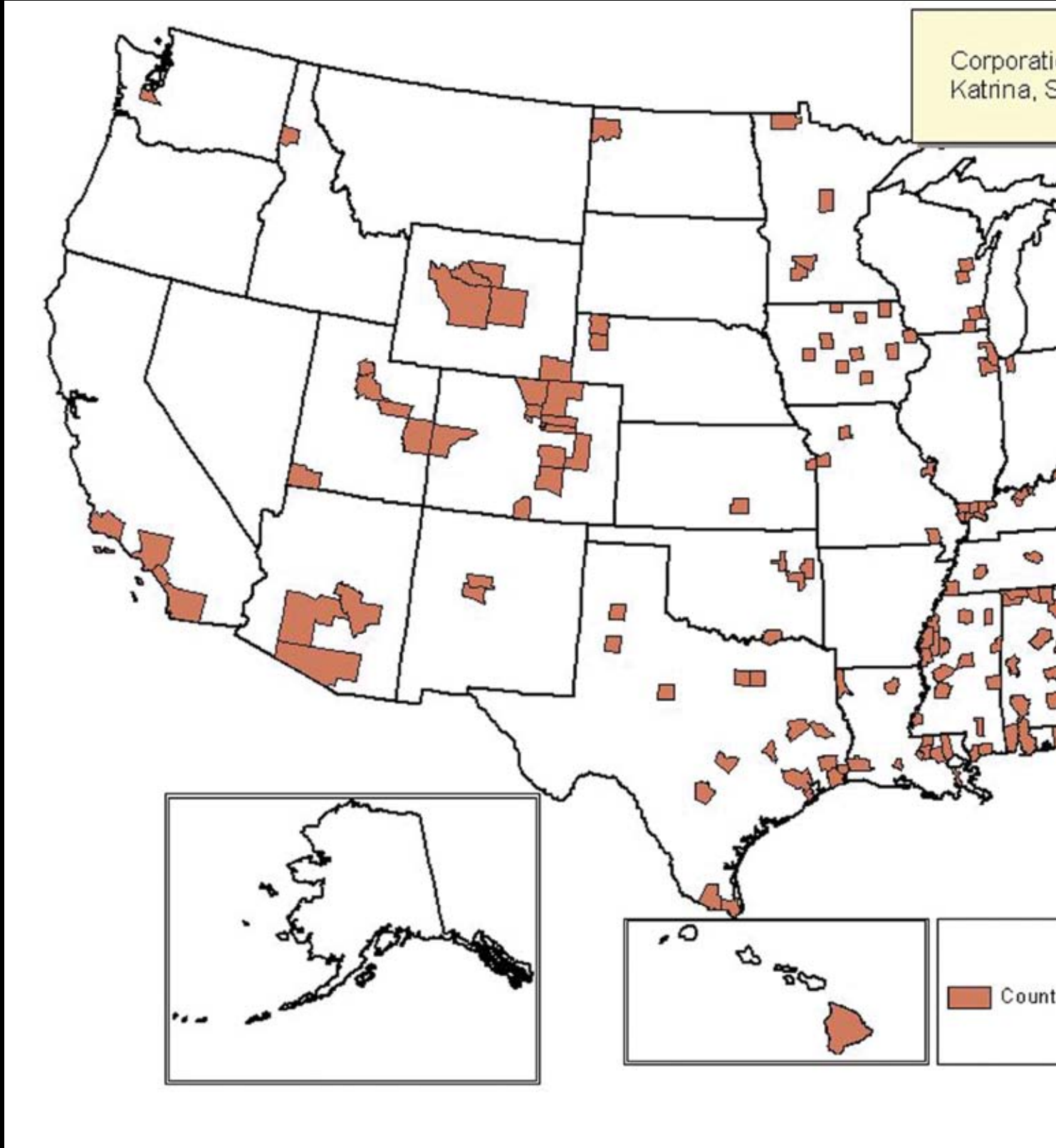
distributions, debris cleanup, call center staffing, fundraising, and supporting national aid agencies. In addition, an estimated 75,000 students in the Learn and Serve America program have helped with disaster relief efforts, such as collecting school supplies, clothing and funds, through their own communities.

For example, hundreds of NCCC members were deployed from the five campuses to support the American Red Cross. Twenty-one "Center for Faith and Health Initiatives" VISTA members helped recruit and coordinate 242 community volunteers and raise over \$230,000 in donations and services for evacuees in Houston and Beaumont, Texas. RSVP members in the Gulf sorted truckloads of food, clothing, water, hygiene supplies, cleaning supplies and baby items, and helped to feed hundreds of evacuees and relief workers. A number of CERT-trained volunteers were deployed to the Alabama Emergency Management Agency, where they "tarped" roofs, assessed damages for the Federal Emergency Management Agency (FEMA) and created a database of available rental housing to find homes for hundreds of evacuees. Throughout the Nation, RSVP volunteers created care packages for evacuees and Foster Grandparents mentored displaced children. VISTA members at the Cajundome and Astrodome in Louisiana and Houston, respectively, provided shelter and medical support for evacuees. And, in the northeast, volunteers organized benefit concerts and charity races to increase donations.

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Corporation Response to Hurricane Katrina *cont'd*

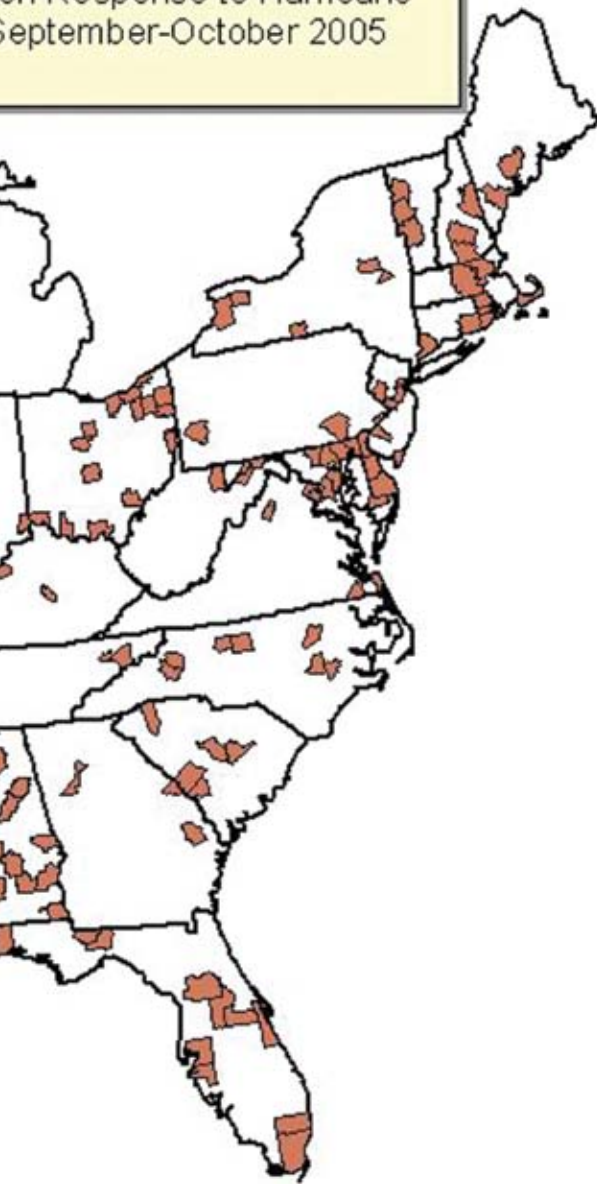
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Note: Corporation efforts include direct service in the affected areas (e.g., shelter operations and rebuilding), management of volunteer activities, such as fund-raising and collecting school supplies in communities throughout the Nation.

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Corporation Response to Hurricane Katrina
September-October 2005



Locations where Corporation Activity Took Place

The Corporation's grantees also proved essential to immediate and long-term hurricane relief. Mercy Medical Airlift received a supplemental grant to continue essential life-saving flights throughout the emergency. ManaTEENS, a Florida-based service-learning program that devoted more than 50,000 hours to assistance when hurricanes pounded Florida's coastline last year, is helping coordinate and organize volunteers throughout the region. The National AIDS fund, an AmeriCorps grantee, established the Katrina HIV/AIDS Emergency Fund, and is providing ongoing support for local agencies serving HIV/AIDS victims and their families in the Gulf States. The Corporation's AmeriCorps members, Senior Corps volunteers and Learn and Serve America-sponsored students also are helping to relocate and integrate those displaced by the hurricane into new communities and schools, assisting with re-building, providing a broad range of support services, such as job search assistance, and raising goods and funds to support long-term relief efforts. The Corporation's members and grantees will continue to provide long-term disaster recovery services to help the Gulf region and its citizens to fully recover.

More information on the Corporation's response to Hurricane Katrina, including press releases and fact sheets, is available at <http://www.nationalservice.gov/katrina>.

ers to provide direct services in the region, and a variety of other





VISTA Member Training

Goal Two:

Strengthen Communities to Engage Citizens

(\$323 million)

To ensure that the Corporation's efforts to promote volunteering and meet local community needs have a lasting impact, the agency is focused on: 1) expanding grantee capacity to raise and manage funds, volunteers, and community partnerships needed to continue and increase services; and, 2) incorporating service-learning into the core curriculum of more schools throughout the country.

Grantee Capacity-Building/ Volunteer Management:

In FY 2005, the Corporation expanded its emphasis on capacity-building using VISTA volunteers, as well as through training and technical assistance provided to grantees. Through these efforts, the agency helps grantees to develop expertise in areas such as grant-writing, fund-raising, and volunteer recruitment and management. Specifically, the agency promotes the use of key "best practices" that involve screening and matching volunteers with appropriate volunteer opportunities, providing initial and on-going training to, and monitoring of volunteers, and formally recognizing the contributions of the volunteers. In addition, the agency conducted outreach and training to promote the long-term establishment of partnerships among nonprofits, including faith-based and other community organizations. Moreover, the agency implemented new regulations for the AmeriCorps program that will require grantees to match a greater proportion of the funding provided by the Corporation over time.

In FY 2005, the Corporation's grantees obtained about 39 percent of their program/project resources from non-Corporation sources—about the same level as in FY 2004. About 92 percent of grantees reported

that AmeriCorps members helped them to increase the number of persons served to a large or moderate extent—an increase from the FY 2004 level of 78 percent. Although this indicates a significant impact on current grantee capacity, the Corporation also had anticipated an increase in the percent of funds provided by non-Corporation sources. However, the effects of its efforts are more likely to be seen over a longer period of time, as more members focus on capacity-building and as changes in policy, such as the recent AmeriCorps rulemaking, take hold.

Service-Learning:

The Corporation seeks through its current grantees to promote service-learning at schools and to ensure that service-learning remains a part of the schools' and students' educational experience into the future. To do so, the Corporation conducts extensive outreach, training and technical assistance to promote the incorporation of service-learning into the schools' core curriculum. In FY 2005, 45 percent of Learn and Serve America kindergarten through grade 12 schools, and 66 percent of Learn and Serve America higher education institutions had service-learning as part of their official core curriculum.⁴ As these schools' grants are completed and service-learning is incorporated into more of these schools' core curriculum and policies, the Learn and Serve America program will be able to make grants to other, currently non-participating schools. As more and more schools experience the benefits of service-learning, the overall percentage of schools throughout the country that use service-learning to help teach civic responsibility is expected to rise from 29 percent in FY 2004⁵ to 50 percent by 2010.

⁴ Source: Program grantee reporting via LASSIE, the program's annual performance reporting system; data for prior years is not available.

⁵ Community-service and Service-learning, NYLL, 2004



Martin Luther King, Jr., Day 2005

For hundreds of thousands of Americans across the country, January 17, 2005 was a day “on” for service—not just a day off from school or work—as they honored Martin Luther King Jr. by engaging in service activities for their communities and neighbors.

Goal Three:

Engage Americans in a Lifetime of Service and Volunteering

(\$176 million)

Through service, the Corporation helps to create an ethic of responsibility and citizen engagement—key aspects of a healthy democracy and society. Moreover, the agency helps those who serve to gain valuable skills, engage in rewarding service projects, and experience significant health and social benefits.

In FY 2005, the number of Americans who volunteer increased by 0.8 million to 65.3 million people.⁶ The Corporation contributed to this increase in a number of ways. By focusing increased efforts on using Corporation program participants to recruit and manage other volunteers, the number of community volunteers recruited and/or managed through Corporation programs increased by about 260,000 volunteers over FY 2004 to about 1.7 million in FY 2005.⁷ In addition, almost two million community volunteers participated through the RSVP and Learn and Serve America programs. The Corporation also seeks to increase the frequency and intensity of service provided by community volunteers. In FY 2005, an estimated 31.8 million people volunteered in their communities regularly, a decrease of about 0.4 million from FY 2004.⁸ The Corporation's programs also foster a commitment to a lifetime of service. For example, in FY 2005 about 72 percent of former AmeriCorps members reported that they continued to volunteer in their communities following their terms of service. This figure is less than the FY 2004 level of 82 percent, likely due to changes in the survey instrument used to collect this information. In FY 2005, the percent of former AmeriCorps members who accepted public service employment (including governmental and nonprofit work) was 87 percent, indicating a commitment among many former members to

serve their communities throughout their lifetimes. The AmeriCorps programs will continue to expand training for current members that promotes ongoing community service, particularly in leadership roles.

The Corporation is focusing on increasing the number of student and Baby Boomer volunteers—two populations with vast untapped volunteering potential. Among college students, volunteering remained at about the same level as FY 2004, an estimated 3.3 million student volunteers nationwide, despite an increase in the proportion of Federal Work Study funds used for community service from 15.4 percent in FY 2004 to 16.1 percent in FY 2005.⁹ The number of college students volunteering through Corporation programs increased by an estimated 15,000 to 155,000 students in FY 2005 due in part to the agency's focus on partnerships with higher education institutions. Among Baby Boomers, volunteering increased nationally by 0.1 million to 25.7 million Baby Boomer volunteers in FY 2005.¹⁰ This increase likely reflects the aging Baby Boomers' entry into retirement or semi-retirement, thus increasing their availability to volunteer. About 39,000 Baby Boomers participated in the Corporation's programs in FY 2005, about the same as in FY 2004. In subsequent years, the growing number of Baby Boomers who meet the age criteria for Senior Corps participation, coupled with outreach to Boomers, is expected to increase Boomer participation in Corporation programs to 61,000.

6 From the 2005 Census Current Population Survey Supplement on Volunteering.

7 Data reported for the number of community volunteers leveraged indicates an increase of about 500,000; however, improvements in data collection and estimation account for about 200,000 of this reported increase, resulting in an estimated real increase of about 300,000 volunteers.

8 Bureau of Labor Statistics, Census Population Survey, 2005.

9 Source: Higher education institution annual operating reports to the U.S. Department of Education.

10 Bureau of Labor Statistics Census Population Survey, 2005.

Data Quality

According to the criteria specified by OMB on performance data reliability and completeness, the Corporation considers the performance data in this report, including the program data provided in the appendices, to be accurate. Data are not yet available for some of the agency's recently established strategic goals. Because the Corporation's performance measurement system is still developing, some measures are under development and others have been discontinued because they are no longer relevant. In addition, the Corporation, in certain cases, has not reported on performance measures cited in the FY 2005 Performance Plan when other, similar measures were available or when the data were too costly to obtain. In each case, an explanation for the change in measurement is provided.

Limitations

While the Corporation has reasonable confidence that the data contained in this report accurately reflect the performance of the agency, there are several limitations to using the Corporation's data systems for performance reporting. The Corporation operates highly decentralized programs, and responsibility for collecting and reporting performance often resides with outside sources at the state and local levels. Most of the data systems used by the Corporation derive their data from reports provided by these outside sources, including states, grantees, subgrantees, and members of national and community service programs. Although some of these reports are subject to corroboration through monitoring of local program performance by Corporation representatives, not all reports from outside sources are validated, nor all reports subject to external corroboration.

To enhance the agency's ability to report on performance, the Corporation has employed the use of surveys to gauge how programs and program participants contribute to performance outcomes. While these surveys are offered to a sample of respondents, they are independent and reliable.

Data Certification

The focus of the Corporation's data quality efforts has been on assessing the internal data system controls and their effect on the accuracy of the performance information. Although the Corporation does not independently verify or validate all data received from outside sources, the data are managed appropriately. The procedures for analyzing and reporting

performance statistics are replicable. In addition, to ensure the Corporation is reporting data accurately, program managers and data managers are required to certify that they are able to provide the source or sources for the data, the names of the person or organization conducting any analysis needed to produce the result, copies of all tables and computer output showing final tabulations, forms used to collect the data, and a description of any steps taken to ensure that the data are reported accurately.

Program Evaluation

About the Evaluation Program

The Corporation seeks to develop and cultivate knowledge that will enhance the mission of the Corporation and of national and community service programs. To do so, the Corporation conducts high-quality, rigorous evaluations, research and policy development and analysis of agency progress. The agency also provides decision-makers within and outside the agency, including OMB, the Congress, the nonprofit sector and the public, with performance information on national and community service, as well as information that will strengthen management performance. Although the Corporation's primary focus is on research, evaluation and policy analysis directly relevant to the management of its programs, significant attention also is devoted to providing national information on topics that impact the service community, such as volunteering, civic engagement, and volunteer management in nonprofit organizations. Research and evaluation results are available at http://www.cns.gov/about/role_impact/performance_research.asp.

The Corporation's evaluations and research efforts are designed to assess the following questions:

- What are the impacts of national and community service programs on:
 - › Members and service participants?
 - › Nonprofit and community organizations?
 - › Communities and service recipients?
- How can the Corporation's program design and implementation be improved?
- How can the Corporation strengthen effective volunteer leveraging?
- What are the national patterns of volunteering and civic engagement for youth and Baby Boomers?
- How can the Corporation use evaluations and research to define and set targets, as well as manage to accountability?

Evaluation Program Performance

The Corporation has made great progress in assessing the impacts of its programs on the people and organizations they serve, as indicated in the discussion of recent evaluation efforts and findings below. (Additional information on the agency's evaluation performance is available in Appendix III: Program Performance—Statistics.)

However, measuring this impact remains a challenge. The Corporation's programs are devolved geographically, as well as in terms of the range of needs addressed and people and organizations helped (e.g., improved reading skills, adequate shelter, better personal financial management, and disaster preparedness), thus making national impacts difficult to assess and aggregate. In addition, impacts often are longer-term in nature and not measurable over one or even a few years. Moreover, most of the agency's programs are administered by a wide range of grantees that are typically responsible for designing and managing the projects and recruiting, enrolling, and managing national service members and volunteers. The roles of these volunteers vary widely, from direct service delivery to nonprofit capacity-building, such as assisting with grant-writing, or recruiting and managing other volunteers.

To meet funding limitations, the Corporation prioritizes its evaluations to address the most critical current issues and, in some cases, collects data only every two to three years.

Goal One: Meet Critical Needs in Local Communities through Service

Major Programs

The Corporation's *National Performance Measurement Study* ("Benchmarking") surveys are helping the Corporation to develop national outcome-oriented performance measures and indicators, and to collect data to report annually on national program performance. These surveys were completed in the Fall of 2004 and were continued in FY 2005. The results of this project are helping the Corporation improve its reporting on outcomes to Congress and OMB. Much of the outcome data in the Corporation's budget justification and this Performance and Accountability Report are a direct result of this research effort.

Senior Corps

The Corporation conducts surveys every two years of Senior Corps participants and sponsoring organizations to examine the impacts of service on service recipients, particularly children who receive mentoring services and older Americans who receive services and other support to live independently. The most recent surveys conducted in FY 2004 show that mentoring provided by Foster Grandparents improves the children's academic and social behavior. The independent living surveys demonstrate that Senior Companions provide highly valued assistance that helps the elderly or disabled client to feel less isolated and to maintain many of the activities necessary to remain living in their own homes or apartments.

Other Programs

The Corporation also is conducting several evaluations of the other national and community service programs:

- The *Parent Drug Corps Evaluation* describes the implementation of the program and uses a random assignment evaluation design to evaluate its impact on prevention of and reduction in substance use among children aged 18 or younger.
- The *State Performance Report*, an ongoing effort, helps improve the transparency of national reporting by disaggregating performance data for state partners.

Goal Two: Strengthen Communities to Engage Citizens

The agency's *Volunteer Management Capacity Survey* provides national data on the volunteer recruitment and management practices of nonprofit organizations, as well as valuable information on how Corporation programs can effectively mobilize volunteers. Findings from the 2003 study indicate that:

- More than nine in ten charities benefit from their volunteers in areas such as increased quality and scope of services, cost savings, and public support.
- Nonprofits' lack of investment in volunteer management practices prevents many organizations from realizing the full benefits of their volunteers.

The agency also continues to provide national information on volunteering, civic engagement, and volunteer management in nonprofit organizations. Through ongoing research efforts, including the *National Performance Measurement Surveys*, the Corporation is examining the impact of the agency's programs on the capacity of nonprofit organizations, including their capacity to raise funds, in-kind goods and services and recruit and manage additional volunteers.

Goal Three: Engage Americans in a Lifetime of Volunteering and Service

To help assess the opportunities and effective program strategies to increase both the number of volunteers and the intensity of their service, the Corporation has conducted research in a number of areas.

M In 2004 the Corporation partnered with the Census Bureau and the Bureau of Labor Statistics (BLS) to conduct the *Volunteer Supplement to the Current Population Survey (CPS)*. This research examined the frequency and intensity of volunteering, the types of organizations where individuals volunteer, the volunteer activities performed, the ways individuals access volunteer opportunities, and the perceived barriers to volunteerism. The data indicates there is great potential to increase volunteering in America. Of the individuals who did not volunteer in 2003, 75 percent indicated one or more factors would motivate them to volunteer. For example, an estimated 6.3 million non-volunteering Americans would be motivated to volunteer, if they had more information or available opportunities.

The Corporation also conducted the *2004 Youth Volunteering and Civic Engagement Survey*. This biennial study of volunteering and charitable behaviors of youth showed that:

- Youth volunteering in America is robust—an estimated 15.5 million teenagers, or 55 percent of young people between the ages of 12 and 18, participated in volunteer activities through a formal organization during 2004, contributing more than 1.3 billion hours of service.¹¹
- Many youths volunteer on a regular basis—39 percent of teen volunteers contributed twelve or more weeks during 2004.

¹¹ The full report is not yet available.

- The likelihood that young people will volunteer is related to their connections to the community through their families, religious congregations, and schools, indicating that there are opportunities to work with local organizations to promote volunteer opportunities and encourage youth to engage more deeply in their community.

The Corporation also conducts research on the impacts of volunteering on its members and participants. For example, the *Longitudinal Study of AmeriCorps Member Outcomes* is an ongoing scientifically-based research study designed to assess the long-term impacts of participation in AmeriCorps on members' civic engagement, education, employment, and life skills. This study compares changes in the outcomes for members and individuals not in AmeriCorps, controlling for interest in national service, member and family demographics, and prior civic engagement.¹² Recent study results showed:

- Statistically significant positive impacts on members' participation in community activities, and knowledge about problems facing their community.
- Meaningful impacts on employment outcomes, with participants in AmeriCorps programs more likely to choose careers in public service and increase their work skills.

A new study, *AmeriCorps' VISTA's Impact on 40 Years of Volunteers*, will identify the long-term civic engagement, education, and employment outcomes of AmeriCorps' VISTA volunteers serving between 1964 and 1990. Results from this study are expected in FY 2006-2007.

¹² This survey included a nationally representative sample of over 2,000 AmeriCorps members from more than 100 AmeriCorps' State and National programs and from three (of five) AmeriCorps' NCCC regional campuses, as well as matched comparison group.

Management Performance Highlights

Overview

Over the last few years, the Corporation has implemented reforms at almost every level of operations to improve the management of human and financial resources and strengthen accountability. These reforms reflect the principles presented in the President's Management Agenda, the Program Assessment Rating Tool, the Strengthen AmeriCorps Program Act, the President's Executive Order 13331, and other statutory and regulatory requirements, as well as the Inspector General's and the agency's own identification of changes needed to ensure effective, efficient, legal and sustainable agency operations. The following sections describe the Corporation's:

- Management structure;
- Overall management objectives, supporting strategies and performance measures;
- Progress in implementing the President's Management Agenda;
- Program ratings under the Program Assessment Rating Tool;
- Management controls, audit results and improper payments; and,
- Analysis of appropriations and financial condition.

Management Structure

In 1993, the Corporation was established to manage three main programs—Senior Corps, AmeriCorps and Learn and Serve America. At its inception, the agency merged the work and staffs of two predecessor agencies, ACTION and the Commission on National and Community Service.

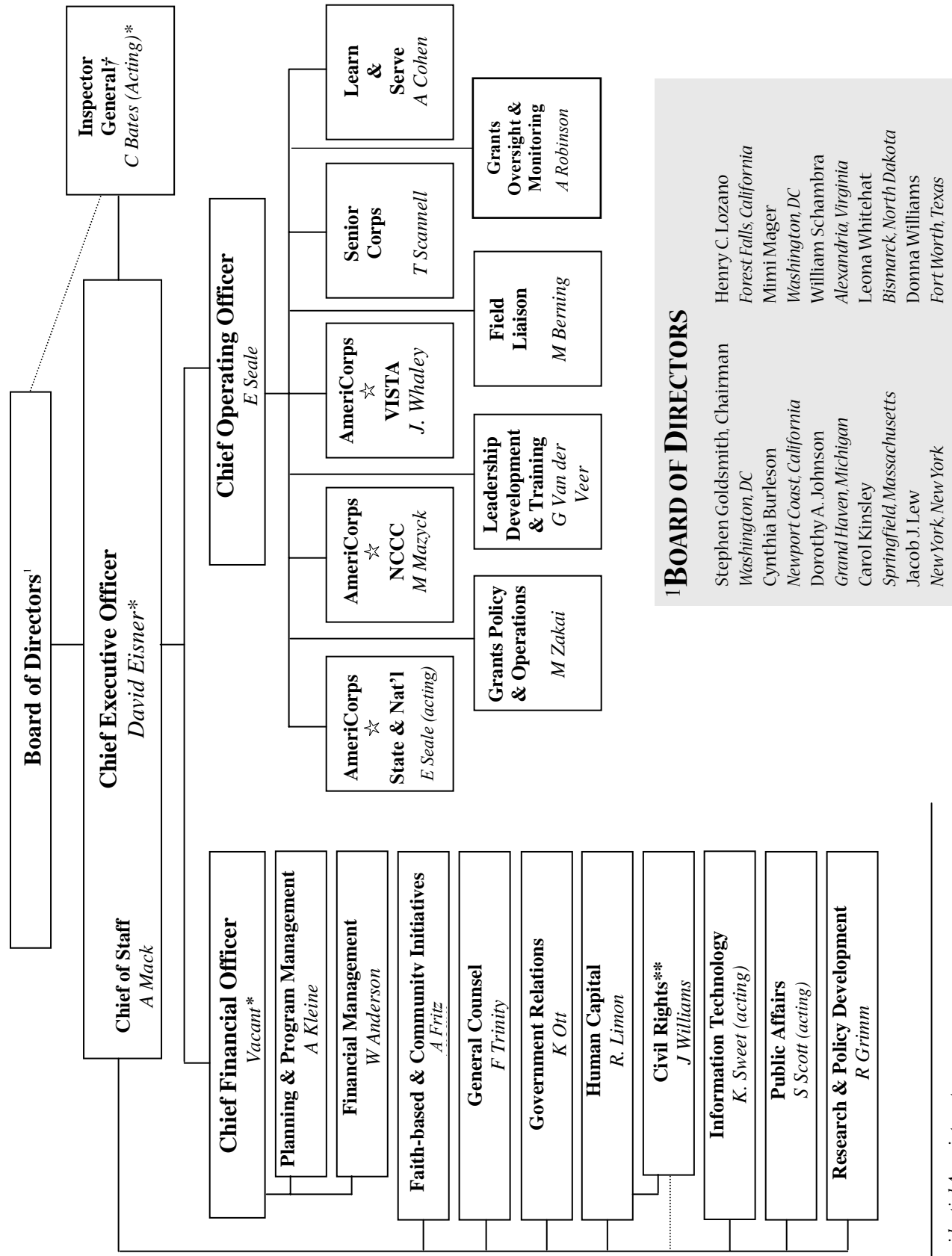
Headquartered in Washington, D.C., the Corporation is an independent Federal agency. The Corporation has a Board of Directors and Chief Executive Officer (CEO) appointed by the President and confirmed by the Senate. The CEO oversees the agency, including about 600 employees who work throughout the United States and its territories. The Board of Directors sets policies and direction for the Corporation and is responsible for all actions taken by the CEO with respect to standards, policies, procedures, programs and initiatives necessary to carry out the mission of the Corporation. The agency conducts overall program and operational management at headquarters. State offices conduct public outreach and program support and are directly responsible for developing grants and projects and for overseeing all Senior Corps and AmeriCorps VISTA projects in their states.

The agency also works through state-sponsored organizations:

- State Service Commissions provide Corporation funding to AmeriCorps State and National programs through annual grant competitions. In addition, the Commissions manage, monitor and evaluate these AmeriCorps programs. State Service Commissions also are charged with encouraging volunteering in their states. They often administer special volunteer initiatives.
- State Education Agencies (SEAs) receive formula-based funds from Learn and Serve America. Most of the funds are distributed by subgrants to schools and school districts that work with one or more community partner organizations to create service-learning projects that simultaneously meet community needs and support the development of students' academic, civic, and service skills. SEAs also build networks of teachers and school administrators, parents, and community agency partners who are knowledgeable about service-learning and work to ensure that any school or community can start or expand service-learning.



CORPORATION FOR NATIONAL & COMMUNITY SERVICE



¹ BOARD OF DIRECTORS

Stephen Goldsmith, Chairman Washington, DC	Henry C. Lozano Forest Falls, California
Cynthia Burleson Newport Coast, California	Mimi Mager Washington, DC
Dorothy A. Johnson Grand Haven, Michigan	William Schambra Alexandria, Virginia
Carol Kinsley Springfield, Massachusetts	Leona Whitehat Bismarck, North Dakota
Jacob J. Lew New York, New York	Donna Williams Fort Worth, Texas

* Presidential Appointments
 † In accordance with the Inspector General Act, Section 3a
 ** The director has independent authority to advise the CEO on pre-complaint and complaint issues. The CEO contributes to the director's performance review

Corporation Management Initiative: Achieving Management Excellence

Achieving management excellence requires the development and maintenance of efficient operational strategies; reliable systems; motivated, well-supported and well-managed employees; and, effective grants management. These factors promote: the accomplishment of the agency's goals and performance targets; a high level of accountability both at the national and grantee levels; outstanding customer service; and a

competent, productive and stable workforce. While the Corporation continues to face a number of management challenges, the agency made significant progress in FY 2005 toward its goal of management excellence.

Improve Program and Project Quality

Corporate Management Performance Measure Highlights*

Performance Measure	FY 2004 Actual	FY 2005 Actual	FY 2010 Target
<i>Improve program and project quality</i>			
Percent of Corporation-funded grantees meeting or on track to meet program/project performance goals ^{1,2}	---	---	---
<i>Cultivate a culture of performance and accountability³</i>			
Number of material weaknesses (MW) and reportable conditions (RC) identified in the most recent financial statement audit	0 MW 1 RC	0 MW 2 RC	0 MW 0 RC
Percentage of Government-wide financial management metrics where the Corporation is rated "Green" ⁴	N/A	78%	100%
<i>Deliver exemplary customer service</i>			
Overall Corporation score on the American Customer Satisfaction Index ⁵	N/A	69%	80%+
Percent of grantees who are satisfied with the overall usability and effectiveness of the agency's major technology systems ⁶	N/A	55%	80%
<i>Build a diverse, energized and high-performing workforce</i>			
Percent of employees who report overall satisfaction with their job ⁷	67.5%	N/A	80%

*Many of these measures are estimated based on survey data and/or related data sources. Further information on each measure's source and basis of estimate is available by contacting: ttraversa@cns.gov or jsmith@cns.gov.

1 In FY 2004, the Corporation began requiring its grantees to identify and report on their performance against goals and measures established by the grantee. Since most Corporation grants cover a three-year period, data for the percentage of all Corporation grantees that meet the program/project performance goals will not be available until FY 2007.

2 FY 2004 and FY 2005 actual and FY 2010 data under development.

3 In the FY 2005 Congressional Budget Justification, the Corporation identified the following measure related to accountability: number of state commissions meeting all of the state administrative standards criteria. The agency has revised its approach to ensuring state commission compliance, making this measure no longer an appropriate criteria. In FY 2002-2004, the number meeting all standards criteria was 18, 34 and 50, respectively.

4 Metrics were recently established by the U.S. CFO Council; the FY 2005 value represents the agency's baseline.

5 In FY 2004, only the AmeriCorps' State and National program's performance was assessed with a score of 57. For FY 2005, reflects the scores of all Corporation programs weighted by the program's funding level.

6 In FY 2004, only the AmeriCorps' State and National program's performance was assessed with a score of 38. For FY 2005, reflects the scores of all Corporation programs weighted by the program's funding level.

7 From the Human Capital Survey by the U.S. Office of Personnel Management; results not available for FY 2005 because the survey was not conducted during that year; the survey is expected to be completed again in FY 2006; results not available for prior years because survey was not previously conducted at the Corporation; percentage includes those reporting "very satisfied" or "satisfied."

The Corporation is working to improve the quality of the programs and projects it supports by:

- Implementing an enhanced, performance-based grants management system;
- Increasing the competitiveness of its grants through targeted outreach;
- Expanding the participation of nonprofit organizations, including faith-based and other community organizations in its programs;
- Conducting research, evaluation and information-sharing activities to help grantees effectively measure performance and replicate effective practices in volunteer recruitment and management, mentoring, service learning and other areas; and,
- Investing in the program and grant management capabilities of its grantees, through training and technical assistance.

More specifically, in FY 2005, the Corporation took a number of steps to improve program and project quality, including:

- Drafted a five-year strategic plan;
- Conducted reviews of two programs under the Program Assessment Rating Tool;
- Implemented new rules for the AmeriCorps' State and National program that are making the program more accountable and cost-effective;
- Provided training and technical assistance to over 15,000 individuals in face-to-face training events and over 2 million through e-mail, phone and internet contacts;
- Continued implementing the use of grantee performance measures;
- Sponsored a conference on national service and volunteering;
- Disseminated information on effective program and fiscal practices to grantees and other nonprofit organizations;



- Facilitated the formation of new State Commissions in Guam, the Northern Marianas Islands, the U.S. Virgin Islands and South Dakota; and,
- Expanded outreach to potential grantees and reduced barriers to participation by faith-based and other community organizations in the agency's programs.

M The ultimate measure of program/project quality is the extent to which the goals of the program/project are met. In FY 2004, the Corporation began requiring its grantees to identify and report on their performance against goals and measures established by the grantee. Since most Corporation grants cover a three-year period, data for the percentage of all Corporation grantees that meet the program/project performance goals will not be available until FY 2007. To ensure the grantees work to achieve challenging yet attainable goals, the Corporation is conducting an analysis of goals/measures proposed by the grantees and plans to establish over the coming years more intensive performance measure review processes as part of the grant-making process.

Cultivate a Culture of Performance and Accountability

To promote a culture of performance and accountability, the Corporation is:

- Conducting more targeted and in-depth monitoring and analysis of grantee programmatic and fiscal performance (see p. A-28, Grants Management), including over 1,000 on-site programmatic and fiscal review activity visits to grantees/award recipients in FY 2005, from a universe of 2,000 grants;¹
- Promoting grantee use of more rigorous performance metrics;
- Developing a set of performance metrics designed to measure the agency's progress toward its goals;
- Revamping the e-Grants system used to capture, aggregate and analyze operational and programmatic data and implementing a data warehouse to make the data accessible to managers;
- Implementing a salary management system that improves the agency's ability to track, project and reconcile payroll costs;
- Conducting business process reviews that provide insight towards improving operational efficiencies and gearing activity towards meeting customers' needs; and,
- Undergoing a complete organizational and management review by the National Academy of Public Administration, and analyzing its recommendations for implementation over the coming years.

¹ Reflects data for grants active as of 10/2/2004.

To assess the agency's progress in cultivating a culture of performance and accountability, the Corporation identified two key financial management measures—the number of material weaknesses and reportable conditions identified in the agency's financial statement audit, and the percentage of the Government-wide financial management metrics where the Corporation is rated "green."

In FY 2005, although the Corporation received an unqualified audit opinion, agency auditors identified two reportable conditions (see Audit Results p. B-40). One, related to grants management and monitoring, is an on-going reportable condition from prior years. Although the auditors acknowledged the agency's extensive efforts to improve its grants management and monitoring, they identified the need to further improve documentation of risk assessments and monitoring activities. The second reportable condition relates to the internal control over the payroll processes. The Corporation has already taken steps to strengthen its policies and procedures regarding payroll data entry, including ensuring proper segregation of duties and supervisory review.

The U.S. CFO Council recently established a set of nine Government-wide financial indicators that assess the agency's routine financial operations (see p. A-31, Government-wide Financial Metrics). As of the end of FY 2005, the Corporation met the standards for "green" on seven of the nine metrics, a significant improvement over the initial one "green" score in February 2005 when the Corporation first analyzed its operations against these metrics. The agency anticipates building upon its success in implementing effective operational changes to ensure "green" scores on all nine metrics during FY 2006.

To more comprehensively measure the agency's success in promoting improved performance and accountability, the Corporation is planning to measure the percent of the key internal program management metrics for which the agency met established targets. Many of the agency's metrics have only recently been established and performance baselines, targets and outcomes have not yet been determined. Following the agency's full implementation of its performance measurement and management program, including the collection of data to support all of its performance measures, the Corporation will be able to report on its progress in meeting its key internal program management metrics.

Deliver Exemplary Customer Service

The Corporation places a major management priority on ensuring high-quality service to its customers—the programs' end beneficiaries, grantees, subgrantees, members, participants, volunteers and other constituents that benefit from the Corporation's programs. In FY 2005, the Corporation continued and expanded its customer service focus by, for example:

- Working more closely than ever before with its grantees and the volunteer service community, including involving a broad range of stakeholders in the development of the agency's strategic plan and AmeriCorps rulemaking processes;
- Upgrading the agency's information technology from the user's perspective, including improving eGrants, the agency's grants management system;
- Improving the grants application, award, and monitoring processes;
- Initiating the automation of the National Service Trust operations, making them more customer-friendly and less costly; and,
- Working to eliminate any undue burdens on the agency's customers and to establish systems and staffing to assure comprehensive, reliable, prompt and helpful customer service.

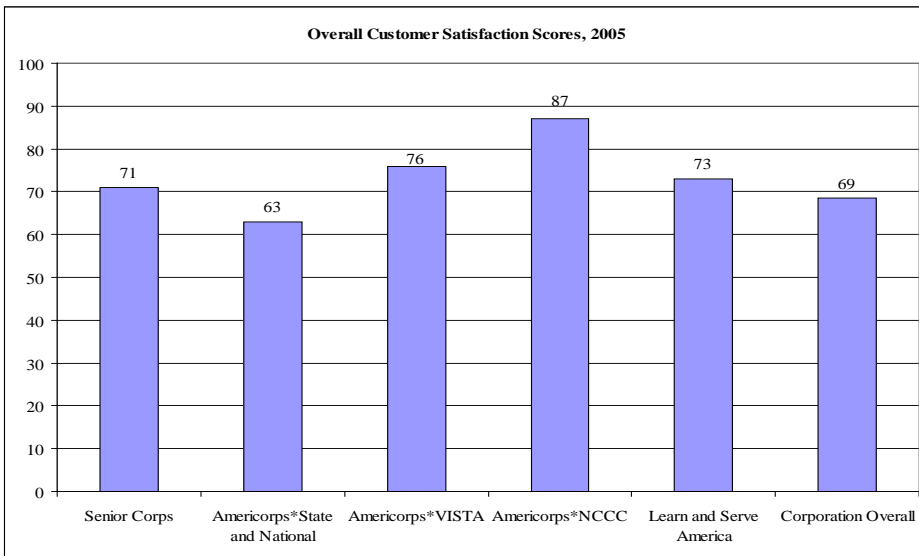
of 69.³ This compares with the overall Federal score of 71.⁴ While most of the Corporation's program scored in that same range, the NCCC program scored significantly higher at 87—third highest among all Federal agency programs. The ACSI score for the AmeriCorps*State and National program, the only program that was rated in FY 2004, improved from 57 to 63, a jump of more than 10 percent..

The ACSI surveys also provide detailed ratings of many of the dimensions of customer service, such as the application process, training and technical assistance and technology. The Corporation's staff was rated highly with scores for each program between 76 and 91. Conversely, the application process and technology/e-Grants system were rated relatively poorly at between 56 and 69 for each program.⁵ The Corporation's lowest score (46) was for its Senior Corps on-line recruitment system. The Corporation is currently analyzing the extensive data from the ACSI surveys to determine where to focus its customer service improvement efforts.

Build a Diverse, Energized, and High-performing Workforce

In FY 2005, the Corporation continued to implement its preliminary Strategic Human Capital Plan and make improvements to build a highly-motivated, productive

and trained staff. Strong executive leadership and changes such as converting employees from term to general appointments have helped the Corporation to retain high performing staff and attract a higher-quality applicant pool. While the Office of Personnel Management's (OPM) government-wide survey assessing employee attitudes was not conducted in FY 2005, the Corporation believes that employee morale has increased, since it was first measured in FY 2004 as reflected in the large drop in attrition rates from 16.5 percent in FY 2004 to 10.5 percent in FY 2005.



Also in FY 2005, the Corporation implemented detailed surveys of grantees, participants and beneficiaries in each of the agency's five major programs. These surveys, using the American Customer Satisfaction Index (ACSI),² indicate that the agency can continue to improve its customer service and better meet the needs of its customers. Overall, the Corporation received a score

In FY 2005, the Corporation also implemented a number of improvements to its human capital management to better tie pay to performance, expand diversity, and improve the quality of its workforce. These improvements included:

3 The Corporation score is a weighted average of program scores according to the FY 2005 appropriation.
 4 This reflects the overall Federal customer service performance for FY 2004; FY 2005 data government-wide are not yet available.
 5 Excluding NCCC, which does not use the same application process.

2 See Appendix VIII for a definition of ACSI.

- Implemented a Managerial Appraisal System for supervisors and managers to better tie pay to performance, and developed a similar system for employees to be implemented early in FY 2006;
- Improved the hiring processes to shorten the time vacancies remain unfilled;
- Provided more opportunities for training and professional growth, including developing competency-based individual training plans;
- Negotiated an "interchange agreement" with OPM that recognizes that the Corporation's hiring system conforms to Government-wide standards and provides

Corporation employees with "competitive status," thus improving the agency's applicant pool;

- Negotiated a new collective bargaining agreement to promote positive workforce relations and effective management of the agency's human capital;
- Expanded its intern program, including placing a number of Truman Fellows in Corporation internships; and,
- Collaborated with the National Academy of Public Administration on major study of the agency's human capital management, including compensation and position management.

Grants Management

The Corporation made \$677 million in grants in FY 2005, representing about 73 percent of the Corporation's overall funding. Properly managing these grants is critical to accomplishing the Corporation's goals.

Policies and Procedures

Direction and priorities for grant funding are recommended each year by senior managers from each program, based on statutory requirements, Board priorities, community needs, innovative approaches, and the Corporation's strategic plan.

In FY 2005, the Corporation streamlined activities and reduced potential grantee burden in several areas of grant-making activity, as follows:

- » Developed a template Notice of Funds Availability for use by all programs, consistent with OMB recommendations and including all program-specific information, as well as deadlines and submission information, thus simplifying the process for both agency staff and applicants;
- » Incorporated several different grant competitions into a single Notice of Funds Availability (NOFA);
- » Participated in the "Grants.gov" initiative, including posting all Corporation grant competitions to the Grants.gov "FIND" system, and developing a project plan for the agency's grants.gov "APPLY" interface; and,
- » Established more comprehensive and stable guidance for the AmeriCorps*State and National program by completing rulemaking that clarifies competitive criteria and promotes greater cost-effectiveness.

Fair, Equitable and Efficient Grants Competitions

The Corporation also continued to improve the quality and consistency of its grant competitions in FY 2005. The agency further improved quality controls in the peer and staff review processes, including developing more comprehensive training for peer and staff reviewers, and revising both Corporation staff and peer reviewer worksheets and scoring rubrics. The Corporation also introduced a training and certification course for reviewers and facilitators that will further ensure grants are consistently reviewed and managed in accordance with the agency's and OMB's policies and statutory requirements.

Grant Monitoring

Grant monitoring is one of the agency's highest management priority areas. In FY 2005 the Corporation: hired a Director of Grants Oversight and Monitoring; implemented monitoring plans for accountability reporting; developed and implemented a new grantee risk assessment tool; and, improved reporting functions in eGrants. Attributes of the new risk assessment process include: fully defined risk assessment criteria that are standard across all Corporation programs and integrate program and financial conditions and electronic data records to support analysis and identification of training and technical assistance needs.

(See also "Audit Results," on page A-40 to A-42.)

President's Management Agenda

"Government likes to begin things—to declare grand new programs and causes and national objectives. But good beginnings are not the measure of success. What matters in the end is completion. Performance. Results. Not just making promises, but making good on promises."

George W. Bush

To improve performance and results throughout the government, the Administration identified five government-wide priorities: the strategic management of human capital; improved financial performance; competitive sourcing; expanded use of electronic government; and, the integration of budget and performance information. As an additional priority for grant-making agencies, the Administration called for the reduction of barriers to the participation of faith-based and other community organizations in the Government's grant programs. These priorities reflect the President's Management Agenda (PMA).

The President's Management Council defined specific standards for success in each priority and uses a traffic-light scoring system to measure agencies' progress against each of the standards. Green denotes success, yellow is for mixed results and red for unsatisfactory results. The system consists of two different ratings; the "status" rating measures the agency's management operations; while the "progress" rating assesses whether the agency is making reasonable progress toward meeting the standard.⁶

As a small agency, the Corporation is not required by OMB to meet the specific requirements of the PMA, nor does OMB conduct an assessment of the Corporation's progress under the PMA. However, the Corporation has adopted the PMA as a guide, using its priorities to focus management resources and improve the administrative efficiency of the agency. A summary of the Corporation's self-assessed progress in each of the President's priority areas follows.

"We must have a Government that thinks differently, so we need to recruit talented and imaginative people to public service. We can do this by reforming the civil service with a few simple measures. We'll establish a meaningful system to measure performance. Create awards for employees who surpass expectations. Tie pay increases to results. With a system of rewards and accountability, we can promote a culture of achievement throughout the Federal Government."

George W. Bush

A detailed analysis of the Corporation's progress and plans against each PMA criteria is available in Appendix VII: President's Management Agenda Detailed Criteria and Ratings.

PMA Rating Summary

Initiative	Status	Progress
Human Capital	Y	G
Improved Financial Management	G	G
Competitive Sourcing ¹	G	G
Expanded e-Government	R	G
Budget and Performance Integration	Y	G
Faith-based and Community Initiative	G	G

¹ The Corporation is not covered by the Federal Activities Inventory Reform (FAIR) Act and does not have a formal competitive sourcing plan, as discussed in the President's Management Agenda. Instead, the agency assesses its performance on the cost effectiveness of its internal operations, with many functions contracted-out when this was the best business decision. Moreover, the Corporation relies primarily on competitive grants to accomplish its mission.

Human Capital

Status = **Y** Progress = **G**

During FY 2005, the Corporation continued to improve its human capital management. In particular, the agency began implementation of its preliminary Strategic Human Capital Plan. The plan encourages development of a results-driven performance culture, open communications and fact-based decision-making. Chief among the agency's human capital improvements are the

new appraisal system to better tie pay to performance, a new collective bargaining agreement, and providing Corporation employees with "competitive" status.⁷

⁶ Further information on the President's Management Agenda (PMA) and the President's Management Council scorecard is available at: <http://www.whitehouse.gov/results/agenda/scorecard.html>

⁷ Further information on the agency's FY 2005 improvements is available on p.A-27 of this Performance and Accountability Report.

The Corporation's human capital management performance in FY 2005 shows that the agency has:

- Achieved the same level of employee job satisfaction as other Government agencies (67 percent of employees reported high overall job satisfaction);
- Built a diverse pool of supervisors/managers, 29 percent from traditionally under-represented groups; and,
- Reduced the staff attrition rate from 16.5 percent in FY 2004 to 10.5 percent in FY 2005.

Although the agency has made great progress toward the PMA human capital goals, much still needs to be done. In all areas identified by the PMA (e.g. implementing a comprehensive strategic human capital plan, optimizing the organizational structure, succession planning, linking pay to performance, reducing under-representation and mission-critical skill gaps, and implementing a human capital management system based on outcome measures), the Corporation will continue to implement its planned improvements over the next few years.

In FY 2006, the Corporation plans to:

- Establish a baseline for organizational culture measures, such as "respect for diversity," and identify steps to minimize under-representation, particularly at the management level;
- Improve planning to meet mission-critical skill gaps as the agency's programs and operations evolve;
- Expand the metrics basis of the human capital accountability system;
- Refine the training funding policy to provide greater managerial authority and accountability;
- Implement leadership training for all managers and executives; and,
- Update the strategic compensation policy.

consecutive year. Although the agency made significant progress toward eliminating the grants monitoring and management reportable condition from the prior year's audit, the Office of the Inspector General (OIG) identified continued weaknesses in the documentation of grantee risk assessments. In addition, weakness in internal control over the payroll process resulted in a second reportable condition. Nonetheless, the Corporation is able to provide unqualified assurance on its controls over financial reporting and compliance with financial management system requirements. However, deficiencies in the agency's information

technology security (related to system certification and accreditation, documentation of security self-assessments and performing Privacy Act assessments) resulted in the Corporation providing qualified assurance on its agency controls as a whole.

The Corporation implemented a number of improvements to its financial management operations, systems and metrics that will improve the timeliness and reliability of the agency's financial data, and will help to reduce operating costs. For example, the agency:

- Improved financial operations to attain a "green" score on seven of the nine government-wide financial management metrics recently established by the U.S. CFO Council;
- Implemented a new salary management system that is helping to manage payroll costs;
- Developed and implemented comprehensive performance metrics covering every CFO function, including budget, procurement, grants management and administrative services; and,
- Began implementing projects to automate labor- and paper-intensive functions of the National Service Trust operation and to modernize the VISTA and NCCC member payroll systems, thus helping the agency to be more efficient, reliable and customer-friendly.

"Without accountability, how can we ever expect results? Under my Administration, I will bring this cycle of failure to an abrupt end. As President, I will hold all affected agencies accountable for passing their audits no later than 2002. I will say to those I put in place, get your audits right."

George W. Bush

Improved Financial Management

Status = **Y** Progress = **G**

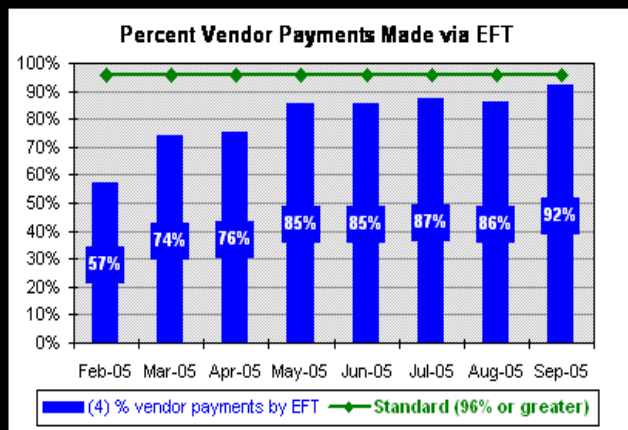
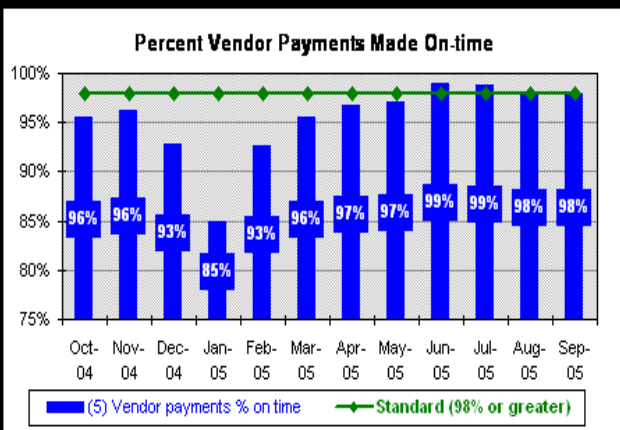
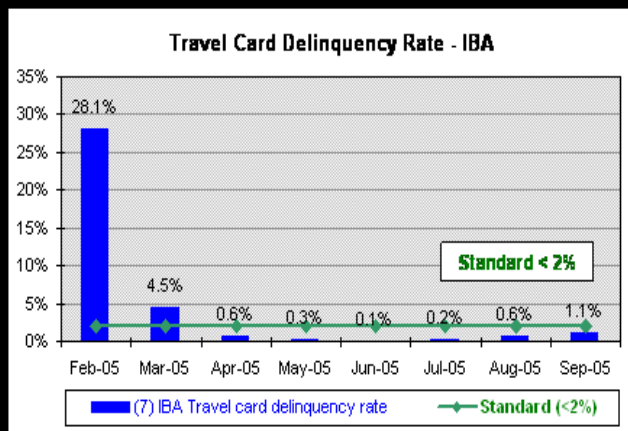
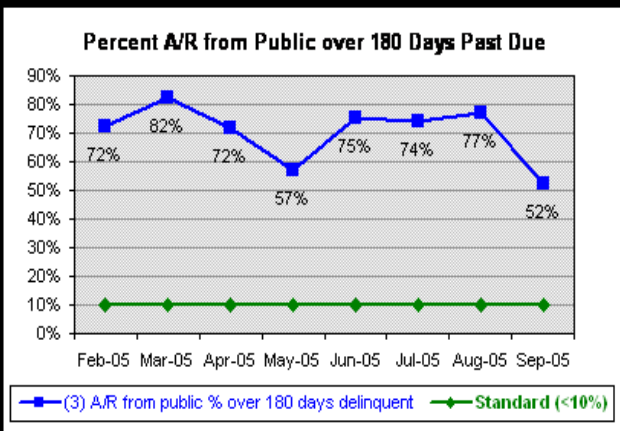
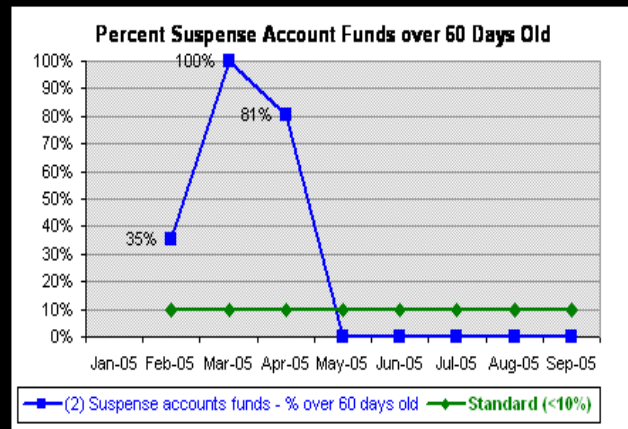
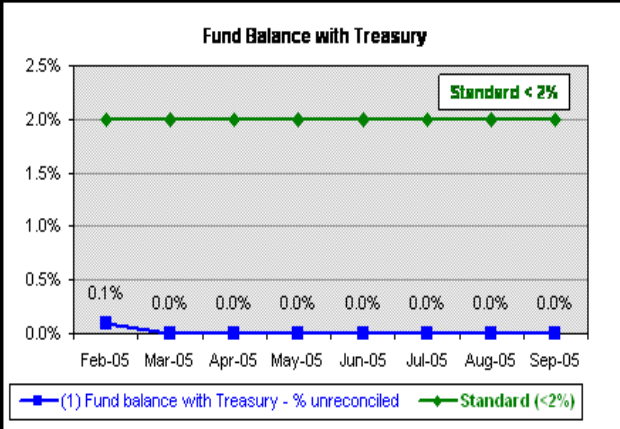
In FY 2005, the Corporation received an unqualified opinion on its financial statements for the sixth

Government-wide Financial Metrics

The Chief Financial Officers Council established a set of nine Government-wide financial indicators to measure those activities that best indicate whether an agency's routine financial operations are performing at an optimal level. "Green" is considered good performance, "Yellow" marginal, and "Red" that the area needs significant improvement.

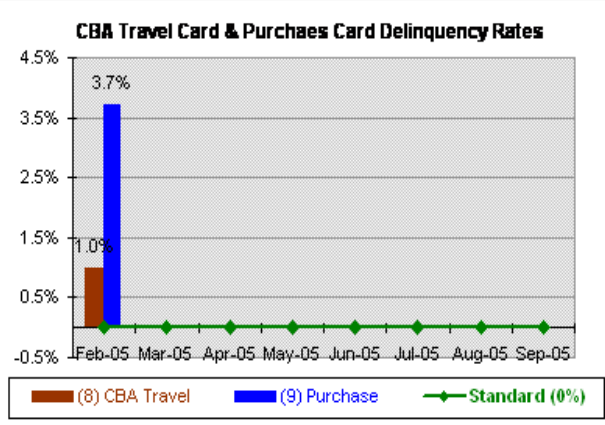
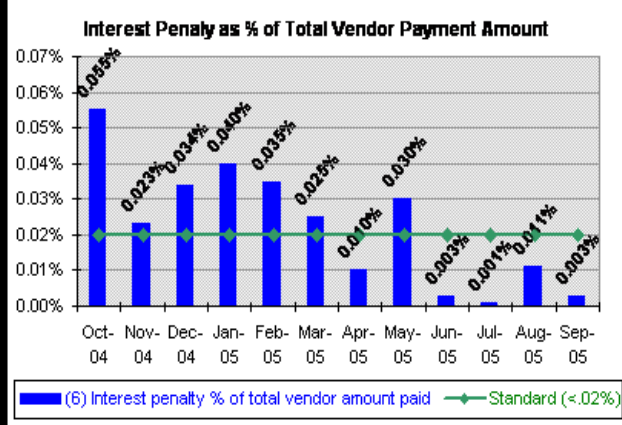
The Corporation has been tracking these metrics on a monthly basis since February 2005. In that first month the Corporation scored a "Green" on only one of the metrics,

Fund Balance with Treasury, and received a "Yellow" on one metric, Centrally Billed Travel Card Delinquency Rate. The Corporation scored a "Red" or unsuccessful on the other seven metrics. By September 2005 the Corporation had improved significantly, achieving seven "Greens," one "Yellow" (percent of vendor payments by EFT) and one "Red" (accounts receivable from the public over 180 days delinquent). The Corporation's goal is to be "Green" for all metrics in FY 2006, and maintain its operations at that level on a routine basis..



Continued on next page >

Government-wide Financial Metrics



< Continued from previous page

The Corporation's financial management meets or almost meets most of the PMA financial management goals (e.g., clean audit opinions, compliance with applicable statutes and regulations, and producing information to support management decision-making). However, the reportable conditions related to the agency's grants management and internal controls over payroll, as well as the agency's full compliance with the Federal Information Security Management Act (FISMA), must be addressed in FY 2006. In addition, the agency must improve its plans for and implementation of a comprehensive cost/performance management system to provide useful financial and non-financial information to managers and to make the use of such data by managers routine.

performance on the cost effectiveness of its internal operations, with functions contracted-out when this is the best business decision. Moreover, the Corporation relies primarily on competitive grants to accomplish its mission.

In FY 2005, 26.1 percent of the Corporation's administrative expenses were for outsourced functions, about the same level as in FY 2004. These services involved the agency's information technology operations, including its payroll processing, internet support, Office of Information Technology's Help Desk, recruitment call center and financial systems operations. Competitive sourcing is also used to provide financial management, member development and organizational assistance to grantees, ensuring both quality and cost-effective training.

Competitive Sourcing

Status = **G** Progress = **G**

"Government should be market-based—we should not be afraid of competition, innovation, and choice. I will open government to the discipline of competition."

George W. Bush

The Corporation fully supports the President's belief that the "government should be market-based... [and] open to the discipline of competition." However, the Corporation is not covered by the Federal Activities Inventory Reform (FAIR) Act and does not have a formal competitive sourcing plan, as discussed in the President's Management Agenda. Instead, the agency assesses its

Expanded Use of Electronic Government

Status = **R** Progress = **Y**

"I will expand the use of the Internet to empower citizens, allowing them to request customized information from Washington when they need it, not just when Washington wants to give it to them. True reform involves not just giving people information, but giving citizens the freedom to act upon it."

George W. Bush

In FY 2005, the Corporation continued to expand the use of electronic government by improving technology to empower the public and increase its access to information. Specifically, the Corporation:

- Launched a redesigned, more comprehensive and more user-friendly website, increasing the public's access to information about the Corporation, its programs and its employees;
- Continued to support increased information technology security, created a more secure work environment and implemented security awareness training for all employees;
- Improved the agency's grants and member information system based on suggestions from the user community and legislatively-mandated requirements, including:
 - › Implemented easier-to-use HTML screens that require less technology from the user community;
 - › Built an interface between the AmeriCorps Recruitment Systems to decrease the potential for data errors; and
 - › Began the conversion of the Web-Based Reporting System (WBRS – the grant, project and member tracking and management system) to eGrants to increase accuracy and operational capabilities, as well as reduce costs by almost \$650,000 a year.
- Prototyped a Virtual Private Network (VPN) telecommuting technology solution that will allow staff to access the Corporation's resources remotely using broadband technology;
- Installed a data warehouse environment and loaded half of the Corporation's primary data, making more information available online to support agency managers' decision-making; and
- Implemented the Salary Management System (SMS), a payroll forecasting system that allows the Corporation to develop accurate payroll projections.

However, significant challenges to the Corporation's full implementation of electronic government remain. The agency must improve the overall management of its information technology resources, including creating an updated IT strategic plan and enterprise architecture; implementing an Investment Review Board and capital planning process; monitoring and managing projects to adhere to cost/schedule/performance plans; and, fully complying with FISMA.

To address these deficiencies and continue progress toward electronic government in FY 2006, the agency will:

- Update the agency's Information Technology Plan to ensure information technology investments fully align with the agency's strategic plan:

- Create an up-to-date Corporate IT strategic plan, which will help to focus information technology investments;
- Implement the Investment Review Board and capital planning/investment control program;
- Improve documentation required by FISMA and perform Privacy Impact Assessments for all required systems;
- Load the remaining data into the data-warehouse, and incorporate the Corporation's current and developing performance measures;
- Further increase the speed of the grant application process and decrease the hardware requirements for grantees;
- Complete the conversion of the Web-Based Reporting System (WBRS) to eGrants;
- Complete automation of Trust processes;
- Improve re-use of data and XML to create greater operational efficiencies and support improved data exchange;
- Evaluate a customer relationship management system to support improved customer service agency-wide;
- Complete the telecommuting VPN solution; and
- Redesign and implement a disaster recovery solution.

Integration of Budget and Performance Information

Status = **Y** Progress = **G**

“Government should be results-oriented—guided not by process but guided by performance. There comes a time when every program must be judged either a success or a failure. Where we find success, we should repeat it, share it, and make it the standard. And where we find failure, we must call it by its name. Government action that fails in its purpose must be reformed or ended.”

George W. Bush

In FY 2005, the Corporation made significant progress toward fully integrating budget and performance information and using this integrated information to inform decision-making. The Corporation's recently completed strategic plan helps focus agency efforts toward clear performance goals. The agency developed “logic models” based on these goals and program and financial data. These “logic models” formed the basis for the agency's budget proposals, linking



performance objectives to budgetary requirements. The agency also continued to develop and improve its performance measurement system, including better tying performance measurement to program outcomes and beginning to implement a data warehouse and a “dashboard” of key management metrics. To fully meet the PMA budget/performance integration objectives, however, the Corporation must continue to implement planned improvements, such as better analysis of the full costs of its programs and policy options, developing efficiency measures, conducting assessments of all its programs using OMB’s Program Assessment Rating Tool and promoting the use of cost/performance data in decision-making throughout the agency.

In FY 2006, the Corporation will continue to integrate budget and performance information into not only the budget process, but throughout the agency’s management decision process. To do so, the agency will:

- Develop a comprehensive, multi-year plan to coordinate the many separate on-going projects, such as the development of the data warehouse, organization-specific performance measures, and enterprise architecture development;
- Continue developing a hierarchy of performance metrics⁸ to allow managers to more clearly identify the root causes of performance issues;
- Continue developing improved outcome and efficiency measures for all programs, including focusing on end-beneficiary data collection approaches;
- Continue implementing the data warehouse, including loading the agency’s remaining core data, developing improved standard reports and ad-hoc reporting capabilities, and promoting use of financial and non-financial data throughout agency;
- Conduct PART simulations for the three major programs that have not yet been evaluated by the PART;
- Develop an improved methodology to readily and more accurately trace and allocate costs to performance goals;
- Pilot a multi-year current services/policy budget analysis process to better support the connection between costs and performance;
- Provide assistance to grantees in the development of rigorous performance metrics and evaluation programs;
- Continue analyzing grantee performance reporting to identify potential standardized performance metrics; and,
- Conduct additional program evaluations.

⁸ The hierarchy will identify, for each Corporate-level metric, those subsidiary measures of performance that contribute directly to the accomplishment of the Corporate-level goals.

Faith-Based and Community Initiative

Status =  Progress = 

“Opinion surveys consistently show that wide and diverse majorities of Americans favor government collaborating with qualified faith-based organizations that supply social services, although there is significant disagreement about the specific terms and conditions of such collaboration, and that most citizens rate local community-service congregations as the country’s top problem-solving non-profit organizations.”

***Rallying the Armies of Compassion,
The White House, January 2001***

In FY 2005, the Corporation continued to implement its faith-based and community initiative through a task force comprised of representatives from all Corporation programs and administrative offices. This initiative ensures that all program development, outreach, technical assistance, and research – including data collection – support equal opportunities for the participation of faith-based and other community organizations.

In FY 2005, about \$371 million or almost 60 percent of available grant funding was awarded to faith-based and other community organizations. This shows significant progress in the Corporation’s efforts to remove barriers at the Federal, state and local levels for faith-based and community-based organizations to participate in the agency’s programs and access Corporation resources. As a result of the removal of barriers, strengthened outreach efforts, the use of intermediaries, and innovation in development of multi-site pilot projects, the number of faith-based and other community organizations participating in Corporation programs will continue to grow in FY 2006.

Pursuant to the President’s Executive Orders No. 13198, 13199 (January 29, 2001), 13279 (December 12, 2002) and 13331 (February 27, 2004), the Corporation modified many of its policies and practices to permit faith-based and other community based organizations to participate more fully in its programs. In recent years, the Corporation added language to notices of funding availability that specifically invites faith-based and other community

organizations to apply for Corporation funding; and, set involvement of faith-based and other community organizations as a priority for partnerships in the Learn and Serve America, AmeriCorps and Senior Corps program guidance. The Corporation took a number of further actions in FY 2005:

- Provided outreach and training for State Service Commissions to level the playing field at the state level for faith-based and other community organizations to compete for funding;
- Developed a draft, new AmeriCorps administrative standard that encourages states to remove barriers and promotes outreach to faith-based and community-based organizations; and
- Used training and technical assistance as an outreach mechanism and a tool to provide faith-based and other community organizations with the skills necessary to compete effectively for Corporation funding.

Also, through rulemaking, AmeriCorps codified provisions to reduce barriers for faith-based and community-based organizations, including the following:

- AmeriCorps members may devote up to 10 percent of the member's term of service to assist organizations with fundraising.
- Organizations receiving less than \$500,000 in funding have less onerous evaluation requirements - an internal, rather than external evaluation is required.
- The Corporation anticipates targeting a percentage of grant funds each year for organizations that have not previously received Corporation funding.

- The Corporation developed an alternative match schedule for programs operating in rural and severely economically-distressed areas and therefore facing barriers to raising funds.
- Programs operated by community organizations or programs that support the efforts of community organizations to solve local problems, including faith-based organizations may receive special consideration in the grant selection process.

To further enable faith-based and other community organizations to participate in the Corporation's programs in FY 2006, the agency plans to:

- Improve the automation of data collection on this initiative to better monitor its impact and identify further areas for improvement;
- Conduct more targeted outreach to better demonstrate how national service programs and their participants can be a resource to faith-based and other community organizations, including improving the agency's related publications, broadening the faith-based and community initiative listserv, expanding publicity for notices of funding opportunity and convening informational sessions at regional forums or gatherings of large organizations; and
- Continue to help remove barriers to faith-based and other community organizations' participation in state programs by providing training and technical assistance to reduce inconsistencies and expand opportunities.

Faith-based and Other Community Organizations— Model Program Ex-offender Re-entry Pilot Project

In FY 2005, model faith-based and other community organization projects collaborated to develop and launch a joint national service project to support prisoner reentry, housing, employment and mentoring initiatives in twelve U.S. cities—the Model Program Ex-Offender Re-Entry Pilot Project. Approximately 40 full-time AmeriCorps*VISTA members are supporting this project to help build the capacity of participating organizations, create volunteer hubs in partnership with participating cities and grassroots, faith-based and other community groups, and mobilize volunteer support for reentry initiatives in these cities.

Through this project, the Corporation will:

- » Reduce ex-offender recidivism and crime, and promote successful re-entry into society by linking Federal, state and city-level re-entry programs to volunteer support and grassroots, faith-based and community initiatives;
- » Promote ex-offender, youth and family empowerment

in the reentry process through holistic leveraging of public and private resources for housing, employment, life skills, and mentoring for children of prisoners and their families; and

- » Build volunteer capacity for reentry and mentoring initiatives. AmeriCorps*VISTA member and other Corporation support will generate 10,000 new mentoring and re-entry volunteers in collaboration with USA Freedom Corps, the U.S. Departments of Justice and Labor, U.S. Conference of Mayors Center for Faith-Based and Community Initiatives, state service commissions, and faith-based and other community organizations.

Program Assessment Rating Tool

The Program Assessment Rating Tool (PART) was developed by OMB to assess and improve program performance and enable Federal programs to achieve better results. A PART review highlights a program's strengths and weaknesses to inform funding and management decisions aimed at making the program more effective. The PART assesses all factors that affect and reflect program performance, including program purpose and design, strategic planning, program management, program results, and accountability.

Two Corporation programs were assessed under PART during FY 2005. AmeriCorps*State & National, a grant-based volunteer program, was reassessed after an original assessment in 2002. AmeriCorps*NCCC, a residential volunteer program, was assessed for the first time.

AmeriCorps*State & National

Performance Category and Weight	Category Score
Program Purpose and Design (20%)	80%
Strategic Planning (10%)	100%
Program Management (20%)	89%
Program Results/Accountability (50%)	40%
Program Score	64%

In 2005, the AmeriCorps*State and National program was rated "adequate" and given an overall score of 64 percent—an increase of 28 points over the PART review in 2002.⁹ The PART reassessment found that the program's purpose and design, strategic planning and program management were effective in helping to address unmet community needs. Moreover, the PART review endorsed the program's recently-developed set of outcome-based performance measures, and identified specific measures for which the program is already able to demonstrate impressive results (e.g., number of community volunteers recruited and/or managed). However, the program has not yet collected enough performance information over time to meaningfully and comprehensively inform the management of the program.

The PART review also recognized the significant improvement made in the program's financial management, but recommended that the Corporation continue to improve the reliability of the AmeriCorps portfolio planning tool and finalize program control

⁹ AmeriCorps*State and National's rating is subject to change, based upon OMB review of AmeriCorps 2005 performance data.

measures. Since the 2002 Anti-Deficiency Act violation, the Corporation has greatly improved the grant and member enrollment award procedures and fully implemented the Strengthen AmeriCorps Program Act of 2003, including using conservative assumptions to calculate education award obligations and to obligate funds for education awards before making grant awards. The Corporation also has established a reserve fund to protect the Trust's solvency in the event the liability estimates are incorrect. The Trust has received three clean audit opinions since 2002 and has implemented a set of controls to further ensure the availability of Trust resources.

AmeriCorps*NCCC

Performance Category and Weight	Category Score
Program Purpose and Design (20%)	40%
Strategic Planning (10%)	11%
Program Management (20%)	75%
Program Results/Accountability (50%)	11%
Program Score	30%

The AmeriCorps*NCCC program was rated as ineffective and given an overall score of 30 percent. Although, the PART review found that the program was generally well-managed and addressed a specific existing need, the review also found that the program, originally intended as a demonstration program:

- Had not been evaluated against its legislative objectives;¹⁰
- Included an expensive residential component that was not adequately justified; and,
- Did not have adequate performance measures in place to assess annual progress toward long-term goals or cost effectiveness.

In addition, the review concluded that the benefits of the NCCC program could largely be met through other national service programs, particularly if the sponsoring organizational application and management were streamlined.

Nonetheless, the review noted a number of positive program accomplishments, including:

- Use of performance information to manage and improve performance;
- The implementation of processes to hold Federal managers and program partners accountable;

¹⁰ As specified in its authorizing legislation, the NCCC program was intended to strengthen communities, increase civic responsibility, and effectively use former military staff to manage national service efforts.

- The obligation of funds in a timely manner and for the intended purposes;
- Effective collaboration with related programs; and
- Strong financial management practices.

Although the program was not found to be effective in accomplishing its legislatively mandated objectives, program research did show positive benefits to the communities served and the program's members:

- 83 percent of NCCC community sponsors who have used other corps teams rated NCCC teams as better—more disciplined, productive, and motivated.

- The program had significantly positive impacts on NCCC members' connection to community, local civic efficacy, participation in community-based activities, and future volunteering behaviors.
- The program was rated third for customer satisfaction among all Federal agencies/programs.¹¹

¹¹ Per the American Customer Satisfaction Index (ASCI).



Management Controls, Audit Results, and Improper Payments

The Corporation is subject to the reporting requirements of the Government Corporation Control Act (31 U.S.C. 9101 et. seq.). Under these requirements, the Corporation provides a statement on its internal accounting and administrative controls consistent with the requirements of the Federal Managers' Financial Integrity Act of 1982, as amended (31 USC 3512, et seq.). The statement reflects the Corporation's assessment of whether there is reasonable assurance that management controls are achieving the intended results, reports any material weaknesses in management controls present within the agency, and describes management's current plans to address and correct any deficiencies.

Basis of FY 2005 Assessment

The Corporation's assessment of management controls is based on reviews and other assessments of Corporation operations, programs and grantees including:

- A written assessment of controls by Corporation managers.
- Independent validation of the managers' responses for selected Corporation units.
- Office of Inspector General (OIG) reports, including the annual financial statement audit and recent audits of portions of the Corporation's operations.
- In-Progress Reviews (IPR) at three NCCC campuses. The IPR is a focused management control assessment that provides for a self-assessment by campus staff, followed by an independent review by headquarters staff. Review items include project management, corps member management, and fiscal controls. Following the on-site review, a written report is prepared and campus staff develops corrective action plans in response to IPR recommendations.

In addition, management's knowledge of the Corporation's day-to-day operations plays an important role in the assessment that controls for the Corporation's fundamental work generally are in place and are working as intended. These controls include the announcement of funds availability for grants, the receipt and evaluation of applications for financial assistance, and the negotiation and award of grants, contracts, and cooperative agreements.

Management Control Program

The Corporation's management control program includes providing appropriate training to managers on the purpose of controls and how the Corporation develops, implements, assesses, corrects, and reports on controls. The management control program is conducted through a four-part process:

- A self-assessment of controls by Corporation managers using a structured questionnaire.
- An examination of all completed questionnaires by CFO staff and an on-site management control assessment to independently test selected areas determined to be the highest risk.
- The provision of feedback, including noting areas for improvement at locations reviewed.
- The documentation of results for analysis and planning future reviews and improvement efforts.

Under the management control program's risk-based approach, areas of the Corporation's operations that execute accounting transactions are tested annually (e.g., service centers, accounting, grants) and all areas complete self-assessment questionnaires on a three-year cycle. During FY 2005, the Corporation surveyed 11 operational areas and performed transactions testing for 15 sites.

During FY 2005 the Corporation began planning to expand and enhance its management control program. The new process will better document the Corporation's control structure, increase the number of activities tested, and position the Corporation to meet the new requirements in OMB Circular A-123, *Management's Responsibility for Internal Control*, that go into effect for FY 2006.

Statement of Assurance over Financial Reporting

The Corporation is responsible for assessing the effectiveness of its internal controls in achieving the following objectives:

- **Reliability of financial reporting.** Transactions are properly recorded, processed, and summarized to permit the preparation of the financial statements in accordance with generally accepted accounting principles.

- **Safeguarding of assets** against loss from unauthorized acquisition, use, or disposition.
- **Compliance with applicable laws and regulations.** Transactions are executed in accordance with (a) laws governing the use of budget authority and other laws and regulations that could have a direct and material effect on the financial statements and (b) any other laws and regulations or government-wide policies identified by OMB and Corporation management as being significant and for which compliance can be objectively measured and evaluated.

Based on the Corporation's evaluation, controls in place on September 30, 2005, provided reasonable assurance that the foregoing objectives were met.

Statement of Assurance over Financial Systems

The Corporation is responsible for maintaining its financial management systems in conformance with government-wide requirements. These financial systems requirements are mandated by the Federal Financial Management Improvement Act (FFMIA) and OMB Circular No. A-127, *Financial Management Systems*. With the successful operation of the Momentum financial management system and adherence to Treasury's Standard General Ledger requirements, the Corporation continues to comply with Federal financial management system requirements including those specified in FFMIA.

Statement of Assurance over Agency Controls

The Corporation is responsible for assessing the overall adequacy and effectiveness of its management controls to promote (1) effective and efficient operations; (2) reliable financial reporting; and (3) compliance with applicable laws and regulations. In deciding on the type of assurance to provide, the agency considers information from senior program and administrative officials and OIG. Management is precluded from concluding that the agency's internal control is effective (unqualified statement of assurance) if there are one or more material weaknesses.

In the OIG's independent assessment of the Information Technology security posture of the Corporation, as mandated by the Federal Information Security Management Act of 2002 (FISMA), OIG reported that the Corporation needed to improve its system certification and accreditation efforts; better document its security self-assessments; and perform Privacy Act Assessments on systems that had undergone significant modification or had recently been placed in service. As a result of the

FISMA weaknesses, the Corporation is providing qualified assurance on its agency controls.

Based on the Corporation's evaluation, except for the deficiency described in the preceding paragraph, the Corporation controls in place on September 30, 2005, provided reasonable assurance that the foregoing objectives were met.

FISMA Corrective Action Plan

As discussed above, during the FY 2005 FISMA review, the Corporation's OIG noted weaknesses in the security posture of the Corporation. The Corporation is implementing a comprehensive plan to correct these weaknesses using the following process:

- Inventory all Corporation computer systems.
- Determine if the asset is a significant system. Define all systems into the following:
 - a. Major Application;
 - b. General Support System; and
 - c. Minor Applications (systems that are neither major nor general support).
- Categorize all required Systems based on the following:
 - a. Identify the level of associated risk by evaluating—
 - Functionality of the system; and
 - The types of data the system processes and holds.
 - a. Complete Privacy Impact Assessments.
 - b. Determine whether the system requires an E-Authentication Assessment—
 - Complete the E-Authentication Assessment when required.
- For all Major Applications or General Support Systems:
 - a. Develop a controls baseline for the system –
 - Perform a Risk Assessment for the systems.
 - a. Develop a Security Plan for the systems.
 - b. Perform an appropriate Security Test & Evaluation.
 - c. Complete an annual Self-Assessment.
 - d. Complete the Certification and Accreditations (C&A)—
 - Include the necessary documentation to ensure that the C&As are in compliance with OMB and National Institute of Science and Technology (NIST) requirements;
 - Document the Rules of Behavior; and
 - Document the Configuration Management baselines.

Under the corrective action plan the Corporation has completed inventory and categorization and will complete the entire process by March 2006. The

Corporation has contracted with a FISMA consultant to assist in completing these corrective actions within the plan's milestones.

The Corporation is committed to management excellence and recognizes the importance of strong financial systems and internal controls to ensure accountability, integrity, and reliability. Management, administrative, and financial system controls have been developed to ensure the following:

- Programs and operations achieve their intended results effectively and efficiently;
- Resources are used in accordance with the Corporation's mission;
- Programs and resources are protected from waste, fraud, and mismanagement;
- Applicable laws and regulations are followed; and
- Reliable, complete, and timely data are maintained and used for decision making at all levels.

The Corporation's financial systems and control infrastructure is anchored by the Momentum Financial Management System, which is the core financial system at the agency. Momentum is updated with current transactions on a real-time basis. The system also features many automated controls that maintain budgetary integrity, assure no single individual can issue an unauthorized payment, and nearly eliminate the possibility of duplicate payments. The system also maintains a fully retrievable multiyear database, which is accessed using reports to produce trial balance, financial statement and ad-hoc management reports. The core financial system is interfaced with eSPAN (the grant and member information management system). The eSPAN system also includes eGrants (the agency's internal grant award management system) and the VISTA payroll system. The agency's e-SPAN system further interfaces with the Web-Based Reporting System (WBRS)-the grantee reporting system; WBRS currently is being integrated into eSPAN. In addition, the core financial system is interfaced with payment systems at other agencies:

- Health and Human Services/Program Management Support (HMS/PMS-the external system that administers our grant payments and grantee expenditure reports) and
- U.S. Department of Agriculture/National Finance Center (the processing system for Corporation staff payroll).

The Corporation implemented a Salary Management System in FY 2005 and is now implementing an improved budget planning and execution system, iBudget. The agency also plans to integrate a procurement module. These systems will interface with the core financial system. In the future, a Customer Relationship

Management system also will be defined and implemented.

The controls built into eGrants assure that grant applications proceed through all required reviews and approvals and that established processing schedules are maintained. HHS/PMS provides continual external verification of the validity of grant award authorizations and currently authorized grantees. In addition, the timing and amount of all grant payments are determined by electronic grantee requests. The payment activity to all grantees and their respective reported expenditures are electronically monitored and the financial activities of the larger grantees also are subject to independent audit under the Single Audit Act and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Audit Results

FY 2005 marks the sixth consecutive year the Corporation has earned an unqualified opinion on its financial statements and the fifth year with no material weaknesses in its internal controls. While these results demonstrate the Corporation's commitment to sound financial management, the audit pointed out several areas where improvements can be made. The Corporation's monitoring of grantees has improved but further strengthening of controls is still needed. In addition, this year's audit also identified internal control weaknesses related to the processing of personnel and payroll data by the Office of Human Capital's (OHC's) Position Management, Staffing and Compensation unit as a reportable condition. As discussed below, the Corporation has implemented new procedures that will fully resolve this finding.

Status of Grants Management Reportable Condition

The FY 2005 financial audit report noted improvements in the Corporation's grant monitoring processes but continued to identify this area as a reportable condition, recommending that the Corporation: 1) improve its risk assessment process; 2) better document the results of its site visits and other monitoring activity; 3) ensure that all data in the Corporation's Audit Resolution Database is accurate, timely, and is supported by evidence; and 4) document follow up actions with grantees and other steps taken to ensure that grantees submit all reports on a timely basis.

The Corporation routinely monitors its grants and awards, conducting over 1,000 on-site compliance visits during FY 2005, in addition to the other forms

of oversight and monitoring activities conducted throughout the year. The Corporation's monitoring activities vary in length and intensity, depending on the level of monitoring needed, and include on-site monitoring visits, State Standards Reviews, targeted site visits, in-house desk reviews, reviews and analyses of progress and financial status reports and other program performance indicators, training and technical assistance, and resolution and certification programs.

Corporation-wide Monitoring Plan

The Corporation developed a Corporation-wide monitoring plan for FY 2005, based on risk assessments, using program-specific criteria, and frequency-based monitoring requirements, as applicable by program. The Corporation also implemented monthly status reports to track the volume of planned and conducted monitoring activities across all programs. These reports will be enhanced in FY 2006.

Award Oversight and Monitoring Coordinating Council

To ensure stronger oversight and management across programs, the Corporation established an Award Oversight and Monitoring Coordinating Council comprised of senior staff. The Council's mission is to ensure that the Corporation exercises uniformly excellent financial, administrative, and programmatic award oversight across its programs and supports awardees success through effective compliance monitoring, training, and technical assistance.

Director for Award Oversight and Monitoring

To further strengthen oversight and monitoring activities across all of its programs, the Corporation hired a new Director for Award Oversight and Monitoring in June 2005. In addition to serving as Chair of the Award Oversight and Monitoring Coordinating Council, the new director provides leadership to and coordinates with all Corporation programs to ensure the Corporation's awardees (grantees and providers) manage Corporation funds in accordance with applicable laws, regulations, standards, and agreements.

New Corporation-wide Risk Assessment Process

As noted in the audit, the Corporation has been transitioning to an integrated risk-based monitoring approach. Attributes of the new Corporation-wide process include: fully defined risk assessment criteria that are standard across all Corporation programs (formerly program-specific criteria); an integration of program and fiscal risk assessment criteria that collectively establish one comprehensive risk assessment per grant; and, electronic data records to support data

analysis and identification of potential training and technical assistance needs.

The Corporation-wide risk assessment development and planning efforts began in the Spring of 2005 and the new process was implemented in September 2005. The majority of the risk assessments were documented in eGrants by December 2005. However, the VISTA eGrants module will not be implemented in time to use the system to document VISTA risk assessments. In the interim, VISTA risk assessments will be paper-based and the results used to support and inform development of the Corporation's FY 2006 monitoring plan. Below is a brief summary of primary development and implementation efforts in support of this new Corporation-wide process:

- **Risk Assessment Criteria:** The Corporation developed core risk assessment criteria to support the new Corporation-wide risk assessment process. The criteria used by all Corporation program offices were first inventoried (40+ criteria) and then a total of 17 core criteria, as well as one-program specific criterion were identified to support the new process. The Corporation established point values for each of the criteria and defined the parameters for "High," "Medium," and "Low" risk levels.

Development of the new Corporation-wide criteria involved establishment of a standardized format and fully defining each criterion within that format, as follows: Risk Assessment Category (i.e., Organizational; Programmatic; Financial; Compliance; Program-Specific); Context; Criterion Summary Statement; Terms and Definitions; User Instructions; Examples; Source Documentation (where to look); Comments Required in Risk Assessment eGrants Record; Reference Documents and Other Resources; and, Control and Maintenance.

- **Corporation-wide Risk Assessment and Monitoring Planning Process Guide:** The Corporation developed and implemented a process guide for the risk assessment process and development of the Corporation-wide monitoring plan. This guide establishes the base policy and outlines the processes for completing and documenting risk assessments and using risk assessment results to help inform development of the monitoring plan.
- **eGrants Enhancements:** Base-level eGrants enhancements (e.g., data fields, layout) were necessary to support the new risk assessment process, documentation of monitoring plan information in eGrants, and improved reporting of monitoring activities conducted throughout the year. Enhancements to the risk assessment module were implemented in September/October 2005 with delivery of the site visit module enhancements occurring in November 2005.
- **Reporting:** Initial reporting needs/templates to support the risk assessment process, development of the FY 2006 monitoring plan, and identification of training

and technical assistance needs were developed in late Summer 2005. Activities to identify enhanced reporting needs for FY 2006 monitoring were also initiated in FY 2005.

- **Training:** The Corporation developed training materials and delivered training on the risk assessment process, the risk assessment criteria, and use of the eGrants module. Training was initiated in late August and completed in October for the risk assessment process; training and dissemination of training/user guidance will continue for monitoring plan documentation as the Grants enhancements are released for the site visit module (expected timeframe for release is November 2005).

Audit Resolution Database:

The Corporation no longer relies completely on the Federal Audit Clearinghouse for current A-133 information because the information is frequently out-of-date. In almost all cases, the information recorded from the Federal Clearinghouse in the Corporation's audit resolution database was at least two years old and frequently superseded by a more current audit. Therefore, the Corporation has begun to review current grantee A-133 audits every year during the annual award process and document that review in eGrants. Beginning in 2006, documentation related to follow-up on any audit findings noted in that annual review will also be done through eGrants. Depending on funds availability, the Corporation will implement the eGrants audit resolution function in 2006, and will use that component to document follow-up and resolution.

Grantee Reporting

The Corporation is implementing a notification system in eGrants to generate automatic correspondence to grantees when required reports are overdue. This system will be in place by the end of 2006. Until fully implemented, the Corporation will require its staff to send individual notifications to grantees with overdue reports. Staff in each program office (e.g., Senior Corps, AmeriCorps) will coordinate and track the process for Progress Reports from grantees to ensure that reports are received and follow-up is timely. For Financial Status Reports, the Service Centers will coordinate and track the process to ensure all notifications are sent in a timely manner.

Status of Human Capital Reportable Condition

The FY 2005 financial audit report also identified internal control weaknesses related to the processing of personnel and payroll data by the Office of Human Capital's (OHC) Position Management, Staffing and

Compensation unit as a reportable condition. The report cited the need for better segregation of duties and supervisory review of payroll data. During FY 2005 the Corporation's new Chief Human Capital Officer recognized the need to formalize and better document its policies and procedures over position management, staffing and compensation. During the fourth quarter of FY 2005, OHC began implementing standard operating procedures (SOPs) covering:

- Requests for personnel actions;
- Staffing vacancies;
- Recruiting vacancies;
- Training Initiatives;
- Investigations;
- ID smart cards;
- Employee in-processing;
- Statistical reports generation;
- Time and attendance;
- Managerial review of timesheets; and
- Internships.

The procedures are designed to ensure that all personnel actions are properly authorized, reviewed, and approved prior to data being entered into the National Finance Center (the agency's payroll service provider) and that there is a proper segregation of duties throughout the operations of the Office. The Director of the Office of Position Management, Staffing and Compensation also randomly samples documents to ensure that the procedures are implemented. Implementation of the new procedures began in September 2005. In October 2005 the Chief Human Capital Officer signed-off on the final procedures, directing their use by all staff. The Corporation believes these procedures will fully resolve this finding.

Improper Payments

The Improper Payments Information Act (IPIA--P.L. 107-300) requires Federal agencies to identify and report on significant payment programs that are susceptible to erroneous payments. The Act defines significant erroneous payments as those within a single payment program that exceed both 2.5 percent of that program's annual amounts paid and \$10 million annually. The Corporation reviewed its operations identifying 13 payment programs, and assessed each to determine which, if any, were susceptible to significant erroneous payments. Only seven of the 13 programs make total annual payments that exceed \$10 million. For all 13 programs, regardless of size, error rates exceeding the 2.5 percent threshold would have to be suspected to determine significant erroneous payment susceptibility.



The two largest Corporation payment programs are the Domestic Volunteer Service Act and National and Community Service Act grant programs. Together the annual payments for these programs account for over two-thirds of all Corporation payment amounts. As grant programs, these payments are administered by the Department of Health and Human Services' Payment Management System. There are numerous internal and external controls making erroneous payments highly unlikely. For example, awards go through many levels of review and approval before obligations are created and transmitted to the Payment Management System. These payments are all requested by authorized grantees; then they are validated and disbursed by Health and Human

Services. Moreover, the receipt and use of grant funds are monitored by the Corporation and in many cases are subject to independent audits under the Single Audit Act and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

Based on the results of the FY 2005 IPIA review, there were no programs susceptible to significant erroneous payments. However, even though the Corporation concluded its programs are not susceptible to significant erroneous payments as defined under the Act, most non-grant payments are reviewed as part of the Management Control Program discussed above.



Analysis of Appropriations and Financial Condition

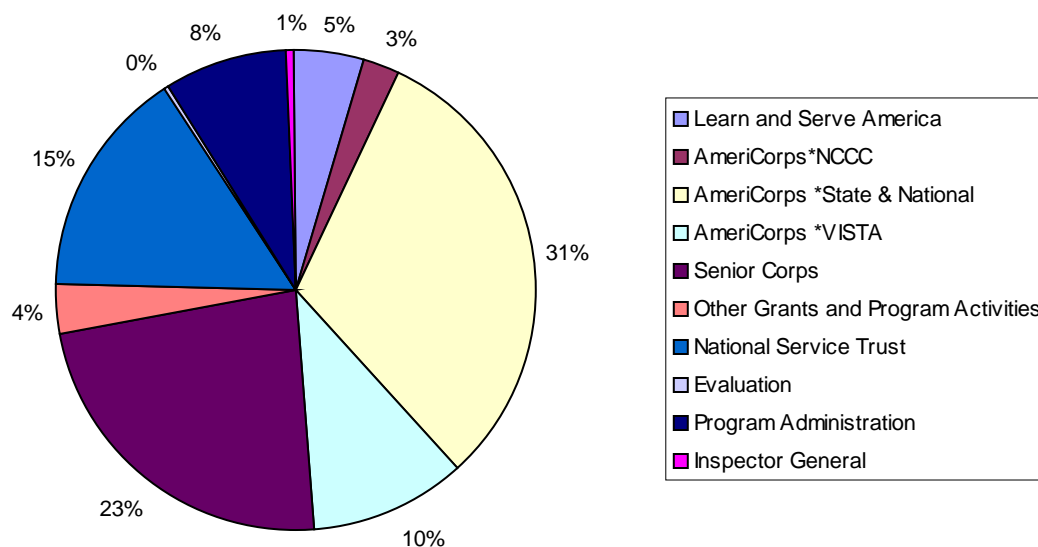
Analysis of Appropriations

In FY 2005, Congress appropriated \$927 million for the Corporation's programs under the National and Community Service Act (NCSA) and the Domestic Volunteer Service Act (DVSA). This compares with a total appropriation of \$935 million in FY 2004. 76 percent of the FY 2005 appropriation went to support grants and other program services; 15 percent went to support the National Service Trust to pay future education awards; and the remaining 9 percent provided program administrative support, including state commission

administration, evaluation and the Inspector General's office.

The Corporation also received donations from a number of Corporations and individuals totaling about \$540,000, a slight decrease from the \$586,000 received in FY 2004. These funds were used as indicated by the donors, primarily for NCCC activities, the USA Freedom Corps website, and a national nonprofit volunteerism study. (See Appendix IV for more information on donations.)

Percentage Distribution of FY 2005 Appropriations by Major Program



Analysis of Financial Condition

Composition of Corporation Assets

The Corporation's primary assets are Fund Balance with Treasury, Trust Investments and Related Receivables, and Advances to Others. The Fund Balance with Treasury represents annual, multi-year, and no-year funds that are available to pay current and future commitments. Fund Balance with Treasury increased by about \$50 million, from \$854 million at September 30, 2004, to \$904 million at September 30, 2005. The increase in the fund balance is due primarily to actual appropriations received being greater than actual cash used in operating and investing activities. Most of this funding is obligated and will be liquidated in the following year.

Trust Investments, which are maintained in the National Service Trust, are restricted for use in paying education awards, interest forbearance, and President's Freedom Scholarships to eligible participants, and are not available for use in the current operations of the Corporation. Trust Investments and Related Receivables showed an increase of \$67 million due to an increase in funding during FY 2004 and FY 2005 and a decrease in the amount paid out for education awards of \$14.6 million during FY 2005, due to the cyclical nature of these payments. In FY 2003 and early FY 2004, investments were predominating short-term securities with the yield in FY 2004 minimized. In March 2004, an appropriation increase created greater stability, enabling the Corporation to invest in longer-term securities. The additional appropriation in FY 2005 and the income on outstanding securities in FY 2004 increased fund income.

Advances to Others mainly represent funds provided to grantees in advance of their performance under a grant. For the most part, these advances are liquidated during the first quarter of the subsequent fiscal year. Advances to others decreased slightly, by \$2 million, from \$66 million at September 30, 2004 to \$64 million at September 30, 2005, reflecting the similar level of drawdown activity as the prior year.

Composition of Corporation Liabilities

The Corporation's most significant liabilities are the Trust Service Award Liability and Grants Payable. Individuals who successfully complete terms of service in AmeriCorps programs earn education awards that can be used to make payments on qualified student loans or for educational expenses at qualified educational institutions. The awards, which can be used for a period of up to seven years, are paid from the National Service Trust. The Trust also pays forbearance

interest on qualified student loans during the period members perform community service.

The award liability components related to education awards and interest forbearance were adjusted, based on historical experience, to reflect the fact that some eligible participants may not use these benefits. The Trust Service Award Liability increased by about \$23 million—from \$237 million at September 30, 2004 to \$260 million at September 30, 2005. This change was largely due to the growth of the AmeriCorps*State and National program in FY 2004 and FY 2005. As funding increases, the number of new members earning awards exceeds in these years the number of members from previous years who are redeeming their awards.

Grants Payable represents funds due to grantees in payment of their performance under a grant. For the most part, these payables are liquidated during the first quarter of the subsequent fiscal year. Grants Payable decreased by about \$26 million – from \$117 million at September 30, 2004, to \$91 million at September 30, 2005. The decrease is due primarily to improvements in the Corporation's methodology for estimating the accrual for fourth quarter grant expenditures which better aligns the accrual with historical results.

Trust Solvency

The Strengthen AmeriCorps Program Act of 2003(SAPA) directed that the Corporation record Trust obligations at the time of grant award for the estimated value of the education benefit, discounted for the estimated enrollment, earning and usage rates and the time value of money. As directed by the Act, the Corporation also established a Trust reserve that will protect the Corporation in the event that the estimates used to calculate obligations differ from actual results. Under SAPA, the Corporation bases its obligation amount on the full value of the education award, a 100 percent enrollment rate, 80 percent earning rate, and 80 percent usage rate.¹

As of September 30, 2005, the National Service Trust had available cash and investments of about \$394 million to make education award and interest forbearance payments (about \$11 million of Trust assets were related to prepaid interest and receivables that are not available for obligation). Of this amount, Corporation obligations for awarded AmeriCorps positions totaled about \$356 million. The Corporation has also set aside a reserve of \$33 million, including almost \$13 million in FY 2005.

¹ Enrollment Rate - Percent of awarded positions filled by enrolled members; the Award Earning Rate - Percent of enrolled members who earn an award; Award Usage Rate - Percent of earned awards that are used (i.e. redeemed)

About \$5 million was available at year-end to fund AmeriCorps member positions in new grants. These assets are estimated to be fully sufficient to pay for all awarded AmeriCorps positions.

As grants expire, the Corporation has begun to deobligate funds related to member positions that were not filled. The Corporation will also continue to analyze the Trust liability projections to identify opportunities for improvement. (Appendix V provides more information on the Trust.)



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F inancial Management

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Message from the Deputy Chief Financial Officer

The Corporation for National and Community Service achieved many financial and performance management improvements in FY 2005, becoming demonstrably more accountable, efficient, and strategic in how we use our resources.

Accountable

I am pleased to report that we earned a sixth consecutive unqualified audit opinion on our financial statements with no material weaknesses. We made significant progress toward eliminating a long-standing reportable condition on grants oversight and monitoring. This included hiring a director of grants oversight and monitoring, producing our first-ever Corporation-wide monitoring plan, developing a common risk assessment tool for all of our programs, and building eGrants functions to assist staff in planning, conducting and following up on monitoring activities.

The FY 2005 financial audit identified the management of hiring and payroll processes by our Office of Human Capital as a reportable condition. Our new Chief Human Capital Officer has instituted standard operating procedures to ensure that all personnel actions are properly authorized, reviewed and approved before information is entered into the payroll system.

To meet the new requirements of OMB Circular A-123, the Corporation is ramping up its management control program. Our new approach will test controls throughout the year so that we can more quickly identify and correct deficiencies.

Financial metrics were a major focus in FY 2005. In February, we began measuring ourselves against the CFO Council's government-wide benchmarks. By September, we had improved our scores across the board, moving from one to seven green lights on the nine metrics. In practical terms, we reduced travel card delinquencies and prompt pay interest penalties, increased electronic payments and improved reconciliation of our Treasury accounts.

Inspired by how these benchmarks drove performance gains, we developed a set of metrics for every CFO function, including budget, procurement, grants management, and administrative services. These metrics, along with an array of operational and programmatic information, will soon be at the fingertips of Corporation managers through our data warehouse/business intelligence system, which evolved from vision to reality during FY 2005.

Efficient

Another priority over the past year was using technology to become more efficient, reliable, and customer-friendly. Following up on business process reviews conducted in FY 2004, we initiated projects to automate labor- and paper-intensive functions of the National Service Trust operation and modernize the VISTA and NCCC member payroll systems. We also completed implementation of Salary Management System software, which replaces unwieldy spreadsheets and allows us to project payroll costs with far greater ease and accuracy. Next up is iBudget software, which automates budget execution functions and strengthens the link between our budgeting and accounting systems. These innovations will result in big cost savings, lower error rates, and better customer service.

Strategic

We took budget and performance integration to the next level this past year, marrying our leading-edge logic model methodology with a new strategic plan in developing our FY 2007 OMB submission. Four cross-cutting strategic initiatives drove the budgeting process, and our programs built their resource requests around a common set of performance targets. The shift toward goal-centric planning and away from the traditional program-centric approach is truly groundbreaking for the Corporation.

As this report demonstrates, we are committed to delivering meaningful, valid performance data to our stakeholders. This is a challenge for all agencies, and we still have a long way to go, but our vastly improved AmeriCorps PART score is testament to our progress.

Achieving financial management excellence is a team effort at the Corporation. Credit for the gains we made in FY 2005 goes to dedicated, hard-working employees in every part of the organization who understand that accomplishing our national service mission and being responsible stewards of taxpayer dollars go hand in hand. Together, and with the leadership of our CEO, David Eisner, we are poised for even greater success in FY 2006.



Andrew Kleine
Deputy CFO for Planning and Program Management

Financial Statements

The Corporation's financial statements report the financial position, results of operations, cash flows, and budgetary resources, as required by the Government Corporation Control Act (Act), the National and Community Service Act of 1990, as amended, and the President's February 27, 2004, Executive Order on National and Community Service Programs (EO 13331). The Government Corporation Control Act requires that government corporations submit an annual report to the Congress within 180 days of the fiscal year end. The Office of Management and Budget has accelerated this reporting deadline so that for fiscal 2005 the report is due 45 days after the fiscal year end. As specified in the Act, the principal financial statements of the Corporation are the:

- Statement of Financial Position, which reports the status of Corporation assets, liabilities, and net position.
- Statement of Operations and Changes in Net Position, which reports on revenues and expenses of the Corporation for the year.
- Statement of Cash Flows, which reports on the components that make up the change in fund balance of the Corporation for the year.

In addition, under the requirements of Executive Order 13331, the Corporation includes a Statement of Budgetary Resources, which reports the status of the Corporation's obligations and outlays, as one of its principal statements.

The statements present comparative information for FY 2005 and 2004. For the sixth year in a row, the Corporation's audited financial statements received an unqualified opinion. This opinion recognizes the financial statements as fairly presented, in all material respects, and in conformity with generally accepted accounting principles.

Limitations of the Financial Statements

These statements have been prepared to report on the financial position and results of operations of the Corporation for National and Community Service, a Federal government corporation, in conformity with generally accepted accounting principles. While the statements have been prepared from the books and records of the Corporation, the statements are in addition to the financial reports used to monitor and control budgetary resources that are prepared from the same books and records. These statements should also be read with the realization that they are for a component of the U.S. Government, a sovereign entity. One implication of this is that liabilities cannot

be liquidated without legislation that provides the resources to do so.

These financial statements have been prepared for the purpose of presenting the financial position, results of operations, and cash flows of the Corporation for National and Community Service, as required by the Government Corporation Control Act (31 USC 9106) and by the National and Community Service Act of 1990, as amended (42 USC 12651). These financial statements include the Corporation's activities related to providing grants and education awards to eligible recipients. The Corporation is not subject to income tax.

Transactions are recorded in the accounting system on an accrual basis and a budgetary basis. Under the accrual method of accounting revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. Appropriations are considered earned for the Corporation's National Service Trust Fund and are recognized as revenue when received in the Trust Fund.

The recognition of budgetary accounting transactions is essential for compliance with legal constraints and controls over the use of Federal funds. Budgetary accounting principles are designed to recognize the obligation of funds according to legal requirements, which in many cases is prior to the occurrence of an accrual-based transaction. Thus, the financial statements differ from other financial reports submitted pursuant to Office of Management and Budget directives for the purpose of monitoring and controlling the use of the Corporation's budgetary resources.

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Corporation for National and Community Service
Statements of Financial Position
As of September 30
(dollars in thousands)

	2005	2004
ASSETS		
Fund Balance with Treasury <i>(Note 2)</i>	\$ 904,096	\$ 854,370
Trust Investments and Related Receivables <i>(Note 3)</i>	404,745	337,913
Advances to Others	63,589	66,154
Accounts Receivable, Net <i>(Note 4)</i>	3,187	2,636
Property and Equipment, Net <i>(Note 5)</i>	<u>982</u>	<u>962</u>
Total Assets	<u>\$ 1,376,599</u>	<u>\$ 1,262,035</u>
LIABILITIES		
Trust Service Award Liability <i>(Note 6)</i>	\$ 260,061	\$ 237,497
Grants Payable	91,448	117,250
Accounts Payable	7,061	7,133
Actuarial FECA Liability <i>(Note 8)</i>	12,298	12,401
Other Liabilities	10,109	10,391
Accrued Annual Leave	3,412	3,050
Advances from Others	68	187
Capital Lease Liability <i>(Note 7)</i>	<u>402</u>	<u>66</u>
Total Liabilities	<u>384,859</u>	<u>387,975</u>
Commitments and Contingencies <i>(Notes 7 and 14)</i>		
NET POSITION		
Unexpended Appropriations		
Obligated	785,209	740,769
Unobligated	79,191	48,286
Cumulative Results of Operations	<u>127,340</u>	<u>85,005</u>
Total Net Position <i>(Note 9)</i>	991,740	874,060
Total Liabilities and Net Position	<u>\$ 1,376,599</u>	<u>\$ 1,262,035</u>

The accompanying notes are an integral part of these financial statements.

Corporation for National and Community Service
Statements of Operations and Changes in Net Position
For the Years Ended September 30
(dollars in thousands)

	2005	2004
REVENUE		
Appropriated Capital Used, excluding Trust Fund	\$ 678,753	\$ 644,171
Appropriations Received by the Trust Fund <i>(Note 10)</i>	142,848	205,389
Interest	12,096	8,873
Revenue from Services Provided	8,248	7,329
Other	1,111	539
Total Revenue	<u>843,056</u>	<u>866,301</u>
EXPENSES		
AmeriCorps	494,246	454,971
National Senior Service Corps	233,285	240,775
Learn and Serve America	54,695	45,155
Subtotal	<u>782,226</u>	<u>740,901</u>
Earmarked Grants	12,465	18,412
Office of Inspector General	6,029	5,017
Total Expenses <i>(Note 11)</i>	<u>800,720</u>	<u>764,330</u>
NET OF REVENUE OVER EXPENSES	<u>\$ 42,336</u>	<u>\$ 101,971</u>
NET POSITION		
Net of Revenue over Expenses	\$ 42,336	\$ 101,971
Change in Unexpended Appropriations, Net <i>(Note 13)</i>	75,344	123,702
Change in Net Position, Net	117,680	225,673
Net Position, Beginning Balance	874,060	648,387
Net Position, Ending Balance	<u>\$ 991,740</u>	<u>\$ 874,060</u>

The accompanying notes are an integral part of these financial statements.

Corporation for National and Community Service
Statement of Cash Flows
For the Year Ended September 30, 2005
(dollars in thousands)

CASH FLOWS FROM OPERATING ACTIVITIES

Net of Revenue over Expenses		\$	42,336
Adjustments Affecting Cash Flow:			
Appropriated Capital Used, excluding Trust Fund	\$		(678,753)
Appropriations Received by the Trust			(142,848)
Increase in Accounts Receivable			(551)
Increase in Interest Receivable			(1,332)
Decrease in Advances			<u>2,565</u>
		\$	(820,919)
Decrease in Accounts Payable, Other Liabilities and Advances from Others			(473)
Increase in FECA and Annual Leave Liabilities			259
Increase in Trust Liability			22,564
Decrease in Grants Payable			<u>(25,802)</u>
			(3,452)
Amortization of Premium/Discount on Investments			(1,732)
Depreciation, Amortization, and Loss on Disposition of Assets			<u>402</u>
		\$	(1,330)
Total Adjustments			<u>(825,701)</u>
Net Cash Used in Operating Activities		\$	(783,365)

The accompanying notes are an integral part of these financial statements.

Corporation for National and Community Service
Statement of Cash Flows
For the Year Ended September 30, 2005
(dollars in thousands)
(continued)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Property and Equipment	\$	(46)	
Sales of Securities		337,175	
Purchase of Securities		<u>(400,983)</u>	
Net Cash Provided by Investing Activities	\$		(63,854)

CASH FLOWS FROM FINANCING ACTIVITIES

Appropriations Received		934,482	
Canceled/Rescinded Appropriations	\$	<u>(37,537)</u>	
Net Cash Provided by Financing Activities			<u>896,945</u>
Net Increase in Cash			49,726
Fund Balance with Treasury, Beginning			<u>854,370</u>
Fund Balance with Treasury, Ending	\$		<u><u>904,096</u></u>

Supplemental Disclosure of Cash Flow Information

Interest Paid	\$	16
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Supplemental Schedule of Financing and Investing Activities

Property and Equipment Acquired Under Capital Lease Obligations	\$	435
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The accompanying notes are an integral part of these financial statements.

Corporation for National and Community Service
Statement of Cash Flows
For the Year Ended September 30, 2004
(dollars in thousands)

CASH FLOWS FROM OPERATING ACTIVITIES

Net of Revenue over Expenses		\$	101,971
Adjustments Affecting Cash Flow:			
Appropriated Capital Used, excluding Trust Fund	\$		(644,171)
Appropriations Received by the Trust			(205,389)
Decrease in Accounts Receivable			120
Increase in Interest Receivable			(1,720)
Increase in Advances			<u>(16,875)</u>
		\$	(868,035)
Increase in Accounts Payable, Other Liabilities and Advances from Others			1,085
Decrease in FECA and Annual Leave Liabilities			(141)
Increase in Capital Lease Liability			27
Increase in Trust Liability			6,875
Increase in Grants Payable			<u>452</u>
			8,298
Amortization of Premium/Discount on Investments			(1,208)
Depreciation, Amortization, and Loss on Disposition of Assets			717
Prior Year Expenses as authorized by P.L.108-11	\$		<u>63,055</u>
		\$	62,564
Total Adjustments			<u>(797,173)</u>
Net Cash Used in Operating Activities		\$	(695,202)

The accompanying notes are an integral part of these financial statements.

Corporation for National and Community Service
Statement of Cash Flows
For the Year Ended September 30, 2004
(dollars in thousands)
(continued)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Property and Equipment	\$ (893)	
Sales of Securities	557,035	
Purchase of Securities	<u>(660,140)</u>	
Net Cash Provided by Investing Activities		\$ (103,998)

CASH FLOWS FROM FINANCING ACTIVITIES

Appropriations Received	940,918	
Canceled/Rescinded Appropriations	<u>\$ (30,711)</u>	
Net Cash Provided by Financing Activities		<u>910,207</u>
Net Increase in Cash		111,007
Fund Balance with Treasury, Beginning		<u>743,363</u>
Fund Balance with Treasury, Ending		<u>\$ <u>854,370</u></u>

Supplemental Disclosure of Cash Flow Information

Interest Paid	\$	10
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Supplemental Schedule of Financing and Investing Activities

Property and Equipment Acquired Under Capital Lease Obligations	\$	44
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The accompanying notes are an integral part of these financial statements.

**Corporation for National and Community Service
Statements of Budgetary Resources
For the Years Ended September 30**
(dollars in thousands)

BUDGETARY RESOURCES	2005	2004
Budget Authority		
Appropriations Received, including Trust Fund	\$ <u>1,086,254</u>	\$ <u>1,151,820</u>
Total Budgetary Resources	<u>1,086,254</u>	<u>1,151,820</u>
 Unobligated Balance		
Beginning of Period	<u>154,669</u>	<u>347,495</u>
Subtotal	<u>154,669</u>	<u>347,495</u>
 Spending Authority From Offsetting Collections		
Collected	7,809	31,117
Receivable from Federal Sources	(1,726)	1,061
Advances Received	(187)	(35)
Without Advance from Federal Source	-	(896)
Anticipated for Rest of Year Without Advance	<u>-</u>	<u>1,807</u>
Subtotal	<u>5,896</u>	<u>33,054</u>
 Recoveries of Prior Year Obligations		
Actual	<u>42,426</u>	<u>3,872</u>
Subtotal	<u>42,426</u>	<u>3,872</u>
 Permanently Not Available		
Cancellations of Expired and No-Year Accounts	(30,062)	(25,158)
Enacted Rescissions	<u>(7,475)</u>	<u>(5,553)</u>
Subtotal	<u>(37,537)</u>	<u>(30,711)</u>
 Total Budgetary Resources	<u>\$ 1,251,708</u>	<u>\$ 1,505,530</u>
 STATUS OF BUDGETARY RESOURCES		
Obligations Incurred	\$ 1,035,880	\$ 1,350,861
 Unobligated Balance:		
Balance, Currently Available	111,941	49,346
Exempt from Apportionment	<u>38,227</u>	<u>25,073</u>
Subtotal	150,168	74,419
 Unobligated Balance Not Available	65,660	80,250
 Total Status of Budgetary Resources	<u>\$ 1,251,708</u>	<u>\$ 1,505,530</u>

(continued)

The accompanying notes are an integral part of these financial statements.

Corporation for National and Community Service
Statements of Budgetary Resources
For the Years Ended September 30
(dollars in thousands)
(continued)

	2005	2004
RELATIONSHIP OF OBLIGATIONS TO OUTLAYS		
Obligated Balance, Net, Beginning of Period	\$ 1,037,666	\$ 629,155
Obligated Balance, Net, End of Period		
Accounts Receivable	(2,789)	(2,708)
Undelivered Orders	721,603	674,840
Accounts Payable	<u>362,347</u>	<u>365,534</u>
Obligated Balance, Net, End of Period Total	<u>1,081,161</u>	<u>1,037,666</u>
Obligations Total	<u>\$ 2,118,827</u>	<u>\$ 1,666,821</u>
Outlays:		
Disbursements	\$ 943,333	\$ 938,313
Collections	<u>(7,622)</u>	<u>(31,081)</u>
Subtotal	935,711	907,232
Less: Offsetting Receipts	(21,273)	(17,206)
Net Outlays	<u>\$ 914,438</u>	<u>\$ 890,026</u>

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

These financial statements have been prepared to report the financial position, results of operations, cash flows, and budgetary resources of the Corporation for National and Community Service (Corporation), as required by the Government Corporation Control Act (31 USC 9106), the National and Community Service Act of 1990, as amended (42 USC 12651), and the President's February 27, 2004, Executive Order on National and Community Service Programs (EO 13331). These financial statements have been prepared from the books and records of the Corporation. The Statements of Financial Position, Operations and Changes in Net Position, and Cash Flows have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applicable to Federal governmental corporations and include the Corporation's activities related to providing grants and education awards to eligible participants. The Statement of Budgetary Resources, required by Executive Order, has been prepared in accordance with guidance prescribed in Office of Management and Budget (OMB) Bulletin 01-09, *Form and Content of Agency Financial Statements*, which constitutes generally accepted accounting principles for Federal governmental entities as specified by the AICPA's Statement on Auditing Standards 69 (as amended), *The Meaning of Presents Fairly in Conformity With Generally Accepted Accounting Principles*. The Corporation is not subject to income tax.

The principal financial statements of the Corporation are the:

- Statement of Financial Position;
- Statement of Operations and Changes in Net Position;
- Statement of Cash Flows; and
- Statement of Budgetary Resources.

The notes to the financial statements are considered an integral part of the financial statements.

B. Reporting Entity

The Corporation was created by the National and Community Service Trust Act of 1993 (Public Law 103-82, 42 USC 12651). The Corporation provides grants and other incentives to States, local municipalities, and not-for-profit organizations to help communities meet critical challenges in the areas of education, public safety, human needs, and the environment through volunteer service. The Corporation oversees three national service initiatives:

- AmeriCorps is the national service program that annually engages Americans of all ages and backgrounds in full-time and sustained part-time community service and provides education awards in return for such service. AmeriCorps includes the *State, National, Tribes & Territories* (State/National); *National Civilian Community Corps* (NCCC); and *Volunteers In Service To America* (VISTA) programs.
- The National Senior Service Corps is a network of people age 55 and older who participate in the *Foster Grandparent Program*, the *Senior Companion Program*, and the *Retired and Senior Volunteer Program*. These programs tap the experience, skills, talents, and creativity of America's seniors.
- Learn and Serve America supports and promotes service learning in schools, universities, and communities. Through structured service activities that help meet community needs, nearly one million students improve their academic learning, develop personal skills, and practice responsible citizenship.

Together, these initiatives promote the ethic of service and help solve critical community problems in every State, many Indian tribes, and most U.S. territories.

C. Budgets and Budgetary Accounting

The activities of the Corporation are primarily funded through two separate appropriation bills. One is the Labor/Health and Human Services bill, which funds Domestic Volunteer Service Act (DVSA) programs. The DVSA appropriation is available for obligation by the Corporation for one fiscal year only.

The second is the Veterans Affairs, Housing and Urban Development, and Independent Agencies bill, which funds National and Community Service Act (NCSA) programs. The NCSA appropriation is available for obligation by the

Corporation over two fiscal years except for Salary and Expense (S&E) funds, which are available for one year; and National Service Trust funds, which are provided on a no-year basis.

Both the DVSA and the NCSA appropriations fund a part of the Corporation's costs for administrative operations.

D. Basis of Accounting

Transactions are recorded in the accounting system on an accrual basis and a budgetary basis. Under the accrual method of accounting, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. Appropriations are considered earned for the Corporation's National Service Trust Fund and are recognized as revenue when received in the Trust Fund.

The recognition of budgetary accounting transactions is essential for compliance with legal constraints and controls over the use of Federal funds. Budgetary accounting principles are designed to recognize the obligation of funds according to legal requirements, which in many cases is prior to the occurrence of an accrual-based transaction. Thus, the Statements of Financial Position, Operations and Changes in Net Position, and Cash Flows differ from the Statement of Budgetary Resources and other financial reports submitted pursuant to OMB directives for the purpose of providing information on how budgetary resources were made available and monitoring and controlling the use of the Corporation's budgetary resources.

E. Fund Balance with Treasury

The Corporation does not maintain cash in commercial bank accounts. Cash receipts and disbursements are processed by the U.S. Treasury. The Fund Balance with Treasury represents annual, multi-year, and no-year funds, which are maintained in appropriated and trust funds that are available to pay current and future commitments.

Funds maintained in the National Service Trust are restricted for use in paying service awards earned by eligible participants as well as interest forbearance, and are not available for use in the current operations of the Corporation.

The majority of the funds received from individuals and organizations in the form of gifts and donations for the support of service projects are restricted for a particular use.

F. Trust Investments and Related Receivables

By law, the Corporation invests funds, which have been transferred to the Trust, only in interest-bearing Treasury obligations of the United States. These Treasury obligations are referred to as market-based specials, which are similar to government securities sold on the open market, and consist of Treasury notes, bonds, bills and one-day certificates.

The Corporation classifies these investments as held-to-maturity at the time of purchase and periodically reevaluates such classification. Securities are classified as held-to-maturity when the Corporation has the positive intent and ability to hold securities to maturity. Held-to-maturity securities are stated at cost with corresponding premiums or discounts amortized over the life of the investment to interest income. Premiums and discounts are amortized using the effective interest method.

Interest receivable represents amounts earned but not received on investments held at year-end. Prepaid interest is the amount of interest earned on a security since the date of its last interest payment up to the date the security is purchased by the Corporation. Such interest, if any, at year-end is included in the interest receivable balance.

G. Advances to Others

The Corporation advances funds, primarily in response to grantee drawdown requests, to facilitate their authorized national and community service and domestic volunteer service activities. The cash payments to grantees, in excess of amounts earned under the terms of the grant agreements, are accounted for as advances. At the end of the fiscal year, the total amount advanced to grantees is compared with the Corporation-funded amount earned by the grantees. Grantee expenses are determined from reports submitted by the grantees. For those grantees with advances exceeding expenses, the aggregate difference is reported as the advance account balance.

H. Accounts Receivable

Accounts receivable represents amounts due to the Corporation primarily under Federal and non-Federal reimbursable agreements, grantee audit resolution determinations, and outstanding travel advances due from employees. These amounts are reduced by an allowance for uncollectible accounts based on the age of each past due account.

I. Property and Equipment

The Corporation capitalizes property and equipment at historical cost for acquisitions of \$10 thousand or more, with an estimated useful life that extends beyond the year of acquisition. The assets reported include telephone equipment, computer systems equipment, copiers, computer software, furniture, and assets under capital leases. These assets are depreciated (or amortized) on a straight-line basis over estimated useful lives ranging from two to 10 years, using the half-year convention. Normal maintenance and repair costs on capitalized property and equipment are expensed when incurred.

J. Trust Service Award Liability

The Trust service award liability represents unpaid earned, and expected to be earned, education awards and eligible interest forbearance costs, which are expected to be used. These amounts relate to participants who have completed service or are currently enrolled in the program and are expected to earn an award, based on the Corporation's historical experience.

K. Grants Payable

Grants are made to nonprofit organizations, educational institutions, states, municipalities, and other external organizations. Grants become budgetary obligations, but not liabilities, when they are awarded. At the end of each fiscal year, the Corporation reports the total amount of unreimbursed authorized grantee expenses, earned under the terms of grant agreements, as grants payable.

L. Accounts Payable

The Corporation records as liabilities all amounts that are likely to be paid as a direct result of a transaction or event that has already occurred. Accounts payable represents amounts due to both Federal and non-Federal entities for goods and services received by the Corporation, but not paid for at the end of the fiscal year.

M. Actuarial FECA Liability

The Federal Employees' Compensation Act (FECA) provides income and medical cost protection to covered Federal civilian employees injured on the job, employees who have incurred a work-related occupational disease, and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. Claims incurred for benefits for Corporation employees under FECA are administered by the Department of Labor (DOL) and later billed to the Corporation. The Corporation's actuarial liability for workers' compensation includes costs incurred but unbilled as of year-end, as calculated by DOL, and is not funded by current appropriations.

N. Other Liabilities

Other liabilities include amounts owed but not paid at the end of the fiscal year for payroll and benefits; VISTA stipends; and the portion of the liability for Federal Employees' Compensation Act charges incurred and billed but unpaid.

O. Accrued Annual Leave

Annual leave is accrued as a liability based on amounts earned but not used as of the fiscal year-end. Each year, the balance in the accrued annual leave account is adjusted to reflect current year pay rates and leave balances. Annual leave is funded from current appropriations when used. As unused annual leave is used in the future, financing will

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be obtained from appropriations current at that time. Sick leave and other types of non-vested leave are expensed when used.

P. Advances from Others

Advances from others consist of advances from other government agencies related to interagency agreements the Corporation entered into to provide services to those agencies.

Q. Net Position

Net position is composed of unexpended appropriations and cumulative results of operations. Unexpended appropriations are funds appropriated and warranted to the Corporation that are still available for expenditure as of the end of the fiscal year. Cumulative results of operations represent the net differences between revenues and expenses from the inception of the Corporation.

R. Revenues

Appropriated Capital Used

The Corporation obtains funding for its program and operating expenses through annual and multi-year appropriations. Appropriations are recognized on an accrual basis at the time they are used to pay program or administrative expenses, except for expenses to be funded by future appropriations such as earned but unused annual leave. Appropriations expended for property and equipment are recognized as used when the property is purchased. Funds not used for eligible expenses within the allowed time must be returned to Treasury. Appropriations received for the Corporation's Trust are recognized as revenue when received in the Trust Fund. Trust appropriations do not expire with the passage of time and are retained by the Corporation in the Trust until used for eligible education service award purposes.

Interest

Interest income is recognized when earned. Treasury notes and bonds pay interest semiannually, based on the stated rate of interest. Interest on Treasury bills is paid at maturity. Interest income is adjusted by amortization of premiums and discounts using the effective interest method.

Revenue from Services Provided

The Corporation also receives income from reimbursable service agreements that is recorded as revenue from services provided. Revenue from services provided is recognized when earned, i.e., goods have been delivered or services rendered.

Other Revenue

Other revenue consists of gifts and donations for the support of service projects from individuals and organizations.

S. Retirement Benefits

The Corporation's employees participate in either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS). FERS was established by the enactment of Public Law 99-335. Pursuant to this law, FERS and Social Security automatically cover most employees hired after December 31, 1983. Employees hired prior to January 1, 1984, elected to join FERS and Social Security or remained in the CSRS.

For employees covered by CSRS, the Corporation contributes 8.51 percent of their gross pay towards retirement. For those employees covered by FERS, the Corporation contributes 11.50 percent of their gross pay towards retirement. Employees are allowed to participate in the Federal Thrift Savings Plan (TSP). For employees under FERS, the Corporation contributes an automatic one percent of basic pay to TSP and matches employee contributions up to an additional 4 percent of pay, for a maximum Corporation contribution amounting to 5 percent of pay. Employees under CSRS may participate in the TSP, but will not receive either the Corporation's automatic or matching

contributions. The Corporation made retirement contributions of \$622 thousand and \$668 thousand to the CSRS Plan, and \$6.63 million and \$6.09 million to the FERS and TSP Plans in fiscal years 2005 and 2004, respectively.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. In fiscal 2005 the Corporation improved its estimates for the grant accrual, moving from a projection based on prorating the remaining performance period for grants to a projection based on an actual quarterly draw-down of funds.

NOTE 2: FUND BALANCE WITH TREASURY

U.S. Government cash is accounted for on an overall consolidated basis by the U.S. Department of Treasury. The Fund Balance with Treasury line on the Statement of Financial Position consists of the following:

- **Appropriated Funds** – Appropriated funds are received through congressional appropriations to provide financing sources for the Corporation’s programs on an annual, multi-year, and no-year basis. The funds are warranted by the United States Treasury and apportioned by the Office of Management and Budget.
- **Trust Funds** – Trust Funds are accounts designated by law for receipts earmarked for specific purposes and for the expenditure of these receipts. Funds from the Corporation’s Trust Fund may be expended for the purpose of providing an education award or interest forbearance payment and must always be paid directly to a qualified institution (college, university, or other approved educational institution, or a lending institution holding an existing student loan) as designated by the participant, as well as awards under the President’s Freedom Scholarship Program.
- **Gift Funds** – Gift Funds are funds received from individuals and organizations as donations in furtherance of the purposes of the national service laws.

Fund Balance with Treasury as of September 30 <i>(dollars in thousands)</i>						
	2005			2004		
Type	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Appropriated Funds	\$902,793	\$ –	\$902,793	\$850,437	\$ –	\$850,437
Trust Funds	–	252	252	–	3,120	3,120
Gift Funds	–	1,051	1,051	6	807	813
Total	\$902,793	\$1,303	\$904,096	\$850,443	\$3,927	\$854,370

NOTE 3: TRUST INVESTMENTS AND RELATED RECEIVABLES

The composition of Trust Investments and Related Receivables at September 30 is as follows:

Trust Investments and Related Receivables as of September 30 <i>(dollars in thousands)</i>		
	2005	2004
Investments, Carrying Value	\$400,074	\$334,575
Investment and Interest Receivable	4,671	3,338
Total	\$404,745	\$337,913

Amortized Cost and Fair Value of Investment Securities as of September 30 <i>(dollars in thousands)</i>								
	2005				2004			
Securities	Amortized Cost	Unrealized Gains	Unrealized (Losses)	Fair Value	Amortized Cost	Unrealized Gains	Unrealized (Losses)	Fair Value
Notes	\$370,896	\$ –	(\$6,324)	\$364,572	\$292,655	\$ 27	\$ –	\$292,682
Bills	29,178	63	–	29,241	34,274	68	–	34,342
Bonds	–	–	–	–	7,646	198	–	7,844
Total	\$400,074	\$63	(\$6,324)	\$393,813	\$334,575	\$293	\$ –	\$334,868

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At September 30, 2005, the notes held at year-end had an interest rate range of 1.63% to 7.00% and an outstanding maturity period of approximately one day to five years. The bills held at year-end had an interest rate range of 2.51% to 3.37% and were all due to mature within 47 days. The par values of these bills range from \$1.3 million to \$4 million.

As required by the Strengthen AmeriCorps Program Act, beginning in fiscal 2003 the Corporation has set aside in reserve a portion of the funds appropriated to the Trust in the event that its estimates used to calculate obligational amounts for education awards prove to be too low. As of September 30, 2005, \$32.8 million of the Corporation's investment account has been set aside for this reserve.

Investments held at September 30 mature according to the following schedule:

Maturation of Securities Held as of September 30 (dollars in thousands)				
	2005		2004	
Held-to-Maturity Securities	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in 1 year or less	\$156,960	\$156,005	\$161,584	\$161,931
Due after 1 year up to 5 years	243,114	237,808	172,991	172,937
Total	<u>\$400,074</u>	<u>\$393,813</u>	<u>\$334,575</u>	<u>\$334,868</u>

NOTE 4: ACCOUNTS RECEIVABLE, NET

Accounts Receivable as of September 30 (dollars in thousands)		
	2005	2004
Accounts receivable	\$4,240	\$3,284
Less: allowance for loss on receivables	1,053	648
Accounts Receivable, Net	<u>\$3,187</u>	<u>\$2,636</u>

NOTE 5: PROPERTY AND EQUIPMENT, NET

General Property and Equipment as of September 30 (dollars in thousands)							
	2005				2004		
Major Class	Service Life (Years)	Cost	Less: Accumulated Depreciation	Net Book Value	Cost	Less: Accumulated Depreciation	Net Book Value
Equipment	3-10	\$2,191	\$1,593	\$598	\$2,916	\$2,017	\$899
Capital leases	3-5	435	51	384	92	29	63
ADP software	2	5,042	5,042	-	5,042	5,042	-
Total		<u>\$7,668</u>	<u>\$6,686</u>	<u>\$982</u>	<u>\$8,050</u>	<u>\$7,088</u>	<u>\$962</u>

NOTE 6: SERVICE AWARD LIABILITY—NATIONAL SERVICE TRUST

Individuals who successfully complete terms of service in AmeriCorps programs earn education awards, which can be used to make payments on qualified student loans or for educational expenses at qualified educational institutions. The awards, which are available for use for a period of up to seven years after the benefit has been earned, are paid from the National Service Trust. The Trust also pays forbearance interest on qualified student loans during the period members perform community service as well as awards under the President's Freedom Scholarship Program. The award liability components related to education awards and interest forbearance have been adjusted, based on historical experience, to reflect the fact that some eligible participants may not use these benefits. The service award liability was composed of the following as of September 30:

Service Award Liability as of September 30 <i>(dollars in thousands)</i>		
	2005	2004
Education awards	\$921,086	\$814,176
Interest forbearance	30,038	26,957
Presidential Freedom Scholarship Program	<u>20,999</u>	<u>17,499</u>
Total estimated service award liability	972,123	858,632
Less: cumulative awards paid	712,062	621,135
Total	<u>\$260,061</u>	<u>\$237,497</u>

The net service award liability as of September 30, 2005, increased by approximately \$22.6 million from the net service award liability as of September 30, 2004. This change was largely due to new member enrollments and an increase in the number of members still serving during the year.

NOTE 7: CAPITAL AND OPERATING LEASES

A. Capital Leases

Capital Leases Future Minimum Due as of September 30 <i>(dollars in thousands)</i>		
	2005	2004
Fiscal Year 2005	\$ -	\$26
Fiscal Year 2006	117	25
Fiscal Year 2007	109	15
Fiscal Year 2008	109	7
Fiscal Year 2009	109	5
Fiscal Year 2010	<u>73</u>	<u>-</u>
Total future minimum lease payments	517	78
Less: amounts representing interest	115	12
Total	<u>\$402</u>	<u>\$66</u>

The Corporation has entered into lease agreements for copy machines. These leases vary from 3 to 5 year terms and are deemed to be capital leases. The costs of the copiers have been recorded as property and equipment (also see Note 5). The following is a schedule by year of the future minimum payments under these leases:

B. Operating Leases

The Corporation leases office space through the General Services Administration (GSA). GSA charges the Corporation a Standard Level Users Charge that approximates commercial rental rates for similar properties. NCCC also leases housing facilities for its campuses. Additionally, the Corporation leases motor vehicles on an annual basis through GSA under an Interagency Fleet Management Service agreement for the National Civilian Community Corps. Commitments of the Corporation for future rental payments under operating leases at September 30 are as follows:

Estimated Operating Lease Commitments as of September 30 <i>(dollars in thousands)</i>								
	2005				2004			
Fiscal Year	Facilities			Total	Facilities			Total
	Space	Vehicles	Other		Space	Vehicles	Other	
2005	\$ -	\$ -	\$ -	\$ -	\$ 6,408	\$1,111	\$ 196	\$ 7,715
2006	8,597	1,053	169	9,819	6,614	1,151	203	7,968
2007	9,166	1,091	175	10,432	6,827	1,190	211	8,228
2008	9,338	1,131	182	10,651	7,047	1,231	219	8,497
2009	9,515	1,173	188	10,876	7,274	1,274	227	8,775
2010	9,697	1,216	195	11,108	-	-	-	-
Total	<u>\$46,313</u>	<u>\$5,664</u>	<u>\$909</u>	<u>\$52,886</u>	<u>\$34,170</u>	<u>\$5,957</u>	<u>\$1,056</u>	<u>\$41,183</u>

NOTE 8: WORKERS' COMPENSATION

The Corporation's actuarial liability for future workers' compensation benefits (FECA) was \$12.3 million and \$12.4 million as of September 30, 2005 and 2004, respectively. The amount includes the expected liability for death, disability, medical, and miscellaneous costs for approved compensation cases. The actuarial liability is determined using a method that utilizes historical benefit payment patterns related to a specific incurred period to predict the ultimate payments related to that period. Consistent with past practice, these projected annual benefit payments have been discounted to present value using the Office of Management and Budget's economic assumptions for 10-year Treasury notes and bonds.

NOTE 9: NET POSITION

The reported net position consists of unexpended appropriations and cumulative results of operations (cumulative results of operations represents the differences between revenues and expenses since the Corporation's inception). Component balances are separately maintained for the Gift Fund, Trust Fund and Appropriated Fund.

Net Position by Fund Balance Components <i>(dollars in thousands)</i>				
As of September 30, 2005				
	Gift Fund	Trust Fund	Appropriated Fund	Total
Unexpended appropriations	\$ -	\$ -	\$864,400	\$864,400
Cumulative results of operations	1,011	144,950	(18,621)	127,340
Total Net Position	<u>\$1,011</u>	<u>\$144,950</u>	<u>\$845,779</u>	<u>\$991,740</u>

Net Position by Fund Balance Components <i>(dollars in thousands)</i>				
As of September 30, 2004				
	Gift Fund	Trust Fund	Appropriated Fund	Total
Unexpended appropriations	\$ -	\$ -	\$789,055	\$789,055
Cumulative results of operations	867	103,551	(19,413)	85,005
Total Net Position	<u>\$867</u>	<u>\$103,551</u>	<u>\$769,642</u>	<u>\$874,060</u>

NOTE 10 – APPROPRIATIONS RECEIVED BY THE TRUST FUND

Under the 2005 Consolidated Appropriations Act (Public Law 108-447) the Trust received \$142.8 million (\$144 million less \$1.2 million Trust portion of the rescission to NCSA pursuant to the Act).

Fiscal 2004 appropriations received by the Trust Fund were \$205.4 million, composed of a \$130 million Trust appropriation (less \$767 thousand Trust portion of the rescission to NCSA pursuant to the Miscellaneous Appropriations and Offsets Act of 2004); a \$63.1 million deficiency appropriation included in the 2003 Emergency Wartime Supplemental Appropriation Act (P.L. 108-11) which was received in fiscal 2004; and \$13.1 million transferred from program funds pursuant to the 2004 Consolidated Appropriations Act (P.L. 108-199).

The Trust portion of the NCSA rescissions was transferred back to NCSA, reducing the net amount of appropriations received by the Trust Fund during each fiscal year.

NOTE 11: EXPENSES

Using an appropriate cost accounting methodology, the Corporation's expenses have been allocated among its major programs:

AmeriCorps includes *State, National, Tribes & Territories* (State/National); *National Civilian Community Corps* (NCCC); and *Volunteers In Service To America* (VISTA) programs. The State/National sub-program includes grant expenses, as well as direct and allocated personnel and administrative costs including AmeriCorps recruitment and Trust operations. The NCCC sub-program includes direct and allocated personnel and administrative costs including AmeriCorps recruitment and Trust operations. The VISTA sub-program includes grant expenses, as well as direct and allocated personnel and administrative costs including AmeriCorps recruitment and Trust operations.

The National Senior Service Corps (NSSC) includes the *Foster Grandparent Program* (FGP); *Senior Companion Program* (SCP); and the *Retired and Senior Volunteer Program* (RSVP). The NSSC responsibility segment includes grant expenses, as well as direct and allocated personnel and administrative costs for RSVP, FGP, and SCP. Costs for each sub-program are reported on separately in the table.

Learn and Serve America includes grant expenses, as well as direct and allocated personnel and administrative costs, and Trust operations, for the Learn and Serve America Program, the President's Student Service Challenge, and National Service Leader Schools. The President's Freedom Scholarships are included in the National Service Award expense component.

Other Program Costs

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The National Service Award expense component consists of the Corporation's estimated expense for education awards based on the increase in its service award liability during the year, interest forbearance costs on qualified student loans during the period members perform community service, as well as disbursements for the Presidential Freedom Scholarship Program. No indirect costs have been allocated to the National Service Award expense component.

The Corporation's annual appropriation includes various Congressionally Earmarked Grants. In addition, the Corporation has reimbursable agreements with state agencies whereby the Corporation awards and administers grants to a list of grantees selected and funded by the State. No indirect costs have been allocated to these grants.

The Office of Inspector General (OIG) receives a separate appropriation. No indirect costs have been allocated to the OIG.

The largest component of total expense is grant funds expended.

Components of Grant Funds Expended for the years ended September 30		
<i>(dollars in thousands)</i>		
	2005	2004
Domestic Volunteer Service Act Programs	\$231,722	\$250,490
National and Community Service Act Programs	268,771	213,386
Earmarked Grants		
Congressionally Earmarked Grants	\$11,485	\$17,210
DVSA State Grants	<u>980</u>	<u>1,202</u>
Total Earmarked Grants	12,465	18,412
Total Grants Expense	<u>\$512,958</u>	<u>\$482,288</u>

Expenses by Major Responsibility Segment for the years ended September 30 (dollars in thousands)		
	2005	2004
AmeriCorps		
State, National, Tribes & Territories (State/National)	\$343,905	\$294,255
National Civilian Community Corps (NCCC)	35,706	33,056
Volunteers In Service To America (VISTA)	<u>114,635</u>	<u>127,660</u>
Subtotal	\$494,246	\$454,971
National Senior Service Corps		
Retired and Senior Volunteer Program (RSVP)	62,090	66,312
Foster Grandparent Program (FGP)	120,476	122,797
Senior Companion Program (SCP)	<u>\$ 50,719</u>	<u>\$ 51,666</u>
Subtotal	233,285	240,775
Learn and Serve America	54,695	45,155
Total Earmarked Grants	12,465	18,412
Office of Inspector General (OIG)	6,029	5,017
Total Expenses	<u>\$800,720</u>	<u>\$764,330</u>

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Expenses by Type and Subprogram for the year ended September 30, 2005 (dollars in thousands)										
Type	AmeriCorps			National Senior Service Corps				Learn & Serve	OIG	Total
	State/ National	NCCC	VISTA	RSVP	FGP	SCP	SCP			
Grant and Related Expense										
Grant funds expended	\$222,812	\$ -	\$ 19,024	\$56,478	\$109,985	\$46,235	\$45,959	\$12,465	\$ -	\$512,958
VISTA & NCCC stipends & benefits	-	7,353	61,066	-	-	-	-	-	-	68,419
Service award expense	94,021	5,160	10,822	-	-	-	3,500	-	-	113,503
Total Grant and Related Expense	316,833	12,513	90,912	56,478	109,985	46,235	49,459	12,465	-	694,880
Administrative Expense										
Federal employee salaries & benefits	14,694	10,508	11,607	3,469	6,741	2,833	2,907	-	2,380	55,139
Travel & transportation	778	2,758	4,331	201	384	167	136	-	94	8,849
Rent, communications, & utilities	1,558	1,440	538	255	495	207	185	-	19	4,697
Program analysis & evaluation	942	856	856	262	508	214	642	-	-	4,280
Printing & reproduction	122	115	31	13	25	12	10	-	2	330
Other services	6,282	5,916	5,677	993	1,531	712	1,015	-	3,547	25,673
Supplies & materials	266	710	246	70	134	56	73	-	28	1,583
Depreciation & amortization	172	4	40	29	57	24	23	-	-	349
Bad debt	224	5	53	38	74	32	30	-	-	456
Other	2,034	881	344	282	542	227	215	-	(41)	4,484
Total Administrative Expense	27,072	23,193	23,723	5,612	10,491	4,484	5,236	-	6,029	105,840
Total Expenses by Type	\$343,905	\$35,706	\$114,635	\$62,090	\$120,476	\$50,719	\$54,695	\$12,465	\$6,029	\$800,720

Expenses by Type and Subprogram for the year ended September 30, 2004 (dollars in thousands)										
Type	AmeriCorps					National Senior Service Corps				
	State/ National	NCCC	VISTA	RSVP	FGP	SCP	Learn & Serve	OIG	Total	
Grant and Related Expense										
Grant funds expended	\$175,981	\$ -	\$ 28,836	\$60,667	\$113,334	\$47,653	\$37,405	\$18,412	\$ -	\$482,288
VISTA & NCCC stipends & benefits	-	7,960	62,488	-	-	-	-	-	-	70,448
Service award expense	89,674	3,382	15,775	-	-	-	3,299	-	-	112,130
Total Grant and Related Expense	265,655	11,342	107,099	60,667	113,334	47,653	40,704	18,412	-	664,866
Administrative Expense										
Federal employee salaries & benefits	17,716	9,903	7,185	3,198	5,973	2,506	2,959	-	2,337	51,777
Travel & transportation	822	2,933	5,564	197	341	138	130	-	76	10,201
Rent, communications, & utilities	2,230	2,011	784	421	787	331	242	-	265	7,071
Program analysis & evaluation	552	501	501	159	294	124	376	-	-	2,507
Printing & reproduction	58	101	41	31	37	10	9	-	-	287
Other services	6,323	5,403	5,944	1,441	1,663	755	576	-	2,296	24,401
Supplies & materials	297	711	354	81	154	64	54	-	43	1,758
Depreciation & amortization	305	24	113	64	120	50	41	-	-	717
Bad debt	154	4	49	33	61	26	20	-	-	347
Other	143	123	26	20	33	9	44	-	-	398
Total Administrative Expense	28,600	21,714	20,561	5,645	9,463	4,013	4,451	-	5,017	99,464
Total Expenses by Type	\$294,255	\$33,056	\$127,660	\$66,312	\$122,797	\$51,666	\$45,155	\$18,412	\$5,017	\$764,330



NOTE 12: NATIONAL SERVICE AWARD EXPENSE

Members participating in the Trust programs are eligible to earn a service award to pay for qualified education expenses. The Trust also pays interest forbearance costs on qualified student loans during the period members perform community service. The Corporation estimates the expense for national service awards based on the increase in its cumulative service award liability during the year (see Note 6). The total service award liability as of September 30, 2005 and 2004, respectively, has been adjusted to reflect the fact that earned awards are not always used.

National Service Award Expense for the years ended September 30 <i>(dollars in thousands)</i>		
	2005	2004
Estimated education awards	\$106,922	\$106,245
Estimated interest forbearance	3,081	2,586
President's Freedom Scholarship Program	3,500	3,299
National Service Award Expense	<u>\$113,503</u>	<u>\$112,130</u>

NOTE 13: INCREASE/(DECREASE) IN UNEXPENDED APPROPRIATIONS, NET

Increase/(Decrease) in Unexpended Appropriations, Net as of September 30 <i>(dollars in thousands)</i>		
	2005	2004
Increases:		
Appropriations received, net of trust	\$ 934,482	\$ 940,918
Prior year deficiency appropriation	—	<u>63,055</u>
Total Increases	934,482	1,003,973
Decreases:		
Appropriated capital used, net of trust	(678,753)	(644,171)
Appropriations received by trust	(142,848)	(205,389)
Rescinded appropriations, net of trust	(7,475)	(5,553)
Canceled appropriations	<u>(30,062)</u>	<u>(25,158)</u>
Total Decreases	(859,138)	(880,271)
Increase/(Decrease) in Unexpended Appropriations, Net	<u>\$ 75,344</u>	<u>\$ 123,702</u>

NOTE 14 – CONTINGENCIES

Contingencies

The Corporation is a party to various routine administrative proceedings, legal actions, and claims brought by or against it, including threatened or pending litigation involving labor relations claims, some of which may ultimately result in settlements or decisions against the Corporation. In the opinion of the Corporation's management and legal counsel, there are no proceedings, actions, or claims outstanding or threatened that would materially impact the financial statements of the Corporation.

Judgment Fund

Certain legal matters to which the Corporation is named a party may be administered and, in some instances, litigated and paid by other Federal agencies. Generally, amounts paid in excess of \$2.5 thousand for Federal Tort Claims Act settlements or awards pertaining to these litigations are funded from a special appropriation called the Judgment Fund. Although the ultimate disposition of any potential Judgment Fund proceedings cannot be determined, management does not expect that any liability or expense that might ensue would be material to the Corporation's financial statements.

Audit Report

The following pages present the Corporation's audit information.





OFFICE OF INSPECTOR GENERAL

November 14, 2005

TO: David Eisner
Chief Executive Officer

FROM: Carol M. Bates *Carol M. Bates*
Acting Inspector General

SUBJECT: Office of Inspector General Audit Report 06-01, *Audit of the Corporation for National and Community Service's Fiscal Year 2005 Financial Statements*

In accordance with the Government Corporation Control Act, 31 U.S.C. §§ 9101-10, the Office of Inspector General engaged Cotton and Company LLP to audit the Corporation for National and Community Service's Fiscal Year 2005 Financial Statements. The enclosed reports present the results of this audit.

Under the Corporation's audit resolution policy, final management decisions on the recommendations in the Independent Auditors' Report on Internal Control Over Financial Reporting are due by May 14, 2006.

If you have any questions or comments, contact me at 606-9356.

Enclosure



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

**AUDIT OF THE
CORPORATION FOR NATIONAL AND
COMMUNITY SERVICE'S
FISCAL YEAR 2005 FINANCIAL STATEMENTS**

**Audit Report Number 06-01
October 28, 2005**



Corporation for
**NATIONAL &
COMMUNITY
SERVICE** 

Prepared by:

COTTON & COMPANY LLP
635 Slaters Lane, Fourth Floor
Alexandria, Virginia 22314

This report was issued to Corporation management on November 14, 2005. 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 May 14, 2006, and complete its corrective actions by November 14, 2006. Consequently, the reported findings do not necessarily represent the final resolution of the issues presented.





OFFICE OF INSPECTOR GENERAL

**Office of Inspector General Summary
Audit of the Corporation for National and Community Service's
Fiscal Year 2005 Financial Statements
Audit Report 06-01**

In accordance with the Government Corporation Control Act (31 U.S.C. §§ 9101-10), the Office of Inspector General (OIG) engaged Cotton and Company LLP to audit the Corporation for National and Community Service's fiscal year 2005 financial statements. This report presents the results of the audit. In summary:

- Cotton and Company's opinion on the financial statements is unqualified. An unqualified opinion means that the financial statements present fairly, in all material respects, the financial position and results of operations of the Corporation.
- Cotton and Company considered two matters involving internal controls over financial reporting and their operations to be reportable conditions. For the fifth consecutive year, the Corporation's monitoring of grantee activities has been cited as a reportable condition. Although progress on monitoring was noted compared to 2004 audit results, further improvements are required. Deficiencies were also observed in personnel and payroll processing. Cotton and Company does not, however, consider these reportable conditions, more specifically described in Exhibit 1, to be material weaknesses.
- Cotton and Company found no instances of material noncompliance with laws and regulations that would have a direct and material effect on the financial statements.

We provided a draft of this report to Corporation management for review and comment. The Corporation's response outlines several initiatives undertaken during the year to improve its monitoring of grantees. Management agreed with Cotton and Company's recommendations and will implement them in fiscal year 2006. Additionally, the Corporation began implementing standard operating procedures to resolve the personnel and payroll deficiencies cited in this report. The Corporation's response is presented in its entirety at Appendix A.

The OIG reviewed Cotton & Company's report and related documentation and made necessary inquiries of its representatives. Our review, as differentiated from an audit in accordance with generally accepted government auditing standards, was not intended to enable us to express, and we do not express, an opinion on the Corporation for National and Community Service's financial statements, conclusions about the effectiveness of internal control or conclusions on compliance with laws and regulations. Cotton & Company is responsible for the attached auditor's report dated October 28, 2005, and the conclusions expressed in the report. However, our review disclosed no instances where Cotton & Company did not comply, in all material respects, with generally accepted government auditing standards.



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Office of Inspector General
Corporation for National and Community Service

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying Statements of Financial Position of the Corporation for National and Community Service (Corporation) as of September 30, 2005, and September 30, 2004, and the related Statements of Operations and Changes in Net Position, Budgetary Resources, and Cash Flows for the years ended September 30, 2005, and September 30, 2004. These financial statements are the responsibility of Corporation management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting amounts and disclosures in the financial statements. An audit also includes assessing accounting principles used and significant estimates made by management, as well as evaluating overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation at September 30, 2005, and September 30, 2004, and the results of its operations and changes in its net position, budgetary resources, and cash flows for the years ended September 30, 2005, and September 30, 2004, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our reports dated October 28, 2005, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with provisions of laws and regulations. Our reports on internal control and compliance are an integral part of an audit conducted in accordance with *Government Auditing Standards* and, in considering the results of our audit, those reports should be read together with this report.

Information listed in sections A and C in the accompanying table of contents for the Corporation's Performance and Accountability Report is not a required part of the financial statements. We have applied certain limited procedures that consisted principally of inquiries of management regarding the methods of measurement and presentation of this information. However, we did not audit this information and, accordingly, we express no opinion on it.

COTTON & COMPANY LLP

Alan Rosenthal, CPA
Partner

October 28, 2005
Alexandria, Virginia



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Office of Inspector General
Corporation for National and Community Service

**INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE WITH LAWS AND REGULATIONS**

We have audited the financial statements of the Corporation for National and Community Service (Corporation) as of and for the year ended September 30, 2005, and have issued our report thereon dated October 28, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As part of obtaining reasonable assurance that the Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Providing an opinion on compliance with those provisions was not, however, an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the United States Congress, the President, the Director of the Office of Management and Budget, the Comptroller General of the United States, the Corporation, and the Inspector General. It is not intended for, and should not be used by, anyone other than these specific parties.

COTTON & COMPANY LLP

Alan Rosenthal, CPA
Partner

October 28, 2005
Alexandria, Virginia

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Office of Inspector General
Corporation for National and Community Service

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

We have audited the financial statements of the Corporation for National and Community Service (Corporation) as of and for the years ended September 30, 2005, and September 30, 2004, and have issued our report thereon dated October 28, 2005. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

In planning and performing the Fiscal Year 2005 audit, we considered the Corporation's internal control over financial reporting by obtaining an understanding of the Corporation's internal control, determining if internal control had been placed in operation, assessing control risk, and performing tests of controls to determine our auditing procedures for the purpose of expressing an opinion on the financial statements. We limited internal control testing to those controls necessary to achieve the objectives described in *Government Auditing Standards*. The objective of our audit was not to provide assurance on the Corporation's internal control. Consequently, we do not provide an opinion on internal control over financial reporting.

Our consideration of internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions. Under standards issued by the American Institute of Certified Public Accountants, reportable conditions are matters coming to our attention relating to significant deficiencies in the design or operation of the internal controls over financial reporting that, in our judgment, could adversely affect the Corporation's ability to record, process, summarize, and report financial data consistent with the assertions by management in the financial statements. Material weaknesses are conditions in which the design or operation of one or more of the internal control components does not reduce, to a relatively low level, the risk that misstatements, in amounts that would be material in relation to the financial statements being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Because of inherent limitations in any internal control, misstatements due to error or fraud may occur and not be detected.

We noted two matters, described in Exhibit 1, involving internal control over financial reporting and its operation that we consider to be reportable conditions. We do not consider these reportable conditions to be material weaknesses. The status of one prior-year reportable condition is in Exhibit 2.

We also noted other matters involving internal control and its operation that we will report to the Corporation management in our management letter, which will be issued as OIG Audit Report 06-02.

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We have provided a draft of this report to the Corporation. The Corporation's response to our report is included as Appendix A.

This report is intended solely for the information and use of the United States Congress, the President, the Director of the Office of Management and Budget, the Comptroller General of the United States, the Corporation, and the Inspector General. It is not intended for, and should not be used by, anyone other than these specific parties.

COTTON & COMPANY LLP



Alan Rosenthal, CPA
Partner

October 28, 2005
Alexandria, Virginia

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Exhibit 1
Corporation for National and Community Service
Reportable Condition
September 30, 2005

Grants Management

The Corporation for National and Community Service (Corporation) awards National and Community Service Act (NCSA) and Domestic Volunteer Service Act (DVSA) grants to State and local governments, institutions of higher education, and other not-for-profit organizations. The Corporation expends the majority of its appropriated funds on grants, and grant activities result in the most significant components of the Corporation's financial statements. It is critical that the Corporation monitor grantee activity closely to ensure that grantees are complying with applicable laws and regulations related to administration of the respective grant awards. Grantees are required to expend funds for allowable costs and provide periodic reports to the Corporation to demonstrate programmatic financial compliance with the terms of their respective grant agreements. The Corporation conducts grantee site visits, as part of its grant monitoring program, to ensure that grantees are complying with their grant agreements, and that State commissions are performing their duties as prescribed.

The following weaknesses were noted in the Corporation's internal control over grants management.

Improvement Needed In Monitoring Grantee Activities

The Corporation has established formal grantee monitoring procedures that include periodic site visits to grantees; a process for obtaining, reviewing, and issuing management decisions on audit findings reported by the OIG as well as non-federal auditors in OMB Circular A-133 single audit reports; training conferences for grantee personnel; open lines of communication between program managers and grantees; and a grant closeout process. For DVSA grants, the Corporation utilizes the Senior Corps Compliance Monitoring Handbook. For NCSA grants, the State Commission Administrative Standards Visit (SASV) is the primary tool for monitoring State commission grantees. The Corporation also has a separate monitoring tool for AmeriCorps National Direct grantees.

While it was noted that the various program and grant offices have taken steps to implement the recommendations on monitoring issues made in the prior year's internal control report, the Corporation's monitoring activities require further improvements in order to provide adequate controls over grantees' activities. The prior year's reportable condition noted a number of instances wherein the Corporation was not adhering to its own policies that require performing timely site visits and other monitoring efforts, and ensuring that grantees submit all required programmatic and fiscal reports on a timely basis. The previous year's recommendations included a re-evaluation of policies and procedures for conducting monitoring visits and continued implementation of a risk-assessment approach to selecting grantees for monitoring visits.

During the past fiscal year program and grant offices have continued to implement risk-assessment of grantees. However, there continues to be a lack of documentation to support how risk assessment rankings are determined. For example, grantees with similar conditions received different risk assessment rankings. Further, a number of the State commissions that were identified as being high risk did not receive site visits. Additionally, we were not provided with supporting documentation as to why some State commissions identified as low-risk did receive site visits. It is conceivable that some commissions might not receive formal monitoring with sufficient frequency to assure the Corporation that the commissions are operating efficiently and effectively. For those Commissions that did receive monitoring visits, we found that submission of corrective action plans and resolution of findings did not occur on a timely basis in accordance with the Corporation's policies and procedures.

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A sampling of National Directs, Senior Corps and Learn & Serve monitoring site visits found that the Corporation was often late in sending follow-up letters to grantees subsequent to a visit. Of the 32 monitoring letters sampled, 8 were mailed later than the standard 30 days, ranging from 9 to 152 days late. We also noted other discrepancies, such as no evidence of follow-up with grantees to obtain corrective action plans; action plans submitted late; inadequate documentation to support Corporation staff conclusions about monitoring report findings; and numerous late or missing submissions of Progress and Financial Status Reports.

We also found that documentation noting resolution of OMB Circular A-133 audits was incomplete. Corporation policy requires the use of the database to record the resolution process for all A-133 audits of grantees with monetary, internal control or compliance findings. We found inconsistent use of the database as well as incomplete and erroneous data. Additionally, it was noted that there were unresolved findings regarding questioned costs. Accordingly, the current state of the database does not allow for informed management decisions. Once data is input into the Audit Resolution database, the Corporation has six months to issue its management decision and an additional six months to complete final actions. By not having documentation of timely audit resolution performance, the Corporation cannot ensure that grantees with findings have properly resolved those issues. Grantees with known and unknown deficiencies can potentially continue to receive Corporation funding.

Recommendations

We acknowledge that, during FY2005, the Corporation put into place various preliminary activities designed to address grant monitoring deficiencies noted in previous years. However, we were unable to verify the effectiveness of these new activities because the results of the Corporation's efforts will be reflected in future time periods. As a result, several of the recommendations made in the FY2004 audit remain open and are repeated here as follows.

- The Corporation should re-evaluate the risk assessment tool for necessary improvements. The assessment work sheet should produce a rating based on consistently implemented criteria. Risk assessment work sheets need to include reasons why and how conclusions were reached. Documentation to support each risk conclusion must be maintained to prevent the loss of institutional knowledge.
- The Corporation should maintain a site visit and monitoring schedule resulting from the risk-based site visit selection process and monitor progress in completing those site visits in a timely manner.
- The Corporation should develop monitoring policies to document the determination as to what constitutes an acceptable substantive review of grantees, in lieu of performing site visits. These activities should include desk reviews, technical assistance, training, OIG reviews and audits, grantee audits, and other relevant monitoring activities performed by grant managers, program offices, the OIG, and external contractors.
- The Director of Grants Oversight and Monitoring should implement consistent risk assessment and site monitoring policies and procedures across all Corporation programs and coordinate all monitoring efforts.

Additionally, we recommend that the Corporation:

- Develop a methodology to coordinate all monitoring procedures performed by program and grant offices, as well as State offices, in order to ensure that all grantees receive adequate and timely monitoring and that the results of monitoring activities are sufficiently documented.

- Strengthen and document its controls to ensure that all site visit follow-up requirements are completed within the prescribed timelines.
- Implement procedures to ensure that all data in the Corporation's Audit Resolution Database is accurate, timely, and supported by documentary evidence.
- Fully document its procedures to ensure that grantees submit all required reports on a timely basis.

Personnel and Payroll Processing

The Corporation's Office of Human Capital (OHC) uses the services of the United States Department of Agriculture's National Finance Center (NFC) to process and disburse payroll. Among other things, the OHC is responsible for the authorized and accurate input of employee personnel data into the NFC system. It is also responsible for maintaining the integrity of the data and verifying and validating the bi-weekly payroll information that is transmitted to NFC for processing. OHC must also verify the output from NFC to ensure that its processing was error free.

Improvement Needed to Strengthen Internal Controls

During our testing of internal controls, we observed several deficiencies involving OHC's handling and monitoring of payroll data. We also found problems in operational controls that resulted in inaccurate data in the accounting system.

New employee information and changes to current employee data are initiated by OHC using the Standard Form 52 (SF-52). The form is created by the requester, authorized by a supervisor, and reviewed by the budget office before being sent to OHC for approval. The data from the approved SF-52 is then entered into the NFC payroll system and the output is an SF-50, Notice of Personnel Action. The information contained in the SF-50 must be compared to the input form SF-52 to ensure there are no discrepancies. These duties should be segregated to prevent one OHC employee from controlling the entire process. During our review of internal controls we found that the same OHC employee was entering the SF-52 data and then reviewing and signing the forms as the authorizing OHC official. We also noted that the OHC employee signing the SF-50 form had not been delegated the authority to do so. We further found that a significant number of forms were missing required signatures. It was also noted that there were no supervisory reviews conducted of data input and output of payroll-related documents. This is necessary to ensure that payroll and related benefit costs were accurate and represented valid payments to current employees and volunteers of the Corporation. As a result of this lack of oversight, we found that:

- Employee retirement and health care insurance deductions that did not agree to prescribed amounts, resulting in incorrect amounts being deducted from employee pay. Explanations of these discrepancies were requested from NFC.
- From a sample of VISTA member payments, some members were overpaid because of incorrect locality pay rates.

Finally, there was a significant delay in the reconciliation performed by the budget office on NFC data; consequently, errors in pay and deductions may not be detected in a timely manner. Corporation employees prepare time sheets that are manually verified by a supervisor and certified by a designated department timekeeper. The timekeeper enters the data into a time collection system called STAR-WEB that interfaces with the NFC system. Corporation policy mandates that time sheets be signed by the employee and the supervisor and bear the timekeeper's initials so that each individual acknowledges responsibility for accuracy and completeness. Of 45 time sheets that we tested, approximately 27 percent were missing required

signatures. In addition, we determined that one designated department timekeeper signed and verified her own time sheet.

The cumulative effect of the noted control weaknesses could result in the financial statements being misstated due to errors or fraudulent activities occurring and not being detected on a timely basis.

Recommendations

We recommend that the Corporation strengthen controls over payroll and timekeeping procedures to ensure that policies and procedures are adhered to regarding segregation of duties, supervisory reviews, and quality assurance of data integrity.



Exhibit 2
Status of Prior-Year Reportable Conditions
September 30, 2005

FY 2004 Finding	Type	FY 2005 Status
Monitoring of Grantee Activities	2002: Reportable Condition 2003: Reportable Condition 2004: Reportable Condition	Monitoring of grantee activities continues to require improvement.

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APPENDIX A

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE RESPONSE



November 9, 2005

Carol Bates
Acting Inspector General
Corporation for National and
Community Service
Suite 830
Washington, D.C. 20525

Dear Ms. Bates:

Thank you for the opportunity to comment on the draft report on the audit of the Corporation's fiscal 2005 financial statements. This marks the sixth consecutive year the Corporation has achieved an unqualified opinion and demonstrates the Corporation's commitment to sound fiscal management. While I am pleased with these overall results I recognize that the Corporation still has a significant amount of work to undertake during the next year to improve its monitoring of grantees.

To improve our monitoring of grantees, during fiscal 2005 the Corporation developed a Corporation-wide monitoring plan based on risk assessments, using program-specific criteria, and frequency-based monitoring requirements, as applicable by program. The Corporation also implemented monthly status reports to track the volume of planned and conducted monitoring activities across all programs. These reports will be enhanced in fiscal 2006. In addition, to ensure stronger oversight and management across programs, the Corporation established an Award Oversight and Monitoring Coordinating Council comprised of senior staff. The Council's mission is to ensure that the Corporation exercises uniformly excellent financial, administrative, and programmatic award oversight across its programs and supports awardees success through effective compliance monitoring, training, and technical assistance.

In addition, to further strengthen oversight and monitoring activities across all of its programs, the Corporation hired a new Director for Award Oversight and Monitoring in June 2005. In addition to serving as Chair of the Award Oversight and Monitoring Coordinating Council, the new director provides leadership to and coordinates with all Corporation programs to ensure the Corporation's grantees manage Corporation funds in accordance with applicable laws, regulations, standards, and agreements.

As a result of these various initiatives, during fiscal 2005 the Corporation's program offices increased monitoring activity and were more accountable for results. The audit makes several recommendations to help the Corporation further improve its performance in this area. The Corporation agrees with these recommendations and will implement them over the course of the next year.

This year's audit also identified internal control weaknesses related to the processing of personnel and payroll data by the Office of Human Capital's (OHC) Position Management, Staffing and Compensation unit as a reportable condition. The report cited the need for better segregation of duties and supervisory review of payroll data. During fiscal 2005 the Corporation's new Chief Human Capital Officer recognized the need to formalize and better document its policies and procedures over position management, staffing and compensation. At



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the end of fiscal 2005, OHC began implementing standard operating procedures covering all areas identified in the report. The procedures are designed to ensure that all personnel actions are properly authorized, reviewed, and approved prior to data being entered into the National Finance Center, and that there is a proper segregation of duties throughout the operations of the Office. The Corporation believes these procedures will fully resolve this finding.

Finally, I would like to express my appreciation for the efforts that your staff and the staff of Cotton & Company made on the fiscal 2005 audit. The past three years have seen the Federal government move to compressed timeframes for preparing and issuing audited financial statements. The completion of the audit within these timeframes could not have been done without the close cooperation of both staffs. This was especially true this year as we worked towards continued improvement in the overall presentation of the financial statements.

Sincerely,



David Eisner
Chief Executive Officer

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A ppendices

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Appendix I: Components of the Corporation's FY 2005 Support for Each Focus Area

Components of the Corporation's FY 2005 Support for Each Focus Area (\$ in millions)

Program	Children and Youth	Volunteer Generation and Management	Students in Service	Baby Boomers in Service
Learn and Serve America	\$8.0	—	\$42.7	—
AmeriCorps*NCCC	5.7	\$5.8	0.3	—
AmeriCorps* State & National	105.0	287.7	35.7	\$30.4
AmeriCorps*VISTA	28.3	57.4	5.0	25.1
RSVP	1.5	5.1	—	3.7
Foster Grandparent Program	111.4	—	—	—
Partnership Grants	5.0	10.0	—	—
Special Volunteer Program	—	—	—	2.0
Martin Luther King, Jr. Day of Service Grants	0.6	0.6	—	—
Challenge Grants	1.1	1.5	—	1.2
President's Freedom Scholarships	—	4.0	—	—
Evaluation	—	1.0	—	—
Total	\$266.6	\$373.1	\$83.7	\$62.4

Note: Estimated budget authority based on the primary purposes of the grants or other funding active in FY 2005. Funds may support projects that generate outcomes in support of more than one focus area. Funding for those projects may be counted under each focus area it supports.



Appendix II: Derivation of FY 2005 Budget Authority by Strategic Goal

In Appendix I, funding in support of specific focus areas is identified. However, much of the Corporation funding supports the agency's strategic goals more broadly. The following analysis provides a break-out of all the Corporation's funding, including funds supporting the focus areas. The Corporation has attributed funding for the various programs and administrative operations to the three strategic plan goals. Although all programs serve multiple goals, each program or program component was assigned to the goals that best capture the underlying purpose of the program or program component, based on its impact and motivating reason to participate among its grantees.

Accordingly, the AmeriCorps*State and National program is shown under Goals 1 and 2 where the emphasis is on the end beneficiary of service and the expansion of grants capacity. However, funds put aside specifically to benefit the members after their service (AmeriCorps education awards and post-service stipends) are shown under Goal 3, which speaks to the benefits to the volunteer. Funding to support the AmeriCorps*National Civilian Community Corps (NCCC) and the Senior Corps programs are also shown under Goal 1 because the primary focus of these programs is on support provided to communities. Funding to support the AmeriCorps*Volunteers in Service to America (VISTA) program is included under Goal 2 since the primary purpose of the VISTA volunteer is to increase nonprofit capacity to reduce poverty. Certain smaller grant programs are also shown under Goal 2 since these grants are intended to develop effective practices and improve volunteer recruitment and management, thereby building nonprofit capacity. Learn and Serve America is shown under Goal 2, since its impact is considered to be especially broad and lasting by reinforcing the service learning movement and demonstrating patterns for lifelong civic engagement among a school-age population.

Budget authority for other management/operations (i.e. program administration, evaluation, Office of Inspector General and state commission administrative grants) are allocated to all three goals based on the proportion of the total program budget authority represented by each goal.

Funding for Goal 1: Meet Critical Needs in Local Communities through Service (\$ in thousands)

Program/Activity	Funding
AmeriCorps*State and National	\$144,799
Senior Corps	215,857
AmeriCorps*NCCC	25,296
Special Volunteer Program	4,960
America's Promise	4,464
<i>Subtotal, Goal 1</i>	<i>\$395,376</i>
Administrative Cost Allocation	40,549
Total, Goal 1 Full Cost	\$435,925

Funding for Goal 2: Strengthen Communities to Engage Citizens (\$ in thousands)

Program/Activity	Funding
AmeriCorps*State and National	\$144,799
AmeriCorps*VISTA	92,240
Learn and Serve America	42,656
Next Generation grants	1,488
Challenge grants	3,968
Cross-cutting program & service field training and technical assistance	719
<i>Subtotal, Goal 2</i>	<i>\$285,870</i>
Administrative Cost Allocation	\$29,318
Total, Goal 2 Full Cost	

Funding for Goal 3: Engage Americans in a Lifetime of Volunteering and Service (\$ in thousands)

Program/Activity	Funding
Points of Light Foundation	9,920
Martin Luther King, Jr. grants	595
Disability grants	4,473
National Service Trust (education awards/interest forbearance, Presidential Freedom Scholarships)	140,930
<i>Subtotal, Goal 3</i>	<i>\$155,918</i>
Administrative Cost Allocation	29,039
Total, Goal 3 Full Cost	\$184,957



Appendix III: Program Performance—Statistics

In 2005, the Corporation for National and Community Service continued to enhance its capacity to demonstrate results in achieving its strategic plan goals. Over the past two years, the Corporation developed a new strategic plan that meets the requirements of the Government Performance and Results Act. During the same period, the Corporation's system of performance measurement was refined to increasingly focus on its strategic goals and to incorporate the results of OMB's PART reviews. The Corporation will continue these efforts, with particular emphasis on enhancing the measurement of progress toward the strategic focus area goals, and developing improved efficiency measures.

Measuring Performance¹

The Corporation's FY 2005 Performance and Accountability Report reflects the agency's progress and plans for measuring achievement of the agency's goals, particularly the focus area goals. The Corporation's strategic goals, focus areas and programs, however, present significant performance measurement challenges.

At the Corporate-level, some measures reflect strategic goals for the Nation since the agency's ultimate impact should go beyond the direct activities of its programs. Data for these measures is obtained primarily from other Federal agencies (e.g., the U.S. Department of Education, the U.S. Census) and, thus, are subject to those agencies' schedules, priorities and, often, funding availability. Moreover, these measures are affected by the actions of many other entities and economic/social factors.

The Corporation faces several further challenges in measuring the impact of its programs:

- *End Beneficiary Impacts:* Problems in contacting, tracking and surveying the programs' end beneficiaries pose significant performance measurement challenges, particularly within the agency's overall funding levels. For example, some of the Corporation's grantees provide services to a large and changing group of individuals and have not collected specific individual names or contact information. Some programs work to increase academic achievement, but obtaining academic records involves obtaining permission from parents and schools.
- *Nonprofit organization capacity impacts:* In general, the Corporation has relied on self-reporting by grantees, which could potentially introduce bias. Designing appropriate measures of grantee capacity, using

financial, service or other records, is likely to be prohibitively expensive.

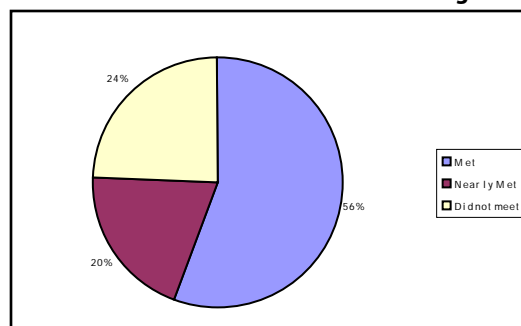
- *Multiple reporting entities:* The Corporation's devolved structure and strong partnerships with state, local, and private organizations require that these various entities track and report consistently on their impacts.
- *Comparing and Aggregating Impacts:* In addition, the agency's broad mission and the highly diverse services provided through its grants poses enormous difficulties in identifying standardized measures and aggregating impacts to a Corporate level.

As a result, the Corporation's performance measurement system is continuing to evolve as the agency develops improved approaches and implements stricter data reporting requirements. Thus, the performance measures used by the Corporation have changed significantly within the last few years. While this will provide much improved data on the agency's impacts, it also prevents the reporting of trends for many of the measures or even FY 2005 data for recently-specified measures (see "Measures under Development" below). In addition, the Corporation in certain cases has discontinued reporting on some of the measures cited in the FY 2005 Congressional Budget Justification when other, improved measures were available or when the data were too costly to obtain (see "FY 2005 Congressional Budget Justification Measures Discontinued" below). The Corporation's key performance metrics are provided in the tables below, often specified for each of the Corporation's major programs. Appendix IV: Program Performance—Discussion provides analyses of each program's performance in FY 2005.

Targets Achieved

In FY 2005, the Corporation exceeded, met or nearly met 75 percent of its annual performance targets for the primary program performance measures for which data were available.

Status of FY 2005 Annual Performance Targets



¹ Also see the "Data Quality" section of "Mission Performance Highlights."

Goal 1: Meet Critical Needs in Local Communities through Service

(Measures from the FY 2005 Congressional Budget Justification are shaded; N/A = not available; --- = not applicable; TBD = to be determined.)

Performance Measure	FY 2002	FY 2003	FY 2004	FY 2005	FY 2005 Target
Multi-program:					
<i>Number of Corporation program stipended members and participants (excluding non-stipended program participants and unaffiliated community volunteers):</i>					
AmeriCorps*NCCC	1,182	1,276	1,187	1,180	1,152
AmeriCorps*State and National	44,344	44,110	69,000	66,600	66,830
AmeriCorps*VISTA	7,033	6,754	6,765	6,545	6,707
Foster Grandparent Program	30,900	32,500	31,506	31,600	31,017
Senior Companion Program	16,200	16,500	16,355	16,257	15,037
<i>Total</i>	<i>99,659</i>	<i>101,140</i>	<i>124,813</i>	<i>122,172</i>	<i>120,743</i>
<i>Number of Corporation program non-stipended participants (excluding unaffiliated community volunteers):</i>					
Learn and Serve America	1,726,000	1,840,000	1,100,000	1,500,000	1,470,000
Retired and Senior Volunteer Program	484,600	468,600	459,271	447,825	448,133
Special Volunteer Program	N/A	36,800	N/A	N/A	18,922
<i>Total</i>	<i>2,210,600</i>	<i>2,308,600</i>	<i>1,559,271</i>	<i>1,947,825</i>	<i>1,937,055</i>
<i>Total number of volunteers generated, recruited and/or managed as a result of Corporation programs:</i>					
Total number of Corporation program stipended and non-stipended members and participants	2,310,259	2,409,740	1,672,247	1,669,997	2,057,798
Total number of volunteers recruited and/or managed through Corporation programs (unaffiliated/leveraged community volunteers)	271,170	902,852	1,408,210	938,000	1,666,948
<i>Total</i>	<i>2,581,429</i>	<i>3,312,592</i>	<i>3,080,457</i>	<i>2,607,997</i>	<i>3,724,746</i>
Learn and Serve America:					
<i>Average Reported Percent of Service-Learning Activities by Category¹</i>					
Health/Nutrition	N/A	N/A	18.7%	---	23.5%
Education	N/A	N/A	39.3%	---	40.0%
Environmental	N/A	N/A	19.9%	---	25.4%
Homeland Security/Public Safety	N/A	N/A	9.5%	---	27.0%
Housing	N/A	N/A	2.3%	---	7.7%
Human Needs—General	N/A	N/A	16.2%	---	20.4%
Community & Economic Development	N/A	N/A	13.4%	---	19.6%

¹ Projects serving more than one area are counted in each area to which they contribute, resulting in a total of all percentages that is greater than 100 percent.



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Performance Measure	FY 2002	FY 2003	FY 2004	FY 2005 Target	FY 2005
AmeriCorps*NCCC:					
<i>Percent of AmeriCorps*NCCC projects supporting:</i>					
Disaster services ²	14%	9%	6%	—	11%
Percent of AmeriCorps*NCCC partner organizations reporting that projects were successful ³	85%	87%	88%	85%	87%
Percent of AmeriCorps*NCCC projects that support children and youth ⁴	34%	34%	45% ⁵	35%	33%
AmeriCorps*State & National:					
Number of members in organizations focusing on children and youth ⁶	N/A	N/A	22,650	—	40,435
AmeriCorps*VISTA:					
Number of members in projects addressing needs of children or youth ⁷	1,797	1,714	1,588	N/A	1,657
Number of anti-poverty programs served ⁸	1,637	1,541	1,355	1,300	1,638
Number of AmeriCorps*VISTA members serving in asset development projects	2,669	2,663	2,536	—	2,184
Senior Corps:					
<i>Number and percent of children served through the Foster Grandparent Program categorized by type of service and special need:</i>					
Number	N/A	N/A	N/A	—	48,000
<i>Distribution by Special Need:</i>					
Abuse/Neglect/Boarder Babies	N/A	6%	N/A	—	8%
Physical/Medical Impairment ⁹	N/A	12%	N/A	—	11%
Learning/emotional Disabilities ¹⁰	N/A	50%	N/A	—	44%
Homeless	N/A	1%	N/A	—	2%
Adjudicated Youth	N/A	5%	N/A	—	4%
Language Barriers	N/A	7%	N/A	—	8%
"At-risk" Behaviors ¹¹	N/A	3%	N/A	—	3%
Other needs	N/A	16%	N/A	—	22%
<i>Number and percent of Senior Companions Program clients assisted categorized by special need of client:</i>					
Number	61,300	61,000	57,700	—	56,592
<i>Distribution by type of need:</i>					
Alzheimer's Disease	N/A	14%	N/A	—	11%
Chronic Care Elderly ¹²	N/A	58%	N/A	—	62%
Developmentally/Emotionally Impaired	N/A	19%	N/A	—	11%
Hearing/Visually Impaired	N/A	27%	N/A	—	14%
Other Special Needs ¹³	N/A	10%	N/A	—	9%
Respite for Caregivers	N/A	20%	N/A	—	12%
Number of adults in need of independent living services served by RSVP ¹⁴	N/A	N/A	35,100	N/A	35,100

2 Formerly titled, "Homeland Security/Disaster Relief." Disaster response levels are dependent on the number and severity of disasters; therefore, no targets are set for this measure.

3 As data becomes available for the replacement measure, "Percent of Corporation-funded programs/projects meeting program/project performance goals," this measure will be discontinued.

4 As data becomes available for the replacement measure, "Number of children and youth from disadvantaged circumstances receiving mentoring and other support services through Corporation programs," this measure will be discontinued.

5 FY 2004 represents an anomaly; NCCC responds to needs defined by communities and exercises limited control over the types of projects conducted.

6 As data becomes available for the replacement measure, "Number of children and youth from disadvantaged circumstances receiving mentoring and other support services through Corporation programs," this measure will be discontinued.

7 As data becomes available for the replacement measure, "Number of children and youth from disadvantaged circumstances receiving mentoring and other support services through Corporation

programs," this measure will be discontinued.

8 FY 2005 actual reflects total number of programs served through the course of the year, including those that closed and new ones started. Previous numbers reflect a snapshot taken at the end of the fiscal year and do not reflect the entire year. The new number will serve as the baseline moving forward.

9 Includes Children with AIDS/HIV, hearing impaired, physical disabilities, medically-impaired, terminally ill and visually-impaired.

10 Includes developmental delays, autism/emotional disabilities, and learning disabilities.

11 Includes substance abuse and teen pregnancy/parenting.

12 Includes chronic care disabilities, frail elderly and terminally ill adults.

13 Includes short-term disabilities, substance abuse and other special needs.

14 As data becomes available for the replacement measure, "Number of seniors who receive (through volunteering) support from Corporation participants to live independently," this measure will be discontinued.

Measures Under Development:

Multi-Program:

- 1— Percent of Corporation-funded programs/projects meeting program/project performance goals
- 2— Number of children and youth from disadvantaged circumstances² receiving mentoring and other support services through Corporation programs (In FY 2004, 22,650 for AmeriCorps*State and National; in FY 2005, 40,435 for the AmeriCorps*State and National program, 262,781 in the Foster Grandparent Program, and 66,000 for RSVP—total of 368,716. Data for other programs is not currently available.)
- 3— Number of children of prisoners receiving mentoring and other services through Corporation programs:

FY2005	
AmeriCorps*VISTA	6,126
Foster Grandparent Program	6,255
Retired and Senior Volunteer Program	2,870
Other Corporation programs (est.)	1,000
Total	16,251

- 4— Number of children and youth from disadvantaged circumstances serving their communities through Corporation programs; percent of members/participants who are children and youth from disadvantaged circumstances (Data for AmeriCorps*State and National and VISTA will begin to be collected in FY 2006.)

Corporation Program	FY 2005	
	Number	Percent of Participants
Learn & Serve America	486,000	41%
AmeriCorps*NCCC	230	20%
AmeriCorps*State & National	N/A	N/A
AmeriCorps*VISTA	N/A	N/A
Total	486,230	---

- 5— Number of seniors and other, disabled adults who receive (through volunteering) support from Corporation participants to live independently (In FY 2004, Senior Companion Program = 57,500)

FY2005	
AmeriCorps*State and National	N/A
AmeriCorps*VISTA	N/A
Retired and Senior Volunteer Program	35,100
Senior Companion Program	63,486*
Other programs	N/A
Total	98,586
* Includes the Senior Companion service provided respite for 6,894 caregivers.	

- 6— Number of Corporation program members and participants providing disaster relief and preparedness
- 7— Percent of AmeriCorps*State and National and VISTA service recipients reporting that they received high

quality services

(In studies conducted in FY 2004, service recipients proved to be difficult to track, contact and survey. The Corporation is continuing to pursue alternative data collection approaches to collect statistically-reliable data on end beneficiary impacts.)

Senior Corps:

- 1— Percent of family members/caregivers/clients who report that the service provided by Senior Companions helped them considerably or moderately improve their quality of life. (FY 2005 = 88%)
- 2— Percent of clients who report that the services provided by Senior Companions helped them considerably or moderately to:

FY 2005	
Eat regular meals	49%
Take care of in-home health needs	50%
Get to medical appointments	42%
Maintain overall physical health	58%
Go shopping	58%
Get other needed errands done or get needed services	60%
Maintain their home as they would like it	61%
Manage the paperwork in their life	21%
Have a friend or someone who cares about them	90%
Do what they want for others	48%
Keep peace of mind	83%

- 3— Percent of children and youth who, since establishing a relationship with a Foster Grandparent, have shown a lot or a fair amount of improvement in:

Type of Improvement	FY 2004		FY 2005	
	A Lot	A Fair Amount	A Lot	A Fair Amount
Their relationships with other children	58%	40%	N/A	N/A
Their relationships with family	33%	59%	N/A	N/A
Demonstrating respect toward others	67%	33%	N/A	N/A
Their academic performance	62%	35%	35%	52%
Their self-image	63%	33%	52%	38%
School attendance habits	N/A	N/A	23%	35%
Avoidance of risky behaviors	N/A	N/A	39%	27%

² See Appendix VIII: Glossary for a definition of "Children and youth from disadvantaged circumstances."

4— Percent of children involved in the juvenile justice who, since establishing a relationship with a Foster Grandparent, have to a small or significant degree kept out of trouble (FY 2005 = 21 percent for “a significant degree” and 40 percent for “a small degree”)

FY 2005 Congressional Budget Justification Measures Discontinued:

Learn and Serve America:

Number of adult Learn and Serve America volunteer hours generated in a program year

This measure has been included in the number of volunteer hours generated by the Learn and Serve America program.

*AmeriCorps*NCCC:*

Percent of project sponsors indicating that AmeriCorps*NCCC members made a significant contribution to achieving the project’s objectives

This measure has been replaced with the “percent of Corporation-funded programs/projects meeting program/project performance goals”

Number of members supporting disaster relief operations

This measure has been replaced with the “percent of AmeriCorps*NCCC projects supporting disaster services”

Percent of organizations reporting that they would highly recommend NCCC to another organization

This measure has been replaced with several other measures related to program quality and outcomes, including “projects that were successful.”

*AmeriCorps*State and National:*

Percent of AmeriCorps*State and National programs meeting established end-outcome performance measures

This measure has been replaced with the “percent of Corporation-funded programs/

projects meeting program/project performance goals”

*AmeriCorps*VISTA:*

Percent of VISTA sponsoring organizations reporting that VISTA members achieved their anti-poverty objectives

This measure has been replaced with the “percent of Corporation-funded programs/projects meeting program/project performance goals”

Percent of VISTA sponsoring organizations that report that to a large or moderate extent their project was successful in doing what it was designed to do.” (In FY 2004, this measure was 73 percent for “to a large extent;” in FY 2005, this measure was 98 percent for “to a large or moderate extent.”

This measure will be discontinued as data becomes available for the replacement measure, “Percent of Corporation-funded programs/projects meeting program/project performance goals,” estimated in FY 2007.

Senior Corps:

Percent of Senior Corps (RSVP, FGP and SCP, separately) projects that meet target levels for their outcome-based objectives, as listed in the grant application work plan

This measure has been replaced with the percent of Corporation-funded programs/projects meeting program/project performance goals.” In FY 2005, this measure was 96 percent for RSVP, 94 percent for FGP and 91 percent for SCP, based on preliminary data.

Percent of administrative staff (principals, teachers, counselors, etc.) who feel that the Foster Grandparent Program volunteer made a significant impact

Percent of RSVP, SCP and FGP projects that meet target levels for their outcome-based objectives, as listed in the grant application work plan

This measure has been replaced with the “Percent of Corporation-funded programs/projects meeting program/project performance goals.”

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Goal 2: Strengthen Communities to Engage Citizens

Performance Measure	FY 2002	FY 2003	FY 2004	FY 2005 Target	FY 2005
Multi-program:					
<i>Percent of program/project resources provided by non-Corporation sources:¹</i>					
Learn and Serve America	N/A	N/A	42%	N/A	41%
AmeriCorps*State and National	42%	44%	45%	45%	43.3%
AmeriCorps*VISTA	N/A	N/A	N/A	N/A	N/A
<i>Subtotal, AmeriCorps</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
Retired and Senior Volunteer Program	N/A	N/A	N/A	N/A	46.4%
Foster Grandparent Program	N/A	N/A	N/A	N/A	24.6%
Senior Companion Program	N/A	N/A	N/A	N/A	34.7%
<i>Subtotal, Senior Corps</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>33.8%</i>
<i>Total, all Corporation programs</i>	<i>N/A</i>	<i>N/A</i>	<i>40.5%</i>	<i>N/A</i>	<i>39.1%</i>
<i>Percent of organizations that say AmeriCorps members helped them to increase the number of persons served to a large or moderate extent²</i>					
AmeriCorps*NCCC	N/A	N/A	75%	78%	92%
AmeriCorps*State and National	N/A	N/A	75%	78%	92%
AmeriCorps*VISTA	N/A	N/A	88%	90%	93%
<i>Total, AmeriCorps</i>	<i>N/A</i>	<i>N/A</i>	<i>78%</i>	<i>81%</i>	<i>92%</i>
<i>Percent of organizations that say AmeriCorps members helped them to a large or moderate extent to increase involvement with other organizations³</i>					
AmeriCorps*NCCC	N/A	N/A	50%	N/A	60%
AmeriCorps*State and National	N/A	N/A	N/A	N/A	90%
AmeriCorps*VISTA	N/A	N/A	N/A	N/A	85%
Learn and Serve America:					
<i>Percent of Federal Work-Study funds used for community service</i>	N/A	N/A	15.4%	N/A	16.1%
<i>Percent of grantees and subgrantees meeting a majority of the characteristics of high-quality service-learning programs</i>	N/A	N/A	74.6%	80%	88.9%
AmeriCorps*VISTA:					
<i>Amount of cash and in-kind resources generated by AmeriCorps*VISTA members (\$ in millions)</i>	N/A	\$87	\$151	—	\$157

1 As reported in the grantees' budget; may not include all funding since grantees are not required to report on funding beyond match requirements. FGP and SCP require a non-federal contribution of 10 percent of the total project budget; RSVP requires 10 percent in the first year of the grant, 20 percent in the second year, and 30 percent in the third year. However, for non-competitive grant renewals (which are most of the awards) the match requirement remains at 30 percent for the duration of the renewal.

2 Survey not conducted before FY 2004. In FY 2004, scores for "to a large extent" and "to a moderate extent" were 21 percent and 67 percent, respectively, for VISTA and 70 percent and 22 percent, respectively, for State and National. Total AmeriCorps percents do not include NCCC.

3 Survey not conducted before FY 2005 for AmeriCorps *State and National and VISTA; not conducted before FY 2004 for NCCC. In FY 2005, the survey question was revised. In FY 2004, the measure was "percent of community organizations that reported the services of AmeriCorps members helped the organization where they served over the past 12 months – moderately or considerably build/increase involvement with coalitions/partnerships." In FY 2005 the scores for "to a large extent" and "to a moderate extent" were: NCCC = 29 percent, 31 percent; State and National = 53 percent, 37 percent; and, VISTA = 48 percent, 37 percent, respectively.

Measures Under Development:

Multi-Program:

Percent of organizations reporting that Corporation-sponsored members/participants helped the organization to build its capacity, including its capacity to effectively recruit and manage volunteers, raise funds, expand its programs and/or populations served, etc.

For FY 2005, AmeriCorps*State and National: percent of organizations reporting that

Corporation-sponsored members/participants helped to a large or moderate extent the organization to bring in goods/services (54 percent; however 28 percent indicated this was not a part of the members' service); and to bring in additional funds (31 percent; however, 51 percent indicated this was not a part of the members' service).

Number and dollar value of funding provided to faith-based and other community organizations, as well

as organizations that previously have not received Corporation funding.

Learn and Serve America:

Percentages of Learn and Serve higher education institutions and kindergarten through grade 12 schools, separately, that have service learning as part of their official core curriculum

*AmeriCorps*VISTA:*

Percent of organizations reporting that VISTA members helped to a great or moderate extent to bring in donations of goods and services (FY 2005 = 54 percent (26 percent for “to a great extent” only); however, 28 percent said this was not part of the members’ service)

Percent of organizations reporting that AmeriCorps*VISTA members helped, to a large or moderate extent, the organization to bring in additional funds (FY 2005 = 65 percent (16% for “to a great extent” only; however, 51 percent said this was not part of the members’ service)

FY 2005 Congressional Budget Justification Measures Discontinued:

Learn and Serve America:

Percent of participating higher education institutions that increase student service placement in their Federal work-study budget.

This measure has been replaced with the “percentage of Federal Work-Study funds used for community service.”

*AmeriCorps*State and National:*

Percent of state commissions meeting all of the state administrative standards criteria

This measure no longer reflects the Corporation’s approach to monitoring the State Commissions which focuses on risk-based criteria and measurement of commission performance. The Corporation will develop an alternative measure of commission management performance.

Percent of organizations (grantees or sponsoring/partner organizations) reporting that service participant activities fostered greater community involvement

This measure has been replaced with “Percent of organizations reporting that Corporation-sponsored members/participants helped the organization to build its capacity,” including its capacity to effectively recruit and manage volunteers, raise funds, expand its programs and/or populations served, etc.

*AmeriCorps*VISTA:*

Percent of AmeriCorps*VISTA organizations reporting that member services helped them increase the numbers of people served by expanding their program or services, offering new programs or services, and/or improving infrastructure

This measure has been replaced with the “percent of organizations that say AmeriCorps members helped them to increase the number of persons served to a large or moderate extent.” This survey question asks a simpler and clearer question by avoiding multiple conditions expressed within a single question.

Percent of VISTA sponsoring organizations that say they increased their organizational capacity because of the AmerCorps*VISTA members

This measure has been replaced with “Percent of organizations reporting that Corporation-sponsored members/participants helped the organization to build its capacity, including its capacity to effectively recruit and manage volunteers, raise funds, expand its programs and/or populations served, etc.

Senior Corps:

Percent of organizations (volunteer station supervisors) that report that the Senior Corps volunteers helped them increase the quality and scope of core services they offer to help meet local needs (for RSVP, FGP and SCP) (For SCP FY 2004 = 68 percent “to a great extent”; and 30 percent “to a moderate extent.”

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Goal 3: Engage Americans in a Lifetime of Volunteering and Service

Performance Measure	FY 2002	FY 2003	FY 2004	FY 2005 Target	FY 2005
Multi-program measures:					
<i>Number of community volunteers recruited and/or managed through Corporation programs:</i>					
<i>Number of unaffiliated community volunteers:¹</i>					
Learn and Serve America	N/A	N/A	137,000	N/A	175,000
AmeriCorps*NCCC	15,000	30,000	16,000	16,000	23,000
AmeriCorps*State and National	256,170	529,389	580,000	625,000	843,754
AmeriCorps*VISTA	N/A	337,940	483,033	297,000	509,440 ²
Retired and Senior Volunteer Program	TBD	TBD	27,394	N/A	16,756
Other programs ³	<u>N/A</u>	<u>5,523</u>	<u>11,783</u>	<u>N/A</u>	<u>98,998</u>
<i>Subtotal</i>	<i>271,170</i>	<i>902,852</i>	<i>1,408,210</i>	<i>938,000</i>	<i>1,666,948</i>
<i>Number of Corporation programs non-stipended participants⁴</i>					
Learn and Serve America	1,840,000	1,730,000	1,130,000	N/A	1,470,000
Retired and Senior Volunteer Program	480,000	480,000	459,271	N/A	448,133
Special Volunteers Program	<u>N/A</u>	<u>36,800</u>	<u>28,873</u>	<u>N/A</u>	<u>18,922</u>
<i>Subtotal</i>	<i>2,320,000</i>	<i>2,246,800</i>	<i>1,618,144</i>	<i>N/A</i>	<i>1,937,055</i>
<i>Total, Non-stipended Corporation-sponsored, recruited, and/or managed volunteers</i>	<i>2,591,170</i>	<i>3,149,652</i>	<i>3,026,354</i>	<i>3,000,000</i>	<i>3,604,003</i>
<i>Number of Baby Boomers engaged in service through Corporation programs:⁵</i>					
AmeriCorps*State and National ⁶	N/A	N/A	1,600	N/A	1,400
AmeriCorps*VISTA ⁷	TBD	TBD	1,574	—	1,595
Retired and Senior Volunteer Program	N/A	N/A	23,100	23,100	23,252
Special Volunteers Program	N/A	N/A	14,621	N/A	10,000
Challenge Grants	N/A	N/A	0	N/A	2,400
Next Generation Grants	<u>N/A</u>	<u>N/A</u>	<u>0</u>	<u>N/A</u>	<u>600</u>
<i>Total</i>	<i>N/A</i>	<i>N/A</i>	<i>40,885</i>	<i>N/A</i>	<i>39,247</i>
<i>Percent of former AmeriCorps members who continue to volunteer in their communities after their term of service⁸</i>					
AmeriCorps*NCCC	N/A	N/A	N/A	N/A	N/A
AmeriCorps*State and National	N/A	N/A	82%	85%	72%
AmeriCorps*VISTA	N/A	N/A	88%	90%	81%
<i>Total</i>	<i>N/A</i>	<i>N/A</i>	<i>82%</i>	<i>85%</i>	<i>72%</i>
<i>Percent of former AmeriCorps members who accepted public service employment (including governmental and nonprofit work) within three years after completing AmeriCorps service:⁹</i>					
AmeriCorps*NCCC	N/A	N/A	45%	N/A	60%
AmeriCorps*State and National	N/A	N/A	50%	51%	89%
AmeriCorps*VISTA	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>57%</u>
<i>Total</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>—</i>	<i>87%</i>
<i>Percent of former AmeriCorps members indicating that their service experience and training helped to a great extent in their job, educational pursuits, or community service activities:¹⁰</i>					
AmeriCorps*NCCC	N/A	N/A	N/A	N/A	90%
AmeriCorps*State and National	N/A	N/A	93%	94%	86%
AmeriCorps*VISTA	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>—</u>	<u>83%</u>
<i>Total</i>	<i>N/A</i>	<i>N/A</i>	<i>93%</i>	<i>N/A</i>	<i>86%</i>

1 Unaffiliated community volunteers include those volunteers recruited and/or managed by Corporation members or participants.
 2 FY 2005 target was based on an extrapolation of a partial, manual data collection with a high margin of error. FY 2005 actual is based on a full year's worth of data. This number will be generated through eGrants in the future.
 3 For FY 2005 includes 90,000 for Martin Luther King, Jr. Grants, 6,417 for Next Generation Grants, 2,247 for the Special Volunteer Program and 334 for Challenge Grants. Prior year figures reflect the Special Volunteer Program only.
 4 Includes participants in Corporation programs that do not receive a monetary benefit; excludes unaffiliated community volunteers.
 5 Does not include unaffiliated community volunteers.
 6 Data for AmeriCorps*State and National not collected before FY 2005.
 7 Data for FY 2002 - FY 2004 for VISTA will be available in the FY 2006 Performance and Accountability Report. Survey questions were changed

significantly for FY 2005 to ask about actual public service behaviors.
 8 Data from former members is preliminary. Survey not conducted before FY 2004.
 9 Survey not conducted for VISTA before FY 2005 or before FY 2004 for any programs; FY 2004 data based on a single survey question regarding employment within one year of completing service; FY 2005 data based on several survey questions regarding employment within three years.
 10 Comparable data for members indicating their service helped "to a great extent" only for FY 2004, FY 2005 target and FY 2005 actuals are: AmeriCorps*NCCC—45 percent, 46 percent and 52 percent, respectively; AmeriCorps*State and National—59 percent for FY 2005; AmeriCorps*VISTA—58 percent for FY 2005; and, all AmeriCorps programs—93 percent, 28 percent and 58 percent. For NCCC for FY 2004, this data reflects responses from then-current members; for FY 2005, the data reflect responses from former members. Survey not conducted before FY 2004.

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Performance Measure	FY 2002	FY 2003	FY 2004	FY 2005 Target	FY 2005
<i>Percent of AmeriCorps members completing their term of service:</i>					
AmeriCorps*NCCC	88%	90%	92%	90%	89%
AmeriCorps*State and National	75%	TBD	82%	—	89%
AmeriCorps*VISTA ¹⁰	81%	80%	87%	90%	TBD
<i>Total</i>	<i>TBD</i>	<i>TBD</i>	<i>TBD</i>	<i>—</i>	<i>TBD</i>
<i>Percent of AmeriCorps members who say their service experience was excellent or good:</i>					
AmeriCorps*NCCC	N/A	N/A	91%	N/A	95%
AmeriCorps*State and National	N/A	N/A	TBD	N/A	91%
AmeriCorps*VISTA	N/A	N/A	TBD	N/A	TBD
<i>Total</i>	<i>N/A</i>	<i>N/A</i>	<i>TBD</i>	<i>N/A</i>	<i>TBD</i>
<i>Percentage of AmeriCorps members who have used all or some of their education award by 9/31/05:¹¹</i>					
AmeriCorps*NCCC	72%	75%	75%	77%	82%
AmeriCorps*State and National	72%	75%	76%	77%	82%
AmeriCorps*VISTA	78%	78%	80%	82%	84%
<i>Total</i>	<i>TBD</i>	<i>TBD</i>	<i>TBD</i>	<i>—</i>	<i>TBD</i>
Learn and Serve America					
<i>Percent of participants who served at least a semester and at least 20 hours</i>	N/A	N/A	32%	33%	28%
<i>Percent of Learn and Serve grantees reporting that Learn and Serve activities have a significant positive impact on participants' civic engagement</i>	N/A	N/A	48%	56%	54%
<i>Percentage of Learn & Serve grantees reporting positive impacts on academic performance of participants</i>	N/A	N/A	35%	37%	36%

10 These numbers are based on the percent of total members who start in a given year and complete a full year of service. Completion of service data will usually cross fiscal years. Percent of members who started in FY 2005 and completed within one year cannot be known until the end of FY 2006.

11 The measure represents the percent of members who earned an education award seven years before who have used all or a portion of their award as of the end of the fiscal year.

A

Measures Under Development:

Multi-program:

Number of college students who serve as a result of Corporation programs (reported for each program and in total) (FY 2004 Total = estimated 140,000; FY 2005 Total = estimated 155,000)

Percent of AmeriCorps members who say their service experience was excellent or good (NCCC: FY 2005 = 91 percent; FY 2004 = 95 percent; State and National: FY 2005 = 91 percent)

*AmeriCorps*NCCC:*

Percent of AmeriCorps*NCCC members from economically-disadvantaged circumstances (FY 2005 = 20 percent)

Senior Corps:

Percent of Retired and Senior Volunteer Program (RSVP) volunteers who report that their service activity fits their experience, abilities and skills well.

Percent of Senior Corps volunteers who report that their service has improved their knowledge, health, or social connectedness³ (FY 2004 for RSVP = 98 percent, for FGP = 99 percent, and for SCP = 98 percent; this measure was cited in the FY 2005 Congressional Budget Justification)

FY 2005 Congressional Budget Justification Measures Discontinued:

Multi-Program:

Percent of AmeriCorps (NCCC, State and National and VISTA) members increasing their level of civic engagement because of AmeriCorps*NCCC:

This measure has been replaced with the "Percent of former AmeriCorps members who continue to volunteer in their communities after their term of service."

Percent of State and National and VISTA members indicating their service experience influenced their career, educational or professional goals

3 Survey of Senior Corps volunteers occurs every other year—in FY 2004 and planned for FY 2006 and FY 2008. Thus, no data is or will be available for FY 2005.

This measure has been replaced with the “Percent of former AmeriCorps members who accepted public service employment (including governmental and non-profit work) within one-year after completing AmeriCorps service.”

Senior Corps:

Percent of Foster Grandparents and Senior Companions who report improvements in mental health and/or social resources as a result of their service

This measure has been replaced with the “percent of Senior Corps volunteers who report that their service has improved their knowledge, health or social connectedness.”

Number of RSVP volunteers dedicated to leveraging volunteers

This measure has been replaced with the “number of unaffiliated community volunteers recruited and/or managed by RSVP volunteers.”

Percent of Senior Corps participants who would recommend service with their program.

This measure has been replaced with “percent of participants who say their service experience was excellent or good.”

and conducting relevant research on the volunteer sector:

Measures Under Development:

Number of scholarly articles citing Corporation-sponsored research within the preceding five years

FY 2005 Congressional Budget Justification Measures Discontinued:

Percent of research and evaluation funding awarded using a competitive award process

As the Corporation’s research has continued to be awarded primarily through the competitive award process, this measure is not necessary. (FY 2005 = 94 percent)

Evaluation Performance Measures

In FY 2005, the Corporation identified the following measures of its performance in evaluating its programs

Performance Measure	FY 2002	FY 2003	FY 2004	FY 2005 Target	FY 2005 Actual
Number of evaluations completed	N/A	8	5	6	TBD
Proportion of Corporation programs evaluated within the preceding five years	TBD	50%	55%	60%	100%
Proportion of Corporation programs/grantees that can report performance data on end-outcomes in the appropriate year	N/A	N/A	20%	50%	80%



Appendix IV: Program Performance—Discussion by Program

Learn and Serve America

About the Program

Learn and Serve America encourages civic participation and volunteerism throughout the country by providing grants to facilitate service-learning within communities. These resources are administered by state education agencies, nonprofit organizations, colleges and universities, Indian Tribes and State Commissions on National and Community Service, which act as intermediaries to provide subgrants, training, technical assistance, evaluation and administrative help to local programs. In turn, these programs develop partnerships between schools and community-based organizations, engaging students, teachers and volunteers to meet critical local needs. Learn and Serve America leverages substantial non-Corporation support for its projects; all grantees are required to demonstrate an increasing level of matching support for Federal funds, and over time must provide a certain fraction of program costs.

Program Performance

Learn and Serve America supports the Corporation strategic goals and focus areas by providing resources to K-12 schools, higher education institutions and non-profits. The Corporation's resources empower these groups to meet community needs in education, the environment, public safety, disaster preparedness and other critical areas. Learn and Serve America employs the following performance measures to assess its contributions toward the Corporation's goals.

GOAL ONE: Meet Critical Needs in Local Communities through Service

Learn and Serve America focuses on three measures of how grantees and sub-grantees address community needs. These measures characterize the impact of students, teachers, schools and community based organizations and the quality/duration of the community service performed in FY 2005.

- 64 percent of the grantees and sub-grantees reported that activities funded by Learn and Serve had a positive impact on the organizations served. This figure is slightly above the FY 2005 target.
- 28 percent of all reported participants served at least a semester and 20 hours. Service-Learning research has demonstrated that the frequency and duration of

service lead to a better experience for the volunteer and the organization served.¹

GOAL TWO: Strengthen Communities to Engage Citizens Locally

Learn and Serve America encourages schools to adopt service-learning as a strategy to strengthen civic engagement and academic performance. Many of the measures focus on the extent that schools, grantees and sub-grantees have incorporated service-learning into their organizations, thus helping to ensure that service-learning will continue to occur, even after the grant is completed. In FY 2005, for example:

- 32 percent of America's elementary and secondary schools have adopted service-learning programs, thus meeting the agency's target level.²
- 45 percent of K-12 schools and 66 percent of postsecondary educational institutions receiving Learn and Serve grants have embraced service-learning as a part of their core curriculum.
- 51 percent of Learn and Serve-funded programs report that activities related to service-learning have led to substantial positive impact on making service-learning a permanent part of their institution.
- 88 percent of Learn and Serve America grantees and sub-grantees reported that they met the characteristics of a high-quality service-learning program,³ compared to a target of only 80 percent. This performance reflects the efforts of the Corporation to encourage grantees, as well as non-grantees, through training, technical assistance and access to the Service-learning Clearinghouse, to improve their program quality.

GOAL THREE: Engage Americans in a Lifetime of Volunteering and Service

Learn and Serve America engages over one million participants each year in service-learning activities. The participants represent a broad spectrum of society and the impact of their service is positive both academically and socially.

1 In all cases where a target had been determined, performance is compared against the target. If no comparison is made, as in this bullet and a number of subsequent bullets in this section, no target had been determined.

2 This differs slightly from the percent of schools that have incorporated service-learning into their curricula (29% in FY 2004).

3 High-quality service-learning programs: have service activities of a sustained or significant duration (e.g., a minimum of 40 hours during a school year); projects have clear objectives and project leaders work with students to draw connections between service and learning; make civic responsibilities explicit; provide time for participants to reflect on their service; involve students in developing and executing the service project; and engage in strong partnerships with community groups.

- Learn and Serve America programs engaged 1.47 million participants. This is slightly below the target of 1.5 million participants.
- 54 percent versus a target of 56 percent of Learn and Serve programs reported that activities had a significant positive impact on the participants' civic engagement.
- 36 percent of Learn and Serve programs reported that activities had a positive impact on the academic performance of participants, thus meeting the program's target level.
- 44 percent of the Learn and Serve America schools have at least half of their students eligible for the free and reduced lunch program. This figure is consistent with the target set out for the year.
- 34 percent of Learn and Serve participants are from a minority group. This is consistent with the target set for the year.
- 8 percent of participants in Learn and Serve programs have some form of disability. The reported outcome is slightly higher than the target for the year.

Management Initiatives

In FY 2005, Learn and Serve enhanced its online system that collects program-wide performance data directly from grantees and sub-grantees. The revamped data collection tool, combined with training and outreach to grantees, resulted in a 90 percent completion rate for the instrument.

Learn and Serve America piloted an initiative in FY 2005 to codify effective fiscal and grants management strategies and catalog best practices. In FY 2006, this initiative will be implemented in many of the smaller State Education Agencies that need assistance in managing Federal funds and producing high-quality programs.

For FY 2006, Learn and Serve America will implement risk-based monitoring to ensure greater responsiveness of the needs of grantees and to improve staff oversight

of grants. This system is similar to the credit score of a borrower.

Evaluation Plan

The Corporation will continue to enhance its capacity to measure program outcomes and will document the impact of the program on student participants and communities. In collaboration with the U.S. Census, the Corporation conducted a survey on volunteering and civic engagement among America's youth (ages 12 to 18) in FY 2005. The survey, the Youth Volunteering and Civic Engagement Survey, is the only national study on teen volunteering and civic engagement, and will provide information on the motivations, attitudes, experiences, and demographics of service-learning participants. This information will help the Corporation to better promote, foster, facilitate, manage and evaluate participation at the national level. The Corporation intends to implement the Youth Volunteering and Civic Engagement Survey again in FY 2007 and semi-annually thereafter. Through the survey, the Corporation will gain valuable national-level data on service-learning and its relationship with volunteering and other forms of civic engagement.

Performance Measurement System

In FY 2005 Learn and Serve America updated eGrants to better capture national data on the outputs, intermediate outcomes, and end outcomes of grantees and sub-grantees. As part of the 2006 grant competition, the Corporation will require grantees to utilize standard performance measures and instruments in one or more of the following categories: academic improvement, civic engagement, institutionalization and reduction of risky behaviors. As a result of these national measures, Learn and Serve America will be better positioned to demonstrate overall program effectiveness and to identify cost effective practices.

A

AmeriCorps*NCCC

About the Program

The AmeriCorps*National Civilian Community Corps (NCCC) is a full-time, team-based residential community service program for young adults between the ages of 18 – 24. As NCCC members, they learn valuable skills, knowledge and work habits, as well as develop leadership abilities that will help them in subsequent educational or work experiences. At the same time, they help to meet critical community needs and are able to give back to their communities. NCCC teams live and train at five regional campuses, and partner with community-based organizations to address environmental, education, public safety, disaster relief, and other community concerns throughout the Nation.

Program Performance

AmeriCorps*NCCC is a unique program in which recruitment, project planning and management are handled directly by the Corporation. It is extremely flexible, with members trained to provide support for critical and short term needs, like disaster relief. NCCC's success is measured by its impacts on the capacity of its partner organizations and the educational and employment opportunities of its members, the teams' prompt response to national priorities and the efficient use of member service through cost effective planning and management.

GOAL ONE: Meet Critical Needs in Local Communities Through Service

NCCC's community-based project development model ensures that the program helps local communities meet those needs that are most critical in each community. However, to the extent quality projects in the Corporation's focus areas are proposed by the community, NCCC focuses resources on meeting these needs.

- Over the past four years, NCCC has consistently performed about 600 projects per year, completing 561 projects in all fifty states in FY 2005. (573 in FY 2002; 693 in FY 2003; 591 in FY 2004)
- Overall satisfaction of sponsors with the NCCC team and success of projects continues to remain high at 87 percent in FY 2005. (85 percent in FY 2002; 88 percent in FY 2004)⁴
- The support that NCCC provides in the area of disaster services fluctuates based on natural occurrences. In FY 2005, 11 percent of NCCC's projects supported disaster services, in part due to the disaster support needed in

⁴ FY 2003 data are not available because the survey could not be funded in that year.

response to Hurricanes Katrina and Rita this past year and the hurricanes that devastated Florida in 2004. (Specific targets for this measure are inappropriate; 14 percent in FY 2002 due to an increased focus nationwide on homeland security and disaster preparedness; 9 percent in FY 2003; and, 6 percent in FY 2004)

As a Corporation focus area, service preformed in support of children and youth is a priority, with generally about one-third of projects devoted towards this demographic group, as occurred in FY 2005. (In FY 2004, NCCC teams were especially focused on this area with 45 percent, while 34 percent were devoted to children and youth in FY 2002 and FY 2003.)

GOAL TWO: Strengthen Communities to Engage Citizens Locally

The community-based project development model, focused on organizations that might not otherwise be able to participate in the Corporation's other programs, enables the Corporation to develop small faith-based and other community organizations. Through partnerships with NCCC, these types of grassroots organizations are able to enhance their capacity to serve their constituents and engage their communities in service.

- Over the past four years, about 60 percent of the organizations that use NCCC teams have been small faith-based and other community organizations.
- 78 percent of project sponsors reported that NCCC considerably enhanced their organization's ability to provide services.
- 60 percent of project sponsors reported that NCCC teams helped to a large extent (29 percent) or a moderate extent (31 percent) their organization increase involvement with other organizations.

GOAL THREE: Engage Americans in a Lifetime of Volunteering and Service

Member development is an important program goal. The residential, team-based structure provides unique opportunities to expose members to a full-immersion, national service experience similar to the military model. It also permits NCCC to build a well-trained cadre of members who have the skills and work habits to be successful in subsequent job or educational pursuits, can respond effectively to disasters, and continue to volunteer and contribute to their communities throughout their lives.

- NCCC members coordinated or managed about 23,000 community volunteers in FY 2005. As with the program's support for disaster services, the number of community volunteers engaged also depends in part on the number and severity of disasters that occur each year. However, NCCC has focused its efforts to help local organizations

conduct special service events and recruit community volunteers to support their service activities. In FY 2005, NCCC exceeded its goal of 16,000 community volunteers engaged by about 31 percent. (In FY 2002 to FY 2004, NCCC members coordinate, or managed about 15,000, 30,000 and 16,000, respectively.)

- Despite unfunded inflationary cost increases, NCCC has managed to maintain enrollment at above 1,100 for the past two years. (1,147 members enrolled in FY 2005, a slight decrease from 1,187 in FY 2004; 1,182 in FY 2003; 1,276 in FY 2002)
- Member retention rates continue to be quite high at 89 percent in FY 2005, a slight drop from the prior years' average, primarily due to the success of the program in enrolling a more diverse pool of members who are less likely to complete their terms of service and earn an education award. (88 percent, 90 percent and 92 percent of NCCC members completed the program in FY 2002 through FY 2004, respectively)
- NCCC members continued to complete on average more than the 1,700 hours required to earn an education award. Thus, in FY 2005, members completed on average 101 percent of the hours required, a slight decrease related to the NCCC's more diverse member population. (NTD; 105 percent in FY 2002; and FY 2003; 104 percent in FY 2004)
- 57 percent of NCCC members reported that their experience with the program influenced their career, educational, or professional goals. (83 percent in FY 2004)

Management Initiative

In FY 2005, NCCC's primary management initiative focused on monitoring and managing its member costs, while providing high quality service to members and sponsor organizations.

- The key to reducing NCCC's cost per member is fully utilizing its residential campus capacity. Due to flat funding, the current utilization rate is under 80 percent. NCCC has controlled cost increases by reducing expenses, including for food, and increasing cost-sharing by project sponsors.

The NCCC also is working to document and standardize program practices and procedures, and develop common work plans for similar positions across NCCC campuses.

The NCCC regularly conducts in-progress reviews (IPR) at each campus both to ensure compliance with applicable statutes and regulations and identify needed operational changes. The IPR consists of a team of NCCC and other Corporation staff who conduct an in-depth on-site review of program activities, projects, facilities, and administrative requirements using a standard checklist. The NCCC is continuing to strengthen this review process to ensure continuously improving campus outcomes, while maintaining strict fiscal control.

Evaluation

NCCC participates in the following ongoing Corporation evaluation activities:

- Annual benchmark surveys of current and former members conducted by the Urban Institute;
- Quarterly customer satisfaction surveys of NCCC project sponsors using the American Customer Satisfaction Index; and,
- Serving County and Community: A Longitudinal Study of Service in AmeriCorps conducted by Abt Associates, Inc.

NCCC also underwent a review by OMB using the Program Assessment Rating Tool.

Performance Measurement System

To help support effective management, the NCCC is continuing to improve the availability of relevant NCCC outcome and operational data. This data is obtained through ongoing and expanded current and former member and project sponsor surveys, as well as expanded tracking of program operations.

Program management decision-making based on enhanced data systems have resulted in efficiency and customer service improvements. For example, the recently developed facilities inventory process, which will serve as the basis for a formal capital asset plan, is helping to prioritize and effectively plan for both critical repairs and ongoing maintenance of the campuses.

A

AmeriCorps*State and National

About the Program

AmeriCorps*State and National provides grants to public and nonprofit entities that sponsor service programs around the country, including faith-based and other community organizations, higher education institutions, Indian tribes, and public agencies. These organizations train and manage AmeriCorps members who mentor youth, build affordable housing, teach work skills, clean the environment, run after-school programs, recruit new volunteers and help communities respond to pressing needs.

Program Performance

The State and National program provides support to communities and local organizations—the organizations most suited to address and develop appropriate responses to their own community's needs. State and National provides financial and in-kind support, including AmeriCorps members, to help sustain and grow these local efforts. In particular, the program helps to strengthen communities and local organizations through the generation, involvement and long-term contributions of community volunteers. In addition, the program devotes a large share of its resources on the Corporation's Children and Youth Focus and the Volunteer Generation and Management Focus.

GOAL ONE: Meet Critical Needs in Local Communities through Service

In recent years, the State and National program focused especially on meeting the needs of children and youth from disadvantaged circumstances.

- 22,650 State and National members served children and youth in FY 2004, thus establishing the baseline level. In FY 2005, this number nearly doubled, to 40,435, largely as a result of the Corporation's focus on outreach to nonprofit organizations serving children and youth.

GOAL TWO: Strengthen Communities to Engage Citizens Locally

Grantee match requirements implemented in FY 2005 require a gradual increase to a dollar-for-dollar match level by the tenth year of a State and National grant. This sustainability requirement strengthens the national service field by creating incentives to deepen and broaden grantees' ties with their community and encourages more diverse revenue streams for grantees, while expanding their access to non-Federal funding.

GOAL THREE: Engage Americans in a Lifetime of Volunteering and Service

The State and National program recruited and/or managed 844,000 local community volunteers in FY 2005, compared with its target of 625,000 and the levels in prior years (256,000, 529,000, and 580,000 in FY 2002-2004, respectively). An increasing focus on volunteer leveraging in the grantee selection process contributed to the large number of community volunteers recruited by State and National members in FY 2005. In addition, over the past several years, the Corporation improved its capacity to collect information on the number of community volunteers leveraged by AmeriCorps members. This also may have contributed to the increase reported in community volunteers generated in FY 2005.

Management Initiative

In FY 2005, State and National focused on reducing its cost per member service year and improving its oversight and monitoring of grantees. State and National reduced its inflation-adjusted cost per member by 20 percent from 2003 to 2005.

Evaluation

AmeriCorps*State and National participates in the following ongoing Corporation evaluation activities:

- Annual benchmark surveys of current and former members conducted by the Urban Institute;
- Customer satisfaction surveys of AmeriCorps grantees and other organizations using the American Customer Satisfaction Index; and,
- Serving County and Community: A Longitudinal Study of Service in AmeriCorps conducted by Abt Associates, Inc.

The program also underwent a re-evaluation by OMB using the Program Assessment Rating Tool in FY 2005. The program's rating improved by 28 points to a level of 64 and a rating of "adequate," reflecting a number of management improvements implemented over the last few years.

Performance Measurement System

To help support effective management, AmeriCorps*State and National is continuing to improve the availability of relevant program outcome and operational data. This data is obtained through ongoing and expanded current and former member and project sponsor surveys, as well as expanded tracking of program operations.

AmeriCorps*VISTA

About the Program

AmeriCorps*VISTA (Volunteers in Service to America) was authorized in 1964 to provide full-time volunteers to non-profit and local organizations working to reduce poverty throughout the Nation. Members focus especially on capacity building, leveraging human, financial and material resources to help communities sufficiently address their own problems. VISTA provides much support to sponsoring organizations, but puts a heavy emphasis on self-reliance, as these groups must plan for operational independence and the eventual phasing out of VISTA support.

Program Performance

The VISTA program supports the Corporation's goals by working to strengthen the infrastructure, capacity and social capital of communities across the Nation. By providing human resources and operational assistance, members help to establish functional and effective means of addressing critical needs, and encourage citizens to give back to their country.

GOAL ONE: Meet Critical Needs in Local Communities through Service

In FY 2005, VISTA members assisted local project sponsors with a wide variety of activities to help reduce poverty, develop assets, improve the lives of children and youth from disadvantaged circumstances and respond to disasters, as well as helping to address a broad range of other community needs.

- In FY 2005, 6,707 VISTA members contributed 5,510 service years to help individuals and communities out of poverty.
- 2,184 VISTA members served in financial asset development projects in FY 2005. These projects, which focus on wealth creation, help low-income families save money and build equity in physical assets. An estimated 10 million households across the country lack bank accounts and are subject to high costs charged at check-cashers and payday lenders. The VISTA members helped to make homeownership a reality, establish individual development accounts, bolster micro-enterprise development, bridge the digital divide, and set up job training
- 1,657 VISTA members served in projects focused on opportunities for children and youth in FY 2005. In addition to working in areas such as youth leadership development, mentoring youth, youth literacy, services for homeless students, and children's health, members supported service learning programs for children

designed to encourage lifelong civic engagement and improve academic performance. VISTA members mentored or provided other support to over 6,000 children of prisoners.

- Volunteer efforts in FY 2005 also included 370 VISTA members who served in projects related to homeland security and disaster response efforts, including Hurricanes Katrina and Rita.

GOAL TWO: Strengthen Communities to Engage Citizens Locally

During FY 2005, VISTA continued to support community efforts to increase volunteerism by helping VISTA sponsors develop and establish effective systems to track volunteer programs and contributions of community members. These members provided support to programs engaged in helping the elderly to live independently, mentoring children of incarcerated parents, and helping to rebuild credit and increase home ownership.

- Of the organizations that were served by VISTA members in FY 2005, 93 percent, up from the FY 2004 level of 88 percent, reported that VISTA members helped them increase the number of persons served to a large (21 percent) or moderate (67 percent) extent.
- 85 percent of organizations said that VISTA members helped them to a large (48 percent) or moderate extent (37 percent) to increase involvement with other organizations.
- 54 percent of organizations reported that VISTA members helped to a great (26 percent) or moderate (28 percent) extent to bring in donations of goods and services. (28 percent said this function was not a part of the member's service)
- 65 percent of organizations reported that VISTA members helped to a large (16 percent) or a moderate (49 percent) extent to bring in additional funds (51 percent said this function was not a part of the member's service)

GOAL THREE: Engage Americans in a Lifetime of Volunteering and Service

During FY 2005, VISTA conducted a study of former members to evaluate and identify the long-term civic engagement, education and employment outcomes of VISTA members over the last forty years.

- 81 percent of former VISTA members continued to volunteer in their communities after their term of service in FY 2005, compared to 88 percent in FY 2004. The Corporation is investigating the possible causes of this decline.
- 83 percent of former VISTA members reported that their service experience influenced their career, educational or professional goals.



Management Initiative

In FY 2005, VISTA's primary management initiatives focused on: monitoring and managing its member costs, while providing high quality service to members and sponsor organizations; and, improving the training provided to VISTA members.

- Cost per member service year increased by four percent from FY 2004 to FY 2005. The impact of significant health care cost increases was mitigated by expanded cost-sharing by project sponsors to support 12 percent of member service year costs.
- The training program provided to VISTA members was improved in FY 2005 to include a more structured approach to ensure effective capacity-building, leadership, issue/project-specific and other skills development. The training also was modified to make more extensive, targeted use of distance learning techniques.

Evaluation

VISTA currently collects survey data from grantees, members completing their service, and end beneficiaries. Among other things, these surveys regularly measure: the effectiveness of VISTA in helping project sponsors increase their capacity by leveraging community volunteers and building service partnerships; the effect of VISTA service on members' education, careers, and lifelong civic engagement; and, member satisfaction with their VISTA service experience.

VISTA also entered the third year of evaluating projects within its Faith-based and Community initiatives portfolio. The study assesses how and to what extent VISTA resources increased the capacity of organizations to provide services specific to their intended goals and outcomes. The study also evaluates project processes and identifies common performance indicators within the faith-based and community initiatives portfolio, thereby aggregating projects' collective impact within this strategic area.

Performance Measurement System

To help support effective management, AmeriCorps® VISTA is continuing to improve the availability of relevant program outcome and operational data. This data is obtained through ongoing and expanded current and former member and project sponsor surveys, as well as expanded tracking of program operations.

Senior Corps

About the Program

Three separate programs comprise Senior Corps—the Retired and Senior Volunteer Program (RSVP), Foster Grandparent Program (FGP), and Senior Companion Program (SCP). These programs engage seniors age 55 and older in service activities to help meet the needs of their communities.

RSVP provides volunteer support to nonprofit organizations, and aims to support local needs, as well as foster positive volunteering experiences. The program is extremely flexible; members choose how, when and where they serve. Commitments vary from a few hours a week to full-time, and while some reimbursements are given for the costs incurred due to the individual's service, no stipends are provided.

FGP focuses its resources on children and youth, providing support in schools, hospitals, drug treatment centers, correctional institutions and child care centers. Volunteers age 60 or over mentor children, teach parenting skills to young mothers, and care for premature infants and children with disabilities. A Foster Grandparent works one-on-one with a child, and will often maintain an ongoing relationship with him or her for a year or longer. Volunteers can work part- or full-time, and receive a small stipend of \$2.65 per hour for their services.

SCP provides volunteers age 60 and older to serve their peers. Senior Companions assist elderly, homebound individuals, aiding with living tasks such as cooking, cleaning, shopping and transportation. By providing companionship and support, these seniors can maintain their independent living situations and avoid the costly and often unnecessary services of care facilities. Volunteers receive ongoing training in medical and mental health services, and many receive a small stipend of \$2.65 per hour for their work.

Program Performance

Each of the three programs has a distinct purpose that supports the Corporation's service goals. RSVP works to engage seniors, and enhance their quality of life through service opportunities. FGP aims to provide emotional support and guidance to children from disadvantaged circumstances, and SCP provides independent living assistance crucial to many senior citizens. The performance measures used for the Senior Corps programs thus focus on the goals of each of the three programs.

GOAL ONE: Meet Critical Needs in Local Communities through Service

In FY 2005, Senior Corps demonstrated its strength by sponsoring more than 1,300 local projects, and enrolling some 490,000 individual volunteers to provide support for a wide range of community needs.

- The RSVP program networked more than 760 local projects, engaging approximately 450,000 individual volunteers. Volunteers met high priority needs in their communities, including disaster response in the Gulf Coast following Hurricane Katrina and Hurricane Rita.
- The Foster Grandparent Program demonstrated its continued strength through more than 340 Corporation and non-Corporation funded programs. Approximately 31,000 Foster Grandparents enrolled in FY 2005, a decrease of 700 from FY 2004, but still well within the anticipated service levels for the program.
- The Senior Companion Program worked on approximately 340 Corporation and non-Corporation funded projects in FY 2005, enlisting approximately 15,037 Senior Companions, 1,300 lower than FY 2004, but still within the expected scope of the program nationally. Volunteers served approximately 1,000 fewer clients in FY 2005, as well; this decrease is consistent with the lower number of Senior Companions reported, but clients served remains within the expected scope of the service.

Senior Corps works hard to address specific local needs, and gives significant support to help children and youth from disadvantaged circumstances. In FY 2005, some 329,000 children received mentoring and other services.

- The number of children of prisoners mentored by RSVP volunteers increased by 56 percent between FY 2004 and FY 2005, contributing positively to RSVP's commitment to increase its service to these children by more than 20 percent per year.
- In FY 2005, Foster Grandparents mentored more than 6,200 children of prisoners, an increase of more than 5,000 children over 2004.

In FY 2005, Senior Corps developed new, outcome-based measures to assess program performance. The following findings were reported for the first time in FY 2005.

- 96 percent of FGP projects achieved the performance measures, or outcome-based objectives, outlined in their grant application work plans. This percentage is based on each project achieving the minimum of 1 performance measure required during its implementation phase. Many grantees do not yet have longer-term measures to be reported in FY 2005.
- 94 percent of SCP projects achieved the outcome-based objectives listed in their grant application work plans. This percentage is based on each project achieving the minimum of one performance measure required during the implementation phase; many grantees do not yet have longer-term measures due to be reported in FY 2005.

GOAL TWO: Strengthen Communities to Engage Citizens Locally

Although the Senior Corps programs contribute to the capacity of local organizations to meet community needs, none of the Senior Corps programs focus on building the capacity of the sponsoring organization. Instead, the programs focus on assisting children with special needs, the elderly and other people with critical needs.

GOAL THREE: Engage Americans in a Lifetime of Volunteering and Service

Senior Corps, by engaging Americans over the age of 55, encourages a lifetime of service.

- The number of Baby Boomers serving in RSVP increased by 537 individuals, or 2 percent from FY 2004 to FY 2005. This increase is slightly below the number projected.

Management Initiative

The Corporation will continue to improve the management of the Senior Corps programs to increase program accountability and provide more cost effective and responsive service to the grantees, individuals and organizations served, as well as to the senior volunteers, through activities such as the following:

- Increased Volunteer Service Year (VSY) production in the SCP and FGP programs; a new policy facilitates the redistribution of VSYS from under-performing programs to those with waiting lists.
- Developed a system for redistribution of temporary VSYS to be funded from aggregated unexpended grant funds.
- Implemented a new standardized risk-based compliance monitoring system that will ensure both more priority monitoring of those projects at higher risk of management problems.
- Improved customer service to grantees through the implementation of key enhancements to the grants management system, eGrants.

Evaluation

To provide a more comprehensive assessment of the Senior Corps programs' end outcomes, the Corporation implemented its National Performance Benchmarking effort, including surveying Senior Corps volunteers, the volunteer stations where they serve, the grantees through which projects are conducted and the people and organizations that benefit from the volunteers' service. Similar surveys will be conducted periodically. In addition, the program will expand the use of operational data and data reported by all grantees to assess progress in achieving key management goals and identifying areas for management and program improvement.

Performance Measurement System

To help support effective management, Senior Corps is continuing to improve the availability of relevant program outcome and operational data. This data is obtained through ongoing and expanded grantee/sub-grantee, participant, and sponsor surveys, as well as expanded tracking of program operations.

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Appendix V: Donations and Contributions

Under the Corporation's authorizing legislation, donated funding may be accepted and used for the purpose of expanding and improving national service (42 U.S.C. 12651g (a) (2) (A)). The law allows the Corporation to "solicit, accept, hold, administer, use, and dispose of, in furtherance of the purpose of the national service laws, donations of any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest or otherwise." The legislation also requires that the Corporation report to the Congress on the nature and the amount of donations, as well as on how they were used and disposed of (in the case of donated property) in support of its programs and activities. This report fulfills these requirements for FY 2005.

During FY 2005 the Corporation implemented Pay.gov, a Treasury program that allows Federal agencies to conduct transactions online. By utilizing this Pay.gov program, the Corporation collects donations by credit card or direct debit from donors. Pay.gov facilitates the process of collecting gift funds from donors online through a secure website with real-time identification verification. Pay.gov provides the reporting necessary for processing transactions. After the recent hurricanes, Pay.gov donations increased significantly.

The following schedules show the receipts and expenses paid from the Gift Fund in FY 2005 and 2004, respectively as well as the balances available to fund authorized activities.

Supplemental Information on the Source and Use¹ Of Donations

		FY 2005		FY 2004	
		Receipt	Expense	Receipt	Expense
Corporate Donations	Use of Funds:				
A&E Television Networks	Support for summit on History, Civics and Service	\$ -	\$ -	\$ -	\$ 837
Best Buy	Grants for the Martin Luther King Day of Service	-	16,347	-	(61,463) ²
CVS	White House Counsel on Aging Conference	25,000	25,000	-	-
Walt Disney Company	Corporation projects in support of USA FreedomCorps	-	19,445	-	1,521
Home Depot	Disaster rebuilding activities	400,000	306,558	500,000	-
Ralph Lauren Polo Foundation	Support for NCCC program activities	-	-	31,310	19,694
State Farm Insurance Co.	Learn & Serve America 15th anniversary conference	80,000	-	-	-
UPS Foundation	Support for USA FreedomCorps web site and national nonprofit volunteerism study	-	38,590	-	351,518
Small Individual Donations	Restricted to:				
	Disaster Relief	60,104	1,099	-	-
	Senior Corps	719	-	-	-
	AmeriCorps (General)	14,943	22,663	-	-
	AmeriCorps*NCCC	5,295	10,245	8,300	-
	Learn & Serve America	23	-	-	-
Small Individual Donations	Unrestricted	-	6,385	100	10,443
<i>Total</i>		\$ 586,084	\$ 446,332	\$ 539,710	\$ 322,550

1 Funds expended during a fiscal year may include amounts donated in a previous year. In addition, expenses include only the amount accrued during the fiscal year and do not reflect amounts that have been obligated but not yet expended.

2 Reversal of of expenses previously accrued to the account.

Status of Gift Fund Balance at September 30, 2005

	Fund Balance with Treasury		Obligations & Commitments	Funds Available
A&E Television Networks	\$	6,083	\$ -	\$ 6,083
Best Buy		111,231	(7,435)	103,796
Bradley Foundation		14,776	(1,579)	13,197
Home Depot		642,824	(411,824)	231,000
Kellogg Foundation		581	-	581
Land 'O Lakes		35,000	-	35,000
State Farm Insurance Co.		80,000	-	80,000
UPS Foundation		63,082	-	63,082
Walt Disney Company		192	-	192
Small Individual Donations		97,677	(431)	97,246
<i>Total</i>	\$	1,051,446	\$ (421,268)	\$ 630,178



Appendix VI: The National Service Trust

The National Service Trust (the Trust) was established by the National and Community Service Trust Act of 1993 (42 USC 12601, et seq.) to provide funds for education awards for eligible participants who complete AmeriCorps service. Funding for the Trust comes from appropriations, interest earned, and proceeds from the sale or redemption of Trust investments. Although the Trust is also authorized to receive gifts or bequests, no donations have been received by the Trust to date. Under the Act, funds are available to:

- Repay qualified student loans.
- Pay educational expenses at a qualified institution of higher education.
- Pay expenses incurred participating in an approved school-to-work program.
- Repay eligible interest expense on student loans.

The value of an education award depends on the term of service performed by an AmeriCorps member. Completion of a full-time term of service, currently requiring a minimum of 1,700 hours of service, entitles

an AmeriCorps member to an education award of \$4,725. Completion of a part-time term, requiring a minimum of 900 hours of service, entitles an AmeriCorps member to an education award of \$2,362.50. Reduced part-time terms, which provide awards of \$1,000 to \$1,800, are also offered. Education awards earned by AmeriCorps members are available to be used for seven years from the completion of the service. Payments from the Trust are made directly to the educational institutions and the loan holders as directed by the members and by the institutions. Trust funds are not used to pay member stipends or other grant costs.

Since FY 2002, appropriations also have made specified amounts from the Trust available for scholarships for high school students. The \$1,000 college scholarships, known as Presidential Freedom Scholarships, are awarded to students who provide outstanding service. To fund each scholarship, a local community or corporate source must match the \$500 portion of the scholarship provided by the Corporation.

Table 1 reports the planned activity for Program Year 2005 and actual enrollments to date. The table also includes similar data on Program Year 2004 for comparative purposes. Slots classified as "Certified Not Awarded" have been approved for award to grantees but for which the final grant award has not been executed.

AmeriCorps Program	Program Year 2005					Program Year 2004				
	Awarded		Certified Not Awarded	Planned Not Certified	Total	Awarded		Certified Not Awarded	Planned Not Certified	Total
	Enrolled	Not Enrolled				Enrolled	Not Enrolled			
<i>State & National</i>	15,445	46,097	2,641	2,025	66,208	56,215	8,550	3,169	-	67,934
<i>VISTA</i>	4,347	765	-	-	5,112	4,102	13	-	-	4,115
<i>NCCC</i>	1,173	7	-	-	1,180	1,184	-	-	-	1,184
Total	20,965	46,869	2,641	2,025	72,500	61,501	8,563	3,169	-	73,233

In FY 2005 the Corporation implemented a limited policy allowing grantees to refill slots in certain circumstances beginning with slots awarded for Program Year 2004. Table 2 provides information on the number of slots refilled under the policy.

	Results to date	Fail-safe Trigger
Number of Refilled PY 2004 Slots	227	N/A
Refills as a Percent of Planned PY 2004 State & National Slots	0.33%	5%
State & National PY 2004 Enrollment as a Percentage of Planned Slots	82.75%	97%



Table 3 shows the most significant factors used to calculate Trust obligations on a historical basis. The data used to compute these factors can be found in Table 6.

Table 3 Factor	Factors Affecting the National Service Trust				
	Program Year ¹				
	2001	2002	2003	2004	2005
Member enrollments in the Trust	59,177	48,407	40,905	61,501	20,965
Percent of members earning an education award ²	74.8%	78.4%	81.1%	83.2%	80.5%
Percent of earned education awards used ³	61.9%	57.5%	43.6%	12.5%	7.9%
Investment Earnings ⁴	5%	5%	4%	3%	3%
Breakout of enrollment by term type: ⁵					
Full-time	50%	58%	45%	47%	73%
Part-time	23%	19%	23%	17%	8%
Reduced Part-time	27%	23%	32%	36%	19%

¹ Program Year refers to positions awarded through, although not necessarily filled in, a particular fiscal year's grant funds. For example, a grantee may receive a grant in FY 2004 but not fill all positions until FY 2005. All positions related to this grant would be considered Program Year 2004 positions irrespective of the year filled. [This definition applies to all slots except for the approximately 20,000 Program Year 2002 slots unfilled at the time of the pause. These 'post pause' slots were reclassified as Program Year 2003 slots.] Program Year data reflects all enrollments recorded through September 30, 2005. Prior year enrollment numbers may change slightly due to corrections or late reporting by grantees. In addition, in May 2005 a one-time adjustment was made to correct the assigned program year for NCCC members. While the correction had no effect on total enrollment, the number of NCCC members reported for a given program year may have increased or decreased.

² This percentage is calculated by taking the number of members earning an award divided by the total members enrolled (net of members still earning/not exited) for the Program Year to date.

³ This percentage is calculated by taking the dollar amount of education awards used divided by the total amount earned for the Program Year to date.

⁴ Weighted Average Maturity for the Trust investment portfolio of Treasury securities. Used to discount awards for the time value of money.

⁵ Term type mix is based on Program Year enrollments to date. It is important because education award projections are based on service type.

Trust Accounting

Tables 4 and 5 present information on the financial status of the Trust Fund including its assets, liabilities, revenue, expenses, reserve, and amounts obligated. The Statement of Financial Position and Statement of Operations present information using Generally Accepted Accounting Principles (GAAP), which is the method of accounting for the liability used for financial statement purposes. The Corporation's financial statements are prepared on a quarterly basis. The Schedule of Obligations presents information on a budgetary basis that represents the accounting used to determine adherence to Anti-Deficiency Act requirements.

GAAP requires the recording of a liability that is a point in time estimate of the unpaid earned and expected-to-be-earned education award and interest forbearance costs that are likely to be claimed. GAAP estimates are for members who have already completed at least 15 percent of the minimum service requirement and who, therefore, have served enough hours to qualify for at least a partial education award.

The estimate of the Service Award Liability under GAAP includes factors for members who enroll but do not earn

an award, and for members who earn an award but do not use it within the seven-year period of availability. The Corporation estimates that up to 79 percent of members earning an award will eventually use it.

Enacted in FY 2003, the Strengthen AmeriCorps Program Act directed that the Corporation record Trust obligations at the time of grant award for the estimated value of the education benefit, discounted for the estimated enrollment, earning and usage rates and the time value of money. The Corporation uses the following assumptions to calculate Trust obligations: full value of the education award, 100 percent enrollment rate, 80 percent earning rate, and 80 percent usage rate. These enrollment, earning, and usage rates are more conservative than the rates we have experienced and used previously in determining our budgetary needs. As directed by the Act, the Corporation also established a Trust reserve that will protect the Corporation in the event that the estimates used to calculate obligations differ from actual results. For program years 2002 and prior, the Corporation used the actual amounts earned, adjusted for amounts used and projected to be used and the time value of money when establishing the obligation amount.

Table 4		National Service Trust	
		Statement of Financial Position (unaudited)	
		As of September 30, 2005* (\$ in thousands)	
ASSETS			
Fund Balance with Treasury		\$	252
Trust Investments			404,745
Accounts Receivable, Net			14
Total Assets			<u>405,001</u>
LIABILITIES			
Trust Service Award Liability			260,061
NET POSITION			
Cumulative Results of Operations			144,950
Total Liabilities and Net Position		\$	<u>405,001</u>

Table 5		National Service Trust	
		Statement of Operations and Changes in Net Position (unaudited)	
		Fiscal 2005* (\$ in thousands)	
REVENUES			
Appropriations		\$	142,848
Interest			12,096
Total Revenues			<u>154,944</u>
EXPENSES			
AmeriCorps Program			110,013
Service-Learning Program			3,500
Total Expenses			<u>113,513</u>
NET OF REVENUES OVER EXPENSES			<u>41,431</u>
NET POSITION			
Net of Revenues over Expenses			41,431
Net Position, Beginning of Period			103,519
Net Position, End of Period		\$	<u>144,950</u>

* Certain accrual information needed to prepare the statements is only available on a quarterly basis; therefore the financial statements are as of the most recently completed quarter.

Table 5		National Service Trust	
		Schedule of Trust Obligations as of September 30, 2005	
		<i>(in thousands)</i>	
Resources			
Trust Cash and Investments (net of receivables not available for obligation)		\$	394,373
Trust Reserve (not available for obligation)			(32,837)
Total Resources			<u>361,536</u>
Unliquidated Obligations			
President's Freedom Scholarships			3,500
Education Awards			338,232
Interest Forbearance			14,413
Total Unliquidated Obligations			<u>356,146</u>
Funds Available for Obligation		\$	<u>5,390</u>

CEO Certification

The Strengthen AmeriCorps Program Act established specific criteria for estimating and recording obligations in the National Service Trust. The Act also requires that the Chief Executive Officer of the Corporation annually certify that the Corporation is in compliance with the requirements of the Act and obtain an independent audit of the accounts and records demonstrating the manner in which the Corporation has recorded its Trust estimates. The Corporation's Office of Inspector General contracted with the accounting firm Cotton & Company to perform the audit required by the Act for FY 2005.

Based on the Corporation's analysis and the results of OIG's audit, the Corporation certifies that it complied with the Act for FY 2005.

Trust Enrollment Activity

Table 6 presents the cumulative activity for enrollments, earnings, and usage in the Trust by Program Year as of September 30, 2005.

Table 6 Trust Enrollment Activity - Program Years 1994 through 2005							
Program Year	Type	Members		Earned an Award	Did Not Earn	Amount Earned	Amount Used
		Members Enrolled	Still Earning (or Not Exited)				
1994	Full Time	15,331	0	11,463	3,868	\$48,266,389	\$35,258,486
	Part Time	6,264	0	4,172	2,092	\$8,988,028	\$6,689,017
	Reduced Part Time	2,815	0	2,433	382	\$2,468,981	\$1,750,957
Total		24,410	0	18,068	6,342	\$59,723,398	\$43,698,460
1995	Full Time	17,550	0	13,562	3,988	\$61,090,556	\$46,079,851
	Part Time	6,849	0	4,360	2,489	\$9,546,302	\$6,929,889
	Reduced Part Time	577	0	493	84	\$481,482	\$349,741
Total		24,976	0	18,415	6,561	\$71,118,340	\$53,359,481
1996	Full Time	17,634	0	13,320	4,314	\$60,767,426	\$47,182,974
	Part Time	6,943	0	4,468	2,475	\$10,087,560	\$7,126,769
	Reduced Part Time	593	0	505	88	\$499,515	\$393,640
Total		25,170	0	18,293	6,877	\$71,354,501	\$54,703,383
1997	Full Time	23,262	0	17,295	5,967	\$79,323,579	\$61,140,632
	Part Time	12,832	0	7,083	5,749	\$15,939,869	\$11,356,217
	Reduced Part Time	3,677	0	2,975	702	\$2,904,131	\$2,297,788
Total		39,771	0	27,353	12,418	\$98,167,579	\$74,794,637
1998	Full Time	24,750	0	17,903	6,847	\$82,264,572	\$61,219,922
	Part Time	11,157	0	6,207	4,950	\$14,028,665	\$9,637,525
	Reduced Part Time	5,101	0	3,829	1,272	\$3,799,775	\$2,932,128
Total		41,008	0	27,939	13,069	\$100,093,012	\$73,789,575
1999	Full Time	23,290	0	17,008	6,282	\$78,286,596	\$55,997,462
	Part Time	11,333	0	6,915	4,418	\$15,634,525	\$10,190,568
	Reduced Part Time	7,260	0	5,862	1,398	\$6,095,874	\$4,598,928
Total		41,883	0	29,785	12,098	\$100,016,995	\$70,786,958
2000	Full Time	26,203	86	19,075	7,042	\$87,923,482	\$59,712,927
	Part Time	13,222	130	8,455	4,637	\$19,383,167	\$11,850,572
	Reduced Part Time	13,619	129	10,265	3,225	\$10,637,770	\$7,837,585
Total		53,044	345	37,795	14,904	\$117,944,419	\$79,401,084
2001	Full Time	29,457	124	22,590	6,743	\$104,387,218	\$65,013,764
	Part Time	13,892	232	8,892	4,768	\$20,133,093	\$11,295,734
	Reduced Part Time	15,828	81	12,460	3,287	\$12,957,403	\$8,797,946
Total		59,177	437	43,942	14,798	\$137,477,714	\$85,107,445
2002	Full Time	28,137	62	23,162	4,913	\$107,697,867	\$61,932,427
	Part Time	9,427	157	6,457	2,813	\$14,775,334	\$7,792,817
	Reduced Part Time	10,843	82	8,117	2,645	\$9,299,854	\$6,050,834
Total		48,407	301	37,736	10,371	\$131,773,055	\$75,776,078
2003	Full Time	18,256	196	15,097	2,963	\$69,449,732	\$29,468,481
	Part Time	9,375	567	6,766	2,042	\$15,589,939	\$6,162,519
	Reduced Part Time	13,274	233	10,511	2,530	\$11,996,323	\$6,706,177
Total		40,905	996	32,374	7,535	\$97,035,994	\$42,337,177
2004	Full Time	29,103	5,208	20,036	3,860	\$93,104,648	\$9,422,820
	Part Time	10,431	3,899	4,687	1,863	\$10,710,967	\$1,285,036
	Reduced Part Time	21,967	5,582	14,209	2,196	\$16,472,609	\$4,326,199
Total		61,501	14,689	38,932	7,919	\$120,288,224	\$15,034,055
2005	Full Time	15,259	14,012	761	516	\$3,412,576	\$391,092
	Part Time	1,687	1,599	29	61	\$62,617	\$1,536
	Reduced Part Time	4,019	2,206	1,744	69	\$1,769,084	\$24,000
Total		20,965	17,817	2,534	646	\$5,244,277	\$416,628
Total, 1994 - 2005		481,217	34,585	333,166	113,538	\$1,110,237,508	\$669,204,960

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Appendix VII: President’s Management Agenda —Detailed Criteria and Ratings

Rating Summary

	Status	Progress
Human Capital	Y	G
Financial Management	Y	G
Competitive Sourcing	G	G
E-Government	R	G
Budget-Performance Integration	Y	G

This appendix provides a detailed analysis of the Corporation’s progress and plans to achieve management excellence, as identified in the President’s Management Agenda (PMA) in effect for FY 2005.¹ Ratings under the PMA use the following scale:

Status rating

- **(G)** A green status rating denotes the agency has met all of the standards for success, achieving the highest operational characteristics.
- **(Y)** A yellow rating indicates that the agency meets the standards of success for achieving transitional operational characteristics.
- **(R)** A red rating signifies an agency that fails to meet any one of the standards required under the green and yellow ratings.

Progress Rating

- **(G)** A green rating denotes that implementation is proceeding on schedule.
- **(Y)** A yellow rating indicates that some slippage or other problems are inhibiting the agency’s planned achievement of the success standards.
- **(R)** A red rating reflects an initiative is in serious jeopardy, and is unlikely to realize its objectives without significant management intervention.

¹ As discussed in the Management Performance section of this report, the Corporation is not covered by the Federal Activities Inventory Reform (FAIR) Act and does not have a formal competitive sourcing plan, as discussed in the President’s Management Agenda. Instead, the agency assesses its performance on the cost effectiveness of its internal operations.



Human Capital PMA Analysis

(Status = **Y**; Progress = **G**)

Criteria	Status Rating	Progress Rating	Progress	Plans
Developed and operated against a comprehensive human capital plan, analyzes results to support decision-making	Y	G	The agency's leadership and performance culture systems operate in accordance with the agency's Strategic Human Capital Plan.	In FY 2006, the agency will: revise and finalize its Strategic Human Capital Plan (SHCP); implement the new Employee Appraisal System, including workplans and training plans that align with the SHCP.
Organizational structure analyzed and optimized; process in place to address future organizational changes	Y	G	Completed position management study of classification practices, position descriptions, and alternative personnel system policy and practice issues	Evaluate recommendations for changes to classification practices; implement changes as appropriate; evaluate and implement, if appropriate, National Academy of Public Administration organizational structure recommendations
Managers assure that a continuously updated talent pool is in place for current and future succession	Y	G	Allocated funds toward targeted annual training for executives, managers/supervisors, and future leaders. Began development of training program	Deliver targeted, competency based training to all managers and executives; identify emerging leaders for participation in training program
Performance appraisal plans link, differentiate, and provide consequences for SES, managers and at least 60 percent of the rest of the agency	Y	G	100% of performance plans for supervisors, managers, and executives are aligned with Corporation strategic goals; Managerial Appraisal System (MAS) provides distinctions in performance	100% of performance plans for non-managerial employees will be aligned with Corporation strategic goals; Employee Appraisal System (EAS) will provide distinctions in performance
Reduced under-representation and established a process to sustain diversity	Y	Y	Maintained greater representation among non-managerial staff of traditionally under-represented groups than in federal and civilian workforces; established position of Diversity Specialist with responsibility for initiatives to help improve retention	Establish baseline for organizational culture measures (e.g., Respect for Diversity); set improvement targets
Sustained a significant decrease in mission critical skill gaps; integrated competitive sourcing and e-Gov solutions into gap closure strategy	Y	Y	Mission-critical competencies identified and incorporated into the employee appraisal system; developed competency-based individual training plans; entered into an Interchange agreement with the Office of Personnel Management to increase Corporation attractiveness to potential applicants	Implement individual training plans; develop and implement plan for direct allocation of training funds to program offices; improve integration of competitive sourcing and e-Gov as solutions
Has developed an OPM-approved accountability system that identifies activities and outcome measures; uses the system to guide improvements	Y	G	Used collaborative decision-making process to establish and prioritize human capital initiatives (e.g., leadership development, appraisal system); used customer feedback to improve operational human capital alignment	Develop and implement human capital accountability system with operational activity and outcome-based metrics

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Financial Management PMA Analysis

(Status = **Y**; Progress = **G**)

Criteria	Status Rating	Progress Rating	Progress	Plans
Audit opinion on annual statements are clean and meets reporting deadlines	Y	G	Received an unqualified audit opinion for the sixth consecutive year; met all reporting deadlines, except for the Performance and Accountability Report; no material weaknesses reported under the Federal Financial Management Improvement Act or the Federal Managers' Financial Integrity Act.	Address the two reportable conditions by continuing to improve grants monitoring, documenting standard human capital operating procedures, and properly reviewing all personnel actions; address the Federal Information Security Management Act (FISMA) issue identified by the OIG ¹
Complies with the Federal Financial Management Improvement Act	Y	G	Provides unqualified assurance on financial reporting controls and compliance with financial management system requirements; provides qualified assurance on agency controls due to continuing deficiencies in the agency's IT security posture	Improve the agency's system certification and accreditation efforts; better document security self-assessments; and, perform all required Privacy Act assessments
Has no chronic or significant Anti-Deficiency Act violations	G	G	Implemented extensive, improved internal controls to ensure obligations are within appropriated levels	Continue to monitor and improve internal controls
Has no material non-compliance with laws or regulations	G	G	Agency has no material non-compliance	Continue to implement and monitor internal controls to ensure full compliance
Has no material weaknesses or non-conformances reported under Section 2 and Section 4 of the Federal Managers' Financial Integrity Act	Y	G	The agency provided qualified assurance on internal controls due to FISMA-related deficiencies	Resolve outstanding FISMA issues by 3/06; see corrective action plan in the Management Controls, Audit Results and Improper Payments section of this report
Produces accurate and timely financial information that is used by management to inform decision-making and drive results	G	G	Agency's financial system provides accurate and timely information via readily accessible standard and ad-hoc reports; information is used to support financial decision-making	Continue to expand standard report coverage and use of information for decision-making; monitor recently implemented metrics for all OCFO functions to identify areas for improvement
Is implementing a plan to continuously expand the scope of its routine data use to inform management decision-making in additional areas of operations	Y	Y	A number of separate projects are underway to expand the scope and use of data throughout operations, including the partially completed data warehouse and set of dashboard metrics	Develop a comprehensive multi-year plan to drive the use of financial and non-financial data for decision-making throughout the agency; complete implementation of the data warehouse and dashboard metrics

¹ In OIG's independent assessment of the Information Technology security posture of the Corporation, as mandated by the Federal Information Security Management Act of 2002 (FISMA), OIG reported that the Corporation needed to improve its system certification and accreditation efforts; better document its security self-assessments; and perform Privacy Act Assessments on systems that had undergone significant modification or had recently been placed in service. As a result of the FISMA weaknesses, the Corporation is providing qualified assurance on its agency controls.

E-Government PMA Analysis

(Status = **R** Progress = **Y**)

Criteria	Status	Progress	Progress	Plans
Has modernization blueprint in place which focuses IT investments	R	Y	Blueprint is out of date.	Create an updated blueprint, working with the agency's senior staff; develop an IT strategic plan.
Has acceptable business cases for all major systems	R	Y	Began work on an Investment Review Board, capital planning manual and enterprise architecture.	Update the business cases and coordinate them with the agency's Strategic Plan; implement the Investment Review Board; issue capital planning/investment control manual, and complete enterprise architecture.
Cost/schedule/performance for the IT portfolio is within 10% of goals	Y	Y	Began work on an Investment Review Board, capital planning manual and enterprise architecture.	Strengthen investment control procedures; improve monitoring and management of IT development projects to ensure on-time, on-budget delivery.
Operational systems are 90% secure; the Inspector General and quarterly reports verify security	Y	G	Conducted annual FISMA review and financial audit. Tracked and updated quarterly POA&M; the agency has had no incidents to report to US Cert; agency conducts regular penetration testing.	Do a complete inventory of systems, policies and procedures. Improve security related documentation as noted in the OIG's FISMA review and perform Privacy Impact Assessment for all required systems.
Participates and contributes to all appropriate e-Gov initiatives, including grants.gov	Y	Y	Worked with grants.gov; plan to integrate using XML; currently re-use data.	Conduct Customer Relationship Management development activities; improve reuse of data and XML; continue membership on the Grants Management Line of Business Executive Board; begin implementation of grants.gov "apply" function.

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Budget Performance Integration PMA Analysis

(Status = **Y**; Progress = **G**)

Criteria	Status Rating	Progress Rating	Progress	Plans
Senior agency managers meet at least quarterly to examine reports that integrate financial and performance information that covers all major responsibilities of the agency. Agency achieves planned improvements in program performance and efficiency in achieving results each year	Y	G	Selected programs and operations (e.g., AmeriCorps enrollment) regularly rely on performance and financial information; data warehouse developed and half of agency data loaded	Continue implementing data warehouse; develop improved standard reports and ad-hoc reporting capabilities; promote use of data throughout agency
Strategic plans contain a limited number of outcome-oriented goals and objectives. Annual budget and performance documents incorporate measures identified in the PART and focus on the information used by senior management	G	G	Strategic plan containing a limited number of outcome metrics was approved by OMB; budget and performance documents incorporate PART measures for programs that have been evaluated	Continue to develop improved outcome measures for all programs; conduct PART simulations for remaining three major programs; focus on end-beneficiary data collection
Demonstrates fair, credible and transparent performance appraisal plans and awards programs for all SES & managers and more than 60% of the employees	Y	G	100% of performance plans for supervisors, managers, and executives are aligned with Corporation strategic goals; Managerial Appraisal System (MAS) provides distinctions in performance	100% of performance plans for employees will be aligned with Corporation strategic goals; Employee Appraisal System (EAS) will provide distinctions in performance
Reports the full cost of achieving performance goals accurately in budget and performance documents and can accurately estimate the marginal cost of changing performance goals	Y	G	Full cost of programs is reported in financial statements; full cost of performance goals are estimated using a simplified methodology	Develop improved methodology to readily and more accurately trace and allocate costs to performance goals; pilot multi-year current services/policy budget analysis
Has at least one efficiency measure for all PARTed programs	Y	G	One of the two "PARTed" programs has at least one efficiency measure (or proxy)	Continue developing improved efficiency measures for all programs
Uses PART evaluations to direct program improvements and PART ratings and performance information are used consistently to justify funding requests, management actions and legislative proposals. Less than 10% of agency programs receive a Results Not Demonstrated rating for two years in a row.	G	G	Only 2 of the 5 major programs have been evaluated using PART; PART findings for these programs have helped guide management decisions, program operations and budget proposals; one program was reassessed as "adequate," other program received an "ineffective" rating	Conduct PART simulations for remaining 3 programs; continue to implement PART recommendations, including conducting adequate program evaluations and developing/implementing adequate performance measures



Appendix VIII: Glossary

ACSI	American Consumer Satisfaction Index; produced by the Stephen M. Ross Business School at the University of Michigan, the ACSI measures trends in customer satisfaction. Scores are reported on a scale of 0 to 100, and are based on econometric data obtained through customer interviews. The Corporation score is a weighted average of program scores according to appropriations that fiscal year. The ACSI was adopted in 1999 as the “gold standard” measure for Federal agencies.	http://www.theacsi.org
AGA	Association of Government Accountants	
America’s Promise	America’s Promise is a collaborative network that works to build the character of children and youth through providing five promises – caring adults in their lives, safe places to learn and grow, a healthy start, an effective education and opportunities to contribute to their communities. Each year, the Corporation awards America’s Promise a grant, assists with administrative issues and provides training and technical support.	http://www.americaspromise.org/
AmeriCorps*NCCC	AmeriCorps*National Civilian Community Corps	
AmeriCorps*VISTA	AmeriCorps*Volunteers in Service to America	
Anti-deficiency Act	The Anti-deficiency Act is the basic Federal fiscal law preventing the over expenditure of funds in excess of those appropriated by Congress or permitted by regulations. It also forbids obligating funds prior to their official appropriation, and requires that the head of each Federal agency implement administrative controls to enforce these laws.	http://www.dod.mil/comptroller/icenter/inforef/legislatemain.htm
attrition rates	Attrition rate measures a reduction in number of employees and program members as percentages. The percent of employees or members who leave the program or agency between the start and end of the year. Employee percentage is affected by retirements, resignations and deaths, among other factors.	
Baby Boomer	A person born in the generation after WWII, between 1946 - 1964.	
BPR	Business Process Review	
CDT	Continued development training	

CEAR	<p>Certificate of Excellence in Accountability Reporting; the Association of Government Accountant's (AGA) Certificate of Excellence in Accountability Reporting® Program has been helping Federal agencies produce high-quality Performance and Accountability Reports since 1997. The program was established in conjunction with the Chief Financial Officers Council and the U.S. Office of Management and Budget to improve financial and program accountability by streamlining reporting and improving the effectiveness of such reports.</p>	<p>http://www.agacgfm.org/performance/cear/aboutcear.aspx#cear</p>
CERT	<p>Certified Emergency Response Training</p>	
children and youth from disadvantaged circumstances	<p>Young people up to age 24, who, because of certain characteristics, circumstances, experiences or insufficiencies, encounter financial, legal, social, educational, emotional and/or health problems and may have significant difficulties growing into adults who are responsible citizens, productive workers, involved members of communities, and good parents. These children and youth may: be economically disadvantaged; live in a single-parent household; have a parent who is incarcerated; have been adjudicated; be in foster care; be idle (e.g., unemployed, not attending school); suffer from physical or mental disability; have English language limitations; or experience other significant impediments to becoming a responsible adult</p>	
CNCS	<p>Corporation for National and Community Service (the Corporation)</p>	
community volunteer	<p>A participant in Corporation-sponsored service, which may include Learn and Serve America or RSVP participants, as well as volunteers recruited and/or managed by Corporation program members or participants</p>	
competitive sourcing	<p>In the summer of 2001, OMB introduced the President's Management Agenda (PMA), a part of which called upon agencies to use competition as a viable management practice to determine the best and most cost-effective provider of commercial activities currently performed by their employees. Since then, agencies have made important progress in implementing the practice of competitive sourcing as a resource management tool for improving mission performance and decreasing costs for taxpayers.</p>	<p>http://www.whitehouse.gov/omb/procurement/comp_sourc_addendum.pdf</p>
constituents	<p>A broad term for the many people affected by the Corporation's programs, including volunteers, clients, grantees and sub-grantees, among others.</p>	
cooperative agreement	<p>An assistance agreement by which the Corporation transfers resources to a grantee or state for the accomplishment of an authorized activity, most often used to provide training and technical assistance.</p>	<p>http://www.epa.gov</p>



CPS	Current Population Survey; conducted annually by the Census Bureau	http://www.bls.census.gov/cps/cpsmain.htm
CRM	Customer Relations Management	
data warehouse	The Corporation is currently developing a platform on which data from a variety of sources, including grantees, financial data, performance data and service data will be readily available to managers. This data warehouse will enable better monitoring and analysis of management issues.	
Diversity Specialist	The Diversity Specialist is responsible for initiatives that uphold the Corporation's goals by promoting and helping to sustain diversity in both its federal and civilian workforce.	http://www.opm.gov
DVSA	Domestic Volunteer Service Act; One of the two Corporation authority statutes (the other being NCSA)	
EAS	Employee Appraisal System	
efficiency measure (or proxy)	Measure of productivity, or the cost per unit of outcome or output. For the Corporation, these measures may include cost per member, volunteer, participant service year and service hour, combined with measures of program outcomes such as improved academic performance	
eGrants	Corporation's grants management system	
FBCI	Faith-Based and Community Initiative; the Corporation's faith-based and community initiative aligns with the President's call to "rally America's armies of compassion" to provide community services. By devoting resources to, working with and providing equal opportunities for local, faith-based and other community organizations, the Corporation helps to energize civil society and increase social capital. Specific projects under the FBCI umbrella include the formation of a cross-Corporation task force; removal of barriers to participation at the Federal, state and local levels; and outreach and training to better prepare faith-based and community organizations to compete for grants.	http://www.whitehouse.gov/news/reports/faithbased.html

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Federal Audit Clearinghouse	<p>The Federal Audit Clearinghouse operates on behalf of the Office of Management and Budget (OMB) and its primary purposes are:</p> <ul style="list-style-type: none"> -To disseminate audit information to Federal agencies and the public; -To support OMB oversight and assessment of Federal award audit requirements; -To assist Federal cognizant and oversight agencies in obtaining OMB Circular A-133 data and reporting packages; and -To help auditors and auditees minimize the reporting burden of complying with Circular A-133 audit requirements. 	<p>http://harvester.census.gov/sac/</p>
FGP	<p>Foster Grandparent Program; FGP, one of three Senior Corps programs, connects volunteers age 60 and over with children and young people with exceptional needs</p>	
FISMA	<p>Federal Information Security Management Act; Title III of the E-Government Act, which requires that all Federal agencies provide security for the information and information systems that support the operations and assets of the agency, including those managed by other agencies or contractors.</p>	
FMFIA	<p>Federal Managers' Financial Integrity Act</p>	
FSR	<p>Financial Status Report</p>	
FY	<p>fiscal year; October 1 through September 30</p>	
GARP	<p>Grants Application Review Process</p>	
GMlob	<p>Grants Mangement Line of Business</p>	
Government-wide financial indicators	<p>Nine financial measures or metrics developed by the CFO's Council for use government-wide</p>	<p>http://www.gao.gov/special.pubs/af12194.pdf</p>
GPRA	<p>Government Performance and Results Act; the Act seeks to shift the focus of government decision-making and accountability away from a preoccupation with the activities that are undertaken—such as grants dispensed or inspections made—to a focus on the results of those activities, such as real gains in employability, safety, responsiveness, or program quality. Under the Act, agencies are to develop multiyear strategic plans, annual performance plans, and annual performance reports.</p>	<p>http://www.gao.gov/new.items/gpra/gpra.htm</p>
grant	<p>The Corporation provides monetary aid to states, organizations, educational institutions and others to assist them in their service-based objectives.</p>	
grantee	<p>An organization that has been awarded financial assistance under one of the Corporation's grant-making programs.</p>	



Grants.gov initiative	As part of the President's Management Agenda, this initiative created Grants.gov, a centralized, online, grants management system where potential grantees can find, and apply for, over 900 grants programs offered by the 26 Federal grant-making agencies.	http://www.grants.gov
Human Capital Survey	The Federal Human Capital Survey is a tool that measures employees' perceptions of whether and to what extent conditions that characterize successful organizations are present in their agencies. This groundbreaking survey was administered for the first time in 2002 and sets a baseline for ongoing Human Capital assessment in the Federal government.	http://www.fhcs.opm.gov/what.htm
improper payments	Improper payments occur when Federal funds go to the wrong recipient, the recipient receives the wrong amount of funds, or the recipient uses the funds improperly.	
Improper Payments Information Act	The Improper Payments Information Act of 2002 contains requirements in the areas of improper payment identification and reporting. It requires agency heads to annually review all programs and activities, identify those that may be susceptible to significant improper payments, estimate annual improper payments in the susceptible programs and activities, and report the results of their improper payment activities. The legislation also requires OMB to prescribe guidance for federal agency use in implementing the act. OMB issued the guidance in May 2003.	http://www.doi.gov/pfm/erroneous_payments_act.pdf ; http://www.whitehouse.gov/omb/financial/fia_improper.html ; http://www.gao.gov/highlights/d03991high.pdf
Information Technology Plan	The Information Technology Plan guides the use of electronic government, aligning information technology investments with the Corporation's strategic plan.	
IT	information technology	
LASSIE	Learn and Serve Survey Information Exchange	
logic model	Visual, systematic representations of relationships between the Corporation's goals, activities, and resource requirements. Logic models provide the backbone for the development of the Corporation's budget proposals.	
LSA	Learn and Serve America	
management dashboard	A selection of the most critical operational, output and outcome measures that assess key aspects of the Corporation's performance.	
management metrics	Measures that reflect the Corporation's administrative performance.	
MAS	Managerial Appraisal System	

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material weakness	A condition in which the Corporation's internal management or financial controls do not adequately lower the risk that material errors or fraud may occur; used in audit opinions	http://www.sec.gov/rules/pcaob/34-49544-appendixd.pdf
member	A stipended participant in one of the Corporation's AmeriCorps programs.	
member slot	Process of tracking and monitoring the award and filling member positions through the Corporation's grant-making programs.	
mission critical	Those characteristics and behaviors of the Corporation, or its employees, which are essential to achieving the agency's goals.	
MLK, Jr. Day	Martin Luther King, Jr. Day of Service	
Momentum	Corporation's core financial management system	
MSY	Member Service Year; similar to full-time equivalent (FTE), but reflects the program's service year, not the calendar or fiscal year; for AmeriCorps, a MSY equals 1,700 hours of service.	
NAEP	National Assessment of Educational Progress; sponsored by the Department of Education	
NAPA	National Academy of Public Administration	
national service	Service to local communities throughout the country provided through Corporation programs	
National Service Trust	The National Service Trust (the Trust) was established by the National and Community Service Trust Act of 1993 (42 USC12601, et seq.) to provide funds for education awards for eligible participants who complete AmeriCorps service.	
NCCC	National Civilian Community Corps; an AmeriCorps program	
NCSA	National and Community Service Act; one of the two Corporation authority statutes (the other being DVSA)	
Next Generation Grants	Grants that foster the expansion of national service by providing seed money to help organizations plan and implement new service programs.	
NOFA	Notice of Funds Availability; the public notification that grants are available, subject to the terms and process to apply for and implement a grant described in the notification.	
Office of Civil Rights and Inclusiveness	The department responsible for dealing with diversity, civil rights and discrimination issues within the Corporation.	



OIG	Office of Inspector General	
OMB	Office of Management and Budget	
on-site compliance visit	A method by which the Corporation monitors its programs; on-site compliance visits help determine whether activities are following the requirements stipulated in the grant award, including programmatic and financial requirements.	
outcome-based metrics	Measure of the ultimate impact of the Corporation's programs on the end-beneficiaries	
output measures	Metrics that directly assess the work that Corporation employees carry out, ensuring accountability in the workplace.	
OPM	Office of Personnel Management	
PART	Program Assessment Rating Tool; the Office of Management and Budget (OMB) developed the PART as a means of assessing program performance so that the Federal government can achieve better results. By identifying strengths and weaknesses, a PART review provides information useful to making funding and management decisions. PART looks at a consistent series of analytical questions, considering all factors that affect and reflect program performance, including program purpose and design; performance measurement, evaluations, and strategic planning; program management; and program results.	
PART simulation	The Corporation internally simulates the PART review to help identify weaknesses, evaluate operations and prepare for a potential future PART by OMB.	
participant	An individual who participates directly in the Corporation's program activity, including Learn and Serve America and the Senior Corps programs, but does not include community volunteers recruited or managed by Corporation members and participants.	
penetration testing	Security testing that targets the vulnerability of the Corporation's electronic network in order to determine that its operational systems are secure, as required by the President's Management Agenda.	http://library.n0i.net/cryptography%20-%20security/or-ange/Orange0-5.html
performance baseline	The data in a set, base year for the Corporation's performance measures, against which future outcomes can be compared.	
Presidential Freedom Scholarship	Presidential Freedom Scholarship; the Presidential Freedom Scholarships promote student service and civic engagement. These scholarships, funded in part by the Corporation, a federal agency, recognize high school students for outstanding leadership in service to their community and neighbors.	http://servicelearning.org/resources/funding_sources/index.php?popup_id=248

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PMA	President's Management Agenda; the PMA aims to encourage accountability for performance and results throughout Federal agencies. Developed in the summer of 2001, it identifies five areas in which the government needs improvement: human capital management, improved financial performance, competitive sourcing, expanded use of electronic-government, and the integration of performance and budget information. Each Federal organization is given two separate green, yellow or red ratings, one reflecting the agency's status (i.e., does it meet all standards for success?) and the other, its progress (i.e., how effective it is in implementing its plans for improvement).	
POA&M	Plan of Action and Milestones	
POLF	Points of Light Foundation; the POLF is an organization devoted to helping Americans meet their community needs through volunteering. Each year, the Corporation provides a grant to POLF to assist in leveraging volunteers, building the capacity of local groups, developing leaders in their communities and raising public awareness. In addition to this money, the Corporation also provides service participants to POLF through AmeriCorps, Learn and Serve America and Senior Corps.	http://www.pointsoflight.org
PPVA	Project Profile of Volunteer Activity; A national data collection and management system that compiles data from local project evaluations to assess activities, volunteer profiles and clients served. The PPVA survey is used in Congressional appropriations hearings, as well as for other information requests and agency management decisions.	http://intranet.cns.gov/fieldliaison/map/ppva.htm
President's Management Council	Composed of departmental and agency chief operating officers, a group organized to help Federal agencies achieve the President's Management Agenda.	http://www.whitehouse.gov/results/agenda/presmgmtcouncil.html
Privacy Act assessment	Corporation assessments to ensure that new, or newly reformed, financial systems comply with the Privacy Act and do not compromise the integrity of any material containing personal information.	
program	One of the Corporation's established systems of projects and services, including AmeriCorps, Learn and Serve America and the Senior Corps.	
program end-beneficiaries	The specific demographic or organizational group that the Corporation's programs aim to benefit.	
project	A set of systematic activities and services that the Corporation carries out to achieve its goals.	
PSO	Pre-service Orientation	
PY	program year	



reportable condition	Significant discrepancies in the Corporation's administration that are brought to attention during an audit, so as to prevent inaccuracies in recording, processing and reporting financial data.	
RPD	Research and Policy Development; the department within the Corporation that is responsible for evaluation and other functions	
RSVP	Retired and Senior Volunteer Program; one of three Senior Corps programs that offers "one stop shopping" for volunteers 55 and over who want to find challenging, rewarding, and significant service opportunities in their local communities	
rulemaking	The process by which a Federal agency creates and updates the formal regulations that will govern the implementation of its programs; rulemaking generally offers an opportunity to address significant policy issues and provide continuity for program operations. The rulemaking process involves proposing rules, receiving public comment, and the publishing of final rules.	http://intranet.cns.gov/usafc%5Fdev01/ameriacorps/rulemaking/rulemaking%5Ffaq.htm
SCP	Senior Companion Program; SCP is one of three Senior Corps programs that brings together volunteers age 60 and over with adults in their community who have difficulty with the simple tasks of day-to-day living	
SEA	State Education Agency	
service-learning	Service-learning is an educational method by which schools and communities coordinate to allow students to engage in service activities and help to meet local needs while benefitting their education. Learn and Serve America provides grants to state education agencies, nonprofit organizations, and higher education institutions for this purpose, facilitating service learning and encouraging civic engagement.	http://www.learnandserve.org/ ; http://www.servicelearning.org/
SES	Senior Executive Service	
SMS	Salary Management System; the Corporation's Office of Budget recently implemented a system to help manage payroll costs. The system can run multiple scenarios on both on-board strength and vacant positions, and provides a detailed breakout of all payroll costs, helping to determine actual benefits costs. The Corporation used the SMS to determine payroll projections for FY 2006 and FY 2007.	
state service commissions	Governor-appointed public agencies or private nonprofit organizations that serve at a state level and sub-grant Federal funds to local sources to support service and volunteerism.	http://www.asc-online.org/

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State Administrative Standards Reviews	Corporation monitoring and assessment of the operations of the public agencies and nonprofit organizations to which it provides grants.	
Strategic Human Capital Plan	A workforce management strategy developed through discussions with employees, managers and agency officials; it encourages a results-driven performance culture, open communications, fact-based decision-making, diversity and an alignment of performance with Corporation goals.	Corporation's FY 2004 PAR
Strengthen AmeriCorps Program Act	Signed in July, 2003 by the President, the Strengthen AmeriCorps Program Act established new accounting guidelines for education awards in the National Service Trust.	http://www.americorps.org ; http://thomas.loc.gov/cgi-bin/query/z?c108:S.1276 :
subgrantees	An organization that has been awarded financial assistance by a state service commission national grantee or other grantee; the state level organization first receives a grant from the Federal government, and then redistributes the funds out to subgrantees.	
target	A performance measure goal set for a specific year based on prior year data and anticipated activities, to be compared against actual performance.	
site visit	A method by which the Corporation monitors and assesses its programs.	
Truman Foundation	The Truman Foundation awards a scholarship to college juniors who exhibit a strong commitment towards work in government, non-profit and advocacy groups or education, and strive to make a difference within their own communities,	http://www.truman.gov
TTA	Training and Technical Assistance	
U.S. CFO Council	Organization of the chief financial officers and deputy chief financial officers of the largest Federal agencies, senior officials of the Office of Management and Budget and the Department of the Treasury who work collaboratively to oversee financial management in the government.	http://www.cfoc.gov/
VISTA	See AmeriCorps*VISTA	
VPN	Virtual Private Network; a data network that utilizes the shared public infrastructure, yet still maintains privacy through tunneling protocol and security procedures. VPN is generally more cost-effective than exclusive, private lines.	http://www.intel.com
VSJ	Volunteer Service Year; as applied to the Senior Corps program	



Notes:

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● ● **Management's Discussion and Analysis**



● ● **Financial Management**



● ● **Appendices**

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