

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

**AUDIT OF CORPORATION FOR NATIONAL
AND COMMUNITY SERVICE GRANTS AWARDED
TO VOLUNTEER FLORIDA**

OIG REPORT NUMBER 07- 07



Corporation for
**NATIONAL &
COMMUNITY
SERVICE** 

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This report was issued to Corporation management on October 23, 2006. 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 April 23, 2007, and complete its corrective actions by October 23, 2007. Consequently, the reported findings do not necessarily represent the final resolution of the issues presented.



OFFICE OF INSPECTOR GENERAL

Audit of Corporation for National and Community Service Grants Awarded
to Volunteer Florida
OIG Audit Report 07-07

OIG Summary

The Office of Inspector General (OIG), Corporation for National and Community Service (Corporation), retained Mayer Hoffman McCann P.C. (MHM) to perform an incurred-cost audit of grants awarded to Volunteer Florida.

The grantees claimed costs of \$11,992,968 of which the auditors questioned \$441,639 as unallowable grant costs and \$65,929 of education awards. Overall, the auditors questioned approximately 3.7 percent of claimed grant costs. Costs questioned for allowability represents an alleged violation or provision of law, regulation, grant or other agreement governing the expenditure of funds; a finding that, at the time of the audit, certain costs were not supported by adequate documentation; or a finding that the expenditure of funds for the intended purpose was unnecessary or unreasonable. The auditors also noted numerous and pervasive instances of noncompliance with provisions of Federal laws, regulations and grant award provisions.

In an effort to resolve many of the audit issues as soon as possible, including issues that exist beyond the audit period, we issued a memorandum to the Corporation's Chief Executive Officer and Chief Operating Officer. In our memorandum, we recommended that the Corporation clarify the administrative grant restrictions, especially those concerning staff travel, including that of the executive director, and the relationship with the Florida Volunteer Foundation. We also recommended that the Corporation obtain a comprehensive action plan from Volunteer Florida to address the pervasive compliance issues involving Volunteer Florida and many of its subgrantees.

The Corporation took action and, in June 2006, a team from the Program Office and the Office of Grants Management was sent to Volunteer Florida to conduct concurrent monitoring. We received a site visit report from the Corporation that included many suggested activities for the Commission and the Corporation. We will review the actions and decisions of both entities during the audit resolution period.

In accordance with our statutory responsibilities, we reviewed MHM's report and related audit documentation, interviewed their representatives, and performed other procedures, as we deemed appropriate in the circumstances to provide reasonable assurance that the audit was performed in accordance with generally accepted government auditing standards. Our review was not intended to enable us to express, and we do not express, opinions on the Grantee's Consolidated Schedule of Award Costs, or conclusions on internal controls and on compliance with laws and regulations. MHM is responsible for the attached reports dated March 3, 2006, and the conclusions expressed therein. However, our review disclosed no instances where MHM did not comply, in all material respects, with generally accepted government auditing standards.



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The Office of Inspector General provided officials of Volunteer Florida and the Corporation with copies of the draft of this report for their review and comment. Volunteer Florida and the Corporation's written responses are included as Appendices A and B, respectively.

This report is a matter of public record, and its distribution is not limited.

**Audit of Corporation for National and Community Service
Grants Awarded to Volunteer Florida
Tallahassee, Florida**

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B: Response to the Draft Report by Corporation for National and
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REPORT SUMMARY AND HIGHLIGHTS

Office of Inspector General
Corporation for National and Community Service

This report is issued under an Office of Inspector General (OIG) engagement with Conrad and Associates, L.L.P. to audit the costs claimed by Volunteer Florida (Commission) and its subgrantees from January 1, 2002, through September 30, 2005, under the grants awarded by the Corporation for National and Community Service (Corporation). This report focuses on the audit of claimed costs, instances of noncompliance with Federal laws, applicable regulations or award conditions, and internal control weaknesses disclosed during the audit.

Executive Summary

Our interaction with the Commission's upper management revealed a lack of understanding of cost principles, grant provisions and general grant accounting guidelines. We determined the cause for these findings to be a failure to properly monitor the fiscal activities of its subgrantees. More importantly, we observed the overall focus of the Commission was primarily that of establishing relationships with Volunteer Centers throughout the state of Florida, and other non-AmeriCorps activities, rather than assisting its AmeriCorps subgrantees. Several subgrantees were unaware of grant provisions and laws and regulations, and were not provided guidance from the Commission. We noted that the Commission's tendency was to not renew subgrantees that had problems rather than assist them in corrective actions.

As a result of our audit, we are questioning grant costs of \$441,639 and education awards of \$65,929. We are also questioning match costs claimed. Some of the questioned match costs were claimed in excess of the minimum match required. A questioned cost is an alleged violation of provision of law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds; a finding that, at the time of the audit, such cost is not supported by adequate documentation; or a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.

Our audit included fieldwork at the Commission as well as testing a select number of subgrantees. We performed full-scope testing at seven subgrantees as well as limited scope testing at two subgrantees. The results of this audit revealed deficiencies at all but one subgrantee location. The deficiencies include:

- lack of an audit trail from subgrantee accounting system to costs claimed;
- lack of criminal background checks;

- late reporting of financial and member data;
- member timesheet exceptions;
- lack of staff timesheets;
- costs claimed based on budgets; and
- unsupported match costs claimed.

Deficiencies identified at the Commission include:

- costs claimed which were unnecessary and unreasonable;
- costs claimed outside of the scope and in excess of the award budget;
- costs claimed not allocable to the grant;
- costs claimed which did not comply with the cost principles;
- costs claimed that were for the benefit of another non-profit entity, Volunteer Florida Foundation; and
- supplemental funding of disaster efforts pre-paid from Corporation funds and reimbursed by the Federal Emergency Management Agency.

AmeriCorps members who successfully complete terms of service under AmeriCorps grants are eligible for Education Awards from the National Service Trust. These award amounts are not funded by Corporation grants and thus are not included in claimed costs. However, as part of our audit, we determined the effect of audit findings on Education Award eligibility. Using the same criteria described above, we questioned Education Awards of \$65,929.

In addition the individual recommendations contained in this report, the Corporation should develop a comprehensive action plan to address and correct the deficiencies noted in this report. The action plan must include all subgrantees including those not audited during this engagement.

The report includes 10 findings and recommendations to improve the Commission's internal controls and compliance with grant provisions.

Background

The Corporation, pursuant to the authority of the National Community Service Trust Act of 1993, as amended, awards grants and cooperative agreements to State commissions, such as Volunteer Florida, and other entities to assist in the creation of full-time and part-time national and community service programs.

The Commission is a division within the State of Florida's Governor's Office and is headquartered in Tallahassee, Florida. It currently employs eighteen full-time staff, three part-time staff and an Executive Director. Its employees are employed by the Tallahassee Community College, which also acts as the Commission's fiscal agent.

As illustrated in the following table, the Commission has received in excess of \$18 million in funding for various Corporation programs, and has claimed costs of approximately \$12

million. Of the amount of funding received, the Commission awarded in excess of \$12 million to subgrantees, including departments within Florida's State Government, local municipalities and nonprofit entities.

<u>Award/Program</u>	<u>Funding Authorized</u>	<u>Audit Period Claimed</u>	<u>Drawdowns During Audit Period</u>
03ACHFL001 – AmeriCorps – Competitive	\$ 3,182,858	\$ 2,369,093	\$1,457,679
03AFHFL001 – AmeriCorps – Formula	8,433,294	6,015,919	4,235,707
02AHHFL010 – AmeriCorps – State Homeland Security	<u>731,033</u>	<u>197,808</u>	<u>216,410</u>
Total AmeriCorps Funds	<u>12,347,185</u>	<u>8,582,820</u>	<u>5,909,796</u>
02SVHFL008 – Special Volunteer Program	<u>984,000</u>	<u>501,643</u>	<u>610,279</u>
01SCSFL009 – Administrative	1,678,750	1,060,267	1,319,986
04CAHFL001 – Administrative	<u>1,198,265</u>	<u>879,737</u>	<u>742,146</u>
Total Administrative Funds	<u>2,877,015</u>	<u>1,940,004</u>	<u>2,062,132</u>
02PDSFL009 – PDAT**	460,788	254,424	246,794
05PTHFL001 – PDAT**	<u>155,000</u>	<u>85,646</u>	<u>22,653</u>
Total PDAT Funds	<u>615,788</u>	<u>340,070</u>	<u>269,447</u>
04SVSFL001 – Emergency Preparedness Outreach	<u>408,351</u>	<u>78,049</u>	<u>11,218</u>
01APSFL010 – Promise Fellows	<u>402,000</u>	<u>242,589</u>	<u>193,899</u>
03CDHFL001 – Disability	<u>554,446</u>	<u>307,793</u>	<u>291,294</u>
Total – Grants Administered by the Commission	<u>\$ 18,188,785</u>	<u>\$11,992,968*</u>	<u>\$9,348,065*</u>

* The differences between the amount claimed and the amount drawn down are generally due to timing issues.

** Program Development and Training (PDAT) Funds

Objectives, Scope, and Methodology

We performed our audit during the period November 7, 2005, through March 3, 2006, and used methodologies we deemed appropriate for the scope of the audit. Our *Independent Auditor's Report* and our *Independent Auditor's Report on Compliance and Other Matters and Internal Control* provides additional details about the scope and methodology. The objectives of our audit were to determine whether:

- the Commission's financial reports fairly presented the financial results of the awards;
- internal controls were adequate to safeguard Federal funds;
- the Commission had adequate procedures and controls to ensure compliance with Federal laws, regulations, and award conditions, as well as ensure that member services were appropriate;
- award costs reported to the Corporation were documented and allowable in accordance with the award terms and conditions; and
- the Commission had established adequate oversight and informed subgrantees of the Corporation's Government Performance and Results Act (GPRA) goals.

We performed the audit in accordance with auditing standards generally accepted in the United States of America and generally accepted 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 about whether the amounts claimed against the awards, as presented in the Consolidated Schedule of Award Costs, are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Consolidated Schedule of Award Costs. An audit also includes assessing the accounting principles used and significant estimates made by the auditee, as well as evaluating the overall financial schedule presentation. Our audit included reviews of audit reports prepared by the independent public accountants for the subgrantees in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-profit Organizations*. We believe our audit provides a reasonable basis for our opinion.

The audit scope included reviewing the financial status reports for the two most recently completed years. However, as a result of our testing, we expanded our scope under grant 01SCSFL009 to three years in order to quantify the entire effect of Compliance Finding Number 3A.

The contents of this report were disclosed to and discussed with the Commission at an exit conference held on April 3, 2006. In addition, we provided a draft of this report to the Commission and to the Corporation for comment on July 17, and received responses from the Corporation and the Commission on August 24, 2006 and August 25, 2006, respectively. Their responses are included as Appendices A and B, respectively.

Grant Programs Audited

Our audit of the Commission covered financial transaction and compliance and internal controls testing of the following program awards funded by the Corporation:

<u>Program</u>	<u>Award Number</u>	<u>Award Period</u>	<u>Audit Period</u>
AmeriCorps	03ACHFL001	08/11/03 to 08/10/06	10/01/03 to 09/30/05
AmeriCorps	03AFHFL001	09/05/03 to 09/04/06	10/01/03 to 09/30/05
AmeriCorps	02AHHFL010	01/01/03 to 04/30/06	10/01/03 to 09/30/05
Special Volunteer Program	02SVHFL008	07/29/02 to 12/31/05	09/01/03 to 08/31/05
Administrative	01SCSFL009	01/01/01 to 12/31/03	01/01/02 to 12/31/03
Administrative	04CAHFL001	01/01/04 to 12/31/06	01/01/04 to 06/30/05
PDAT	02PDSFL009	01/01/02 to 05/31/05	06/01/03 to 05/31/05
PDAT	05PTHFL001	01/01/05 to 12/31/07	01/01/05 to 06/30/05
Emergency Preparedness	04SVSFL001	09/30/04 to 09/29/07	10/01/04 to 09/30/05
Promise Fellows	01APSFL010	07/01/01 to 08/31/05	09/01/03 to 08/31/05
Disability	03CDHFL001	01/01/03 to 12/31/05	07/01/03 to 06/30/05

Costs Questioned

The following summarizes the costs questioned on these awards:

AmeriCorps Grants

Unsupported Staff Personnel Costs	\$ 207,473
Unsupported Member Living Allowances	40,688
Member Living Allowances Claimed Greater than 85% Ceiling	1,376
Reconciling Differences Between Costs Claimed and Support	13,416
Costs Claimed Prior to Grant Award	2,107
Costs not Allocable to the Grant	6,891
Unallowable Member Living Allowances	1,325
Reimbursements not Credited to the Grant	189
Gift Claimed to the Grant	50
Unallocable Tallahassee Community College Administrative Fees	<u>2,700</u>
Subtotal	<u>\$ 276,215</u>

Administrative Grants

Unallocable Labor	\$ 97,690
Travel not allocable or unallowable	19,087
Unallocable Federal Emergency Management Agency (FEMA) Effort	5,031
Consulting Fees Exceeding \$443 per day	1,020
Consulting Fees not in Award Budget	6,452
Unnecessary and Unreasonable Labor	2,796
Unallowable Costs Claimed to the Grant	<u>971</u>
Subtotal	<u>133,047</u>

PDAT Grants

AmeriCorps Training Event not in Award Budget	19,931
Entertainment Costs Claimed to the Grant	1,242
Meals Exceeding Allowed Per-Diem	8,945
Unallocable FEMA Effort	<u>189</u>
Subtotal	<u>30,307</u>

Disability Grant

Unallowable Advertising	<u>300</u>
Subtotal	<u>300</u>

Operation Step-Up Grant

Unallocable FEMA Effort	1,446
Unnecessary and Unreasonable Labor	<u>86</u>
Subtotal	<u>1,532</u>

Emergency Preparedness Grant

Unallocable FEMA Effort	<u>238</u>
Subtotal	<u>238</u>

Total Grant Costs Questioned	<u>\$441,639</u>
Education Awards Questioned	<u>\$ 65,929</u>

We used a judgmental sampling method to test the costs claimed. Based upon this sampling plan, questioned costs in this report may not represent total costs that may have been questioned had all expenditures been tested. In addition, we have made no attempt to project such costs to total expenditures incurred, based on the relationship of costs tested to total costs. For a complete discussion of these questioned costs, refer to the Independent Auditor's Report.

Compliance

Our audit disclosed the following instances of noncompliance with Federal laws, applicable regulations and award conditions:

1. The Commission did not have adequate financial monitoring or other procedures in place to ensure that its subgrantees claimed costs in accordance with the cost principles and grant provisions.
2. The Commission did not have adequate procedures in place to ensure that the subgrantees documented member eligibility, and that members completed the service hours required to earn an education award.
3. The Commission did not have adequate procedures in place to ensure that it claimed allocable costs to the grants.
4. The Commission did not have adequate procedures in place to ensure that it claimed costs to grant match which were allowable, allocable and reasonable.
5. The Commission did not have adequate financial monitoring procedures or other procedures in place to ensure that staff travel costs charged to the grants were allowable, allocable, and reasonable.
6. The Commission claimed meals that exceeded established per-diem rates.
7. The Commission did not have adequate controls in place to ensure that cost claimed were necessary and reasonable.
8. The Commission did not monitor subgrantees for compliance with grant provisions.
9. The Commission's Executive Director did not record Annual and Sick Leave when absent from work.

Internal Control

10. Timekeeping for Commission staff who claimed effort to more than one grant did not meet Office of Management and Budget (OMB) and grant timekeeping requirements.

Office of Inspector General
 Corporation for National and Community Service

INDEPENDENT AUDITOR'S REPORT

We have audited the costs incurred by Volunteer Florida for the award numbers listed below. These costs, as presented in the Consolidated Schedule of Award Costs and the grant-specific Schedules of Award Costs (Exhibits A through F), are the responsibility of Volunteer Florida management. Our responsibility is to express an opinion, based on our audit, on the Consolidated Schedule of Award Costs.

<u>Program</u>	<u>Award Number</u>	<u>Award Period</u>	<u>Audit Period</u>
AmeriCorps	03ACHFL001	08/11/03 to 08/10/06	10/01/03 to 09/30/05
AmeriCorps	03AFHFL001	09/05/03 to 09/04/06	10/01/03 to 09/30/05
AmeriCorps	02AHHFL010	01/01/03 to 04/30/06	10/01/03 to 09/30/05
Special Volunteer Program	02SVHFL008	07/29/02 to 12/31/05	09/01/03 to 08/31/05
Administrative	01SCSFL009	01/01/01 to 12/31/03	01/01/02 to 12/31/03
Administrative	04CAHFL001	01/01/04 to 12/31/06	01/01/04 to 06/30/05
PDAT	02PDSFL009	01/01/02 to 05/31/05	06/01/03 to 05/31/05
PDAT	05PTHFL001	01/01/05 to 12/31/07	01/01/05 to 06/30/05
Emergency Preparedness	04SVSFL001	09/30/04 to 09/29/07	10/01/04 to 09/30/05
Promise Fellows	01APSFL010	07/01/01 to 08/31/05	09/01/03 to 08/31/05
Disability	03CDHFL001	01/01/03 to 12/31/05	07/01/03 to 06/30/05

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and generally accepted 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 about whether the financial schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial schedule presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, except for the \$441,639 in questioned grant costs discussed above, the Consolidated Schedule of Award Costs and the grant-specific Schedules of Award Costs (Exhibits A through F and related Schedules) referred to above present fairly, in all material respects, the costs claimed for the period January 1, 2002, to September 30, 2005, in conformity with generally accepted accounting standards in the United States of America.

In accordance with the *Government Auditing Standards*, we have also issued our report, dated March 3, 2006, on our consideration of Volunteer Florida's internal controls over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Conrad and Associates, L.L.P.

Conrad and Associates, L.L.P.
Irvine, California
March 3, 2006

**Corporation for National and Community Service Awards
Volunteer Florida
Consolidated Schedule of Award Costs**

January 1, 2002, to September 30, 2005

<u>Award Number</u>	<u>Program</u>	<u>Approved Budget</u>	<u>Claimed Costs</u>	<u>Questioned Costs</u>	<u>Questioned Education Awards</u>	<u>Reference</u>
03ACHFL001	AmeriCorps	\$ 3,182,858	\$ 2,369,093	\$ 16,804	\$ 9,450	
03AFHFL001	AmeriCorps	8,433,294	6,015,919	255,850	56,479	
02AHHFL010	AmeriCorps – State					
	Homeland Security	<u>731,033</u>	<u>197,808</u>	<u>3,561</u>	<u>-</u>	
	Total AmeriCorps	<u>12,347,185</u>	<u>8,582,820</u>	<u>276,215</u>	<u>65,929</u>	Exhibit A
02SVHFL008	Special Volunteer	<u>984,000</u>	<u>501,643</u>	<u>1,532</u>	<u>-</u>	Exhibit B
01SCSFL009	Administrative	1,678,750	1,060,267	85,023		
04CAHFL001	Administrative	<u>1,198,265</u>	<u>879,737</u>	<u>48,024</u>	<u>-</u>	
	Total Administrative	<u>2,877,015</u>	<u>1,940,004</u>	<u>133,047</u>	<u>-</u>	Exhibit C
02PDSFL009	PDAT	460,788	254,424	8,604	-	
05PTHFL001	PDAT	<u>155,000</u>	<u>85,646</u>	<u>21,703</u>	<u>-</u>	
	Total PDAT Funds	<u>615,788</u>	<u>340,070</u>	<u>30,307</u>	<u>-</u>	Exhibit D
04SVSFL001	Emergency Preparedness	<u>408,351</u>	<u>78,049</u>	<u>238</u>	<u>-</u>	Exhibit E
01APSFL010	Promise Fellows	<u>402,000</u>	<u>242,589</u>	<u>-</u>	<u>-</u>	
03CDHFL001	Disability	<u>554,446</u>	<u>307,793</u>	<u>300</u>	<u>-</u>	Exhibit F
	Totals	<u>\$18,188,785</u>	<u>\$11,992,968</u>	<u>\$441,639</u>	<u>\$65,929</u>	

**Corporation for National and Community Service Awards
Volunteer Florida**

Notes to Consolidated Schedule of Award Costs

January 1, 2002, to September 30, 2005

Reporting Entity

The accompanying consolidated Schedule of Award Costs includes amounts budgeted, claimed, and questioned under AmeriCorps, Administrative, Program Development and Training (PDAT), and other grants awarded to Volunteer Florida (Commission) by the Corporation for the period from January 1, 2002, to September 30, 2005.

The Commission awards its AmeriCorps grant funds to numerous subgrantees that administer AmeriCorps programs and report financial and programmatic results to the Commission.

Basis of Accounting

The accompanying Schedule has been prepared to comply with the provisions of the grant agreements between the Corporation and the Commission. The information presented in the Schedule has been prepared from the reports submitted by the Commission to the Corporation. The basis of accounting used in preparation of these reports differs slightly from accounting principles generally accepted in the United States of America as follows:

Equipment

Equipment is charged to expense in the period during which it is purchased instead of being recognized as an asset and depreciated over its useful life. As a result, the expenses reflected in the Schedule of Award Costs include the cost of equipment purchased during the period rather than a provision for depreciation. The equipment acquired is owned by the Commission while used in the program for which it was purchased or in other future authorized programs. However, the Corporation has a reversionary interest in the equipment. Its disposition, as well as the ownership of any proceeds there from, is subject to Federal regulations.

Inventory

Minor materials and supplies are charged to expense during the period of purchase.

Exhibit A

**Volunteer Florida
Schedule of Award and Claimed Costs
03ACHFL001, 03AFHFL001 and 02AHHFL010
October 1, 2003, to September 30, 2005**

<u>Detailed Audit of AmeriCorps Grants</u>	<u>Claimed Costs</u>	<u>Questioned Costs</u>	<u>Questioned Education Awards</u>	<u>Reference</u>
<u>Subgrantees</u>				
Communities in Schools of Miami*	\$ 478,704	\$16,637	\$9,450	Schedule A-1
Leon County Schools	476,530	-	-	
Department of Environmental Protection	835,949	-	-	
Okaloosa-Walton Community College	380,377	-	-	
Polk Reads	173,571	-	-	
Brevard Alzheimer's Foundation	219,302	-	-	
Community Integration*	219,402	2,083	5,245	Schedule A-2
Osceola County Council on Aging	94,870	-	-	
St. Petersburg College	125,270	-	-	
Centro Campesino	77,864	-	-	
Communities in Schools of Putnam Co.	250,856	-	-	
Dignity Project*	409,147	23,850	2,363	Schedule A-3
Florida Department of Elder Affairs – ElderServe	174,320	-	-	
One Room School House	54,513	-	-	
Okaloosa-Walton Community College	160,838	-	-	
School Board of Gadsden County*	511,369	-	4,725	Schedule A-4
Polk Education Foundation	136,951	-	-	
Florida Dept. of Elder Affairs – Care and Repair	45,982	-	-	
Communities in Schools of Florida*	2,438,641	225,850	18,900	Schedule A-5
Hillsborough Education Foundation – PowerUp	47,326	-	-	
Hillsborough Education Foundation – Hillsborough Reads	190,945	-	-	
Non-Violence Project**	162,899	-	25,246	Schedule A-6
Listen to Children*	73,311	1,491	-	Schedule A-7
Habitat for Humanity	132,230	-	-	
Bethune Cookman**	234,230	43	-	Schedule A-8
HARC	116,081	-	-	
Clearwater Police Department	83,435	-	-	
Florida Department of Elder Affairs*	197,808	3,561	-	Schedule A-9
Tallahassee Community College – Indirect Costs	80,099	2,700	-	Note
Subgrantee Total	<u>\$8,582,820</u>	<u>\$ 276,215</u>	<u>\$ 65,929</u>	

Note - The Commission claims one percent of all costs on the competitive and formula grants for the administrative burden incurred by TCC. We questioned the application of the one percent administrative fee to the questioned costs identified on these grants, totaling \$2,700.

* **Selected for Full-scope Testing** ** **Limited Scope Testing**

VOLUNTEER FLORIDA
Schedule of Award Costs
Award Number 03ACHFL0010002
October 1, 2003, to September 30, 2005

Communities in Schools of Miami

		<u>Reference</u>
Approved Budget (Federal Funds)	<u>\$944,322</u>	Note 1
Claimed Costs	<u>\$478,704</u>	Note 2
Questioned Costs:		
Member Living Allowances & Fringe Benefits due to Missing Timesheets	\$7,321	Note 3
Member Living Allowances Claimed in Excess of Established Ceiling	921	Note 4
Costs Claimed prior to the start of the grant	2,074	Note 5
Supply Costs Claimed Twice	1,204	Note 6
Costs Claimed without Supporting Documentation	627	Note 7
Costs Claimed not Allocable to the Grant	4,440	Note 8
Costs Claimed for Purchase of a Gift	<u>50</u>	Note 9
Total Questioned Costs	<u>\$ 16,637</u>	
Questioned Education Awards:		
Service Hours not achieved	<u>\$9,450</u>	Note 10
Total Questioned Education Awards	<u>\$ 9,450</u>	

Notes

1. The amount shown above as Approved Budget represents the total funding to Communities in Schools of Miami according to budget schedules.
2. Claimed costs represent Communities in Schools of Miami's reported expenditures for the period October 1, 2003, through September 30, 2005.
3. Living allowances were claimed for members whose timesheets were missing as shown in the table below. (See Compliance Finding No. 1.)

VOLUNTEER FLORIDA
Schedule of Award Costs
Award Number 03ACHFL0010002
October 1, 2003, to September 30, 2005

Communities in Schools of Miami

Member	Period (s)	Condition	Federal Share Living Allowance	Federal Share Fringe Benefits	Living Allowance Match	Fringe Benefit Match
Member 1	June 15 – June 30 & August 16 – August 31, 2004	Missing Timesheets	\$ 765	\$ 59	\$ 135	\$10
Member 2	June 15 – August 31, 2004	Missing Timesheet	1,913	146	338	26
Member 3	July 1 – July 31, 2004	Missing Timesheets	765	59	135	10
Member 4	June 15 – August 31, 2004	Missing Timesheet	2,211	169	390	30
Member 5	June 15 – June 30 2004 & August 16 – August 31, 2004	Missing Timesheets	1,147	87	202	16
TOTAL			\$6,801	\$520	\$1,200	\$92

4. Living allowances were claimed in excess of the established 85 percent ceiling in seven instances. (See Compliance Finding No. 1.)
5. Costs for temporary agency fees, program evaluations and the lease of a copier machine were claimed for services received prior to the start of the grant period. (See Compliance Finding No. 1.)
6. Supply costs were charged twice in error. (See Compliance Finding No. 1.)
7. Costs were charged to the grant for which supporting documentation could not be located. (See Compliance Finding No. 1.)

VOLUNTEER FLORIDA
Schedule of Award Costs
Award Number 03ACHFL0010002
October 1, 2003, to September 30, 2005

Communities in Schools of Miami

8. Costs for local travel (\$65), health insurance for non-AmeriCorps staff (\$760), and labor for the Development Director and Fiscal Manager of \$3,615 were claimed to the grant. These costs, however, were not allocable to the grant. (*See Compliance Finding No. 1.*)
9. The cost for the purchase of a gift for the departing program director was charged to the grant. (*See Compliance Finding No. 1.*)
10. Variances between service hours claimed in WBRS as compared to member timesheets were identified. Two members received education awards without meeting the minimum service hour requirements. (*See Compliance Finding No. 2.C.*)

VOLUNTEER FLORIDA
Schedule of Award Costs
Award Number 03AFHFL0010017
October 1, 2003, to September 30, 2005

Community Integration

		<u>Reference</u>
Approved Budget (Federal Funds)	<u>\$490,892</u>	Note 1
Claimed Costs	<u>\$219,402</u>	Note 2
Questioned Costs:		
Member Living Allowances due to Missing Proof of Citizenship	\$1,147	Note 3
Costs not Reconciled to Supporting Documents	603	Note 4
Worker's Compensation Claimed in Error	205	Note 5
Reimbursement not Credited to the Grant	95	Note 6
Costs Claimed Prior to the Start of the Grant	<u>33</u>	Note 7
Total Questioned Costs	<u>\$ 2,083</u>	
Questioned Education Awards:		
Partial Education Awards	<u>\$5,245</u>	Note 8
Total Questioned Education Awards	<u>\$ 5,245</u>	

Notes

1. The amount shown above as Approved Budget represents the total funding to Community Integration according to budget schedules.
2. Claimed costs represent Community Integration's reported expenditures for the period October 1, 2003, through September 30, 2005.
3. Proof of citizenship of an AmeriCorps member was not available for review. As such, we questioned the claimed living allowances. (See Compliance Finding No. 1.)

VOLUNTEER FLORIDA
Schedule of Award Costs
Award Number 03AFHFL0010017
October 1, 2003, to September 30, 2005

Community Integration

4. Costs claimed were not supported by adequate documentation. As such, we have questioned the costs which were unsupported. (*See Compliance Finding No. 1.*)
5. Our review of worker's compensation revealed that costs for member's workers compensation was charged to the grant in error, causing an overstatement to the grant of \$205. (*See Compliance Finding No. 1.*)
6. A reimbursement check had not been properly credited to the grant, causing an overstatement of costs charged to the grant of \$95. (*See Compliance Finding No. 1.*)
7. Registration fees of \$33 for an event that took place prior to the start of the grant period were charged to the grant. (*See Compliance Finding No. 1.*)
8. Partial education awards were certified for two members who left the program early. Required documentary justification of compelling circumstances for the early exit of the two members was not provided. As a result, we have questioned the awards. (*See Compliance Finding No. 2.B.*)

VOLUNTEER FLORIDA
Schedule of Award Costs
Award Number 03AFHFL0010015
October 1, 2003, to September 30, 2005

Dignity Project

		<u>Reference</u>
Approved Budget (Federal Funds)	<u>\$711,433</u>	Note 1
Claimed Costs	<u>\$409,147</u>	Note 2
Questioned Costs:		
Unsupported Staff Personnel Costs	\$22,664	Note 3
Costs Claimed Based on Estimates	1,008	Note 4
Member Paid Without Serving Hours	<u>178</u>	Note 5
Total Questioned Costs	<u>\$ 23,850</u>	
Questioned Education Awards:		
Service Hour Miscalculation	<u>\$ 2,363</u>	Note 6
Total Questioned Education Awards	<u>\$ 2,363</u>	

Notes

1. The amount shown above as Approved Budget amount represents the total funding to Dignity Project according to the budget schedules.
2. Claimed costs represent Dignity Project's reported expenditures for the period October 1, 2003, through September 30, 2005.
3. Costs claimed for the program director's labor was not supported by timesheets. (*See Compliance Finding No. 1.*)
4. Costs were charged to the grant based on estimated charges for the rental of Dignity Project's facility. The adjustment to actual rent costs reflected an overstatement of costs claimed to the grant of \$1,008. (*See Compliance Finding No. 1.*)
5. An AmeriCorps member was paid a living allowance without serving any hours within the pay period. (*See Compliance Finding No. 1.*)
6. Variances between service hours claimed in WBRS as compared to member timesheets were identified, indicating that a member received an education award without meeting the minimum service hour requirements. (*See Compliance Finding No. 2.C.*)

VOLUNTEER FLORIDA
Schedule of Award Costs
Award Number 03AFHFL0010001
October 1, 2003, to September 30, 2005

School Board of Gadsden County

		<u>Reference</u>
Approved Budget (Federal Funds)	<u>\$929,950</u>	Note 1
Claimed Costs	<u>\$511,369</u>	Note 2
Questioned Education Award:		
Service Hour Miscalculation	<u>\$4,725</u>	Note 3
Total Questioned Education Awards	<u>\$ 4,725</u>	

Notes

1. The amount shown above as Approved Budget amount represents the total funding to the School Board of Gadsden County according to the budget schedules.
2. Claimed costs represent Gadsden County's reported expenditures for the period October 1, 2003, through September 30, 2005.
3. An education award was granted to a member who did not fulfill the minimum number of service hours. The award was granted based on timesheets that were incorrectly computed. (See Compliance Finding No. 2.C.)

VOLUNTEER FLORIDA
Schedule of Award Costs
Award Number 03AFHFL0010023
October 1, 2003, to September 30, 2005

Communities in Schools of Florida

		<u>Reference</u>
Approved Budget (Federal Funds)	<u>\$4,932,637</u>	Note 1
Claimed Costs	<u>\$2,438,641</u>	Note 2
Questioned Costs:		
Unsupported Staff Personnel Costs	\$ 184,809	Note 3
Unsupported Member Living Allowances	32,257	Note 4
Member Living Allowances Claimed in Excess of Established Ceiling	412	Note 5
Costs not Reconciled to Supporting Documents	<u>8,372</u>	Note 6
Total Questioned Costs	<u>\$ 225,850</u>	
Questioned Education Awards:		
Service Hour Miscalculation	<u>\$ 18,900</u>	Note 7
Total Questioned Education Awards	<u>\$ 18,900</u>	

Notes

1. The amount shown above as Approved Budget amount represents the total funding to Communities in Schools of Florida according to the budget schedules.
2. Claimed costs represent Community in Schools' reported expenditures for the period October 1, 2003, through September 30, 2005.

VOLUNTEER FLORIDA
Schedule of Award Costs
Award Number 03AFHFL0010023
October 1, 2003, to September 30, 2005

Communities in Schools of Florida

3. The Community in Schools (CIS) State Administrative office in Tallahassee, Florida and a CIS site in Jacksonville, Florida did not require timesheets be prepared for its administrative staff. As a result, the costs claimed to the grant were unsupported and thus questioned as shown in the table below (*See Compliance Finding No. 1.*):

<u>Location</u>	<u>Personnel</u>	<u>Amount</u>
CIS State Office	State Coordinator, Office Manager & State Director	\$ 149,675
CIS – Duval	Program Director	35,134
TOTAL		<u>\$ 184,809</u>

4. The Communities in Schools – Dade Education Fund claimed member living allowance and fringe benefit costs for 13 members whose timesheets were not available for review. As a result, we have questioned the \$32,257 of costs. (*See Compliance Finding No. 1.*)
5. Costs claimed for CIS – Broward member living allowances exceeded the allowable Federal share ceiling of 85 percent by \$ 412. As a result, we have questioned the excess costs as unallowable. (*See Compliance Finding No. 1.*)
6. There was a lack of audit trail for costs claimed by CIS – Leon, in Tallahassee. Costs claimed exceeded supporting documentation by \$8,372. As a result, we have questioned the costs. (*See Compliance Finding No. 1.*)
7. Education awards granted to five members who lacked supporting timesheets were questioned because their service hours could not be verified. Questioned awards for the five members total \$18,900. (*See Compliance Finding No. 2.D.*)

VOLUNTEER FLORIDA
Schedule of Award Costs
Award Number 03AFHFL0010012
October 1, 2003, to September 30, 2005

Non-Violence Project

		<u>Reference</u>
Approved Budget (Federal Funds)	<u>\$188,983</u>	Note 1
Claimed Costs	<u>\$162,899</u>	Note 2
Questioned Education Awards:		
Service Hour Miscalculation	<u>\$25,246</u>	Note 3
Total Questioned Education Awards	<u>\$ 25,246</u>	

Notes

1. The amount shown above as Approved Budget amount represents the total funding to the Non-Violence Project according to the budget schedules.
2. Claimed costs represent the Non-Violence Project's reported expenditures for the period October 1, 2003, through September 30, 2005.
3. Partial education awards were granted to nine members as a result of improper service hour recording guidance from the program director. For example, when a member mentored eight individuals for one hour, in a group setting, they would be credited with eight hours of service. The Commission determined that, because the error was the fault of the Non-Violence program director, a partial education award should be granted members after recalculating their actual service hours. This action, however, does not meet the AmeriCorps requirements of compelling circumstances. As a result, we have questioned the awards. (See Compliance Finding No. 2.B.)

VOLUNTEER FLORIDA
Schedule of Award Costs
Award Number 03AFHFL0010016
October 1, 2003, to September 30, 2005

Listen to Children

		<u>Reference</u>
Approved Budget (Federal Funds)	<u>\$188,834</u>	Note 1
Claimed Costs	<u>\$ 73,311</u>	Note 2
Questioned Costs:		
Costs not Reconciled to Supporting Documents	\$ 1,397	Note 3
Reimbursement not Credited to the Grant	<u>94</u>	Note 4
Total Questioned Costs	<u>\$ 1,491</u>	

Notes

1. The amount shown above as Approved Budget amount represents the total funding to Listen to Children according to the budget schedules.
2. Claimed costs represent Listen to Children's reported expenditures for the period October 1, 2003, through September 30, 2005.
3. Some costs charged to the grant were not supported by schedules or other documentation. As such, we have questioned the costs. (See Compliance Finding No. 1.)
4. A reimbursement check had not been properly credited to the grant, causing an overstatement of \$94. (See Compliance Finding No. 1.)

VOLUNTEER FLORIDA
Schedule of Award Costs
Award Number 03AFHFL0010020
October 1, 2003, to September 30, 2005

Bethune Cookman College
Florida A&M University

		<u>Reference</u>
Approved Budget (Federal Funds)	<u>\$1,321,756</u>	Note 1
Claimed Costs	<u>\$ 234,230</u>	Note 2
Questioned Costs:		
Member Living Allowances Claimed in Excess of Established Ceiling	<u>\$ 43</u>	Note 3
Total Questioned Costs	<u>\$ 43</u>	

Notes

1. The amount shown above as Approved Budget amount represents the total funding to Bethune Cookman according to the budget schedules.
2. Claimed costs represent Bethune Cookman's reported expenditures for the period October 1, 2003, through September 30, 2005.
3. Costs charged for Bethune Cookman's member living allowances specific to the Florida A&M University exceeded the Federal share ceiling of 85 percent by \$43. As a result, we have questioned the excess costs. (*See Compliance Finding No. 1.*)

VOLUNTEER FLORIDA
Schedule of Award Costs
Award Number 02AHHFL0104801
October 1, 2003, to September 30, 2005

Florida Department of Elder Affairs

		<u>Reference</u>
Approved Budget (Federal Funds)	<u>\$731,033</u>	Note 1
Claimed Costs	<u>\$229,234</u>	Note 2
Questioned Costs:		
Fuel Costs Claimed in Error	\$ 2,451	Note 3
Missing Member Timesheets	<u>1,110</u>	Note 4
Total Questioned Costs	<u>\$ 3,561</u>	

Notes

1. The amount shown above as Approved Budget amount represents the total funding to the Florida Department of Elder Affairs according to the budget schedules.
2. Claimed costs represent Florida Department of Elder Affairs' reported expenditures for the period October 1, 2003, through September 30, 2005.
3. Fuel costs not allocable to the grant were charged in error. As a result, we have questioned \$2,451. (See Compliance Finding No. 1.)
4. Three member timesheets were missing. As a result, we have questioned living allowances totaling \$1,110. These members did not complete their terms of service and did not earn an education award. (See Compliance Finding No. 1.)

VOLUNTEER FLORIDA
Schedule of Award Costs
Award Number 02SVHFL008
September 1, 2003, to August 31, 2005

SPECIAL VOLUNTEER GRANT

		<u>Reference</u>
Approved Budget (Federal Funds)	<u>\$984,000</u>	Note 1
Claimed Costs	<u>\$501,643</u>	Note 2
Questioned Costs:		
FEMA Costs not Allocable	\$1,446	Note 3
Unnecessary and Unreasonable Labor costs	<u>86</u>	Note 4
Total Questioned Costs	<u>\$ 1,532</u>	

Notes

1. The amount shown above as Approved Budget represents the total funding from July 2002 through December 2005 per the budget schedules for the Volunteer Florida grant.
2. Claimed costs represent the amount of reported expenditures applicable to our audit period, September 1, 2003 through August 31, 2005.
3. Costs were charged to the grant for FEMA related efforts. The Commission negotiated a separate agreement with FEMA in which the Commission was to be reimbursed a portion of the costs. The questioned costs of \$1,446 represent the portion that FEMA did not reimburse the Commission and which was passed on to the grant. (See Compliance Finding No. 3.B.)
4. The Commission's Director of Emergency Service's labor costs were claimed to the grant while the director was participating in lobbying Federal lawmakers. We considered this to be an unnecessary and unreasonable grant cost. (See Compliance Finding No. 4.)

VOLUNTEER FLORIDA
Schedule of Award Costs
Award Number 01SCSFL009 and 04CAHFL001
January 1, 2002, to June 30, 2005

ADMINISTRATIVE GRANTS

Reference

Approved Budget (Federal Funds)

01SCSFL009	\$1,678,750		
04CAHFL001	<u>1,198,265</u>		
 Total Budget – 3 Years		 <u>\$2,877,015</u>	 Note 1
 Claimed Costs		 <u>\$1,940,004</u>	 Note 2
Questioned Costs:			
Florida Foundation Costs not Allocable	\$ 97,690		Note 3
FEMA Costs not Allocable	5,031		Note 4
Travel Costs	19,087		Note 5
Unnecessary and Unreasonable Labor costs	2,796		Note 6
Other Costs not Allocable	<u>8,443</u>		Note 7
Total Questioned Costs		<u>\$ 133,047</u>	
 Questioned Match Costs		 <u>\$ 124,464</u>	 Note 8

Notes

1. The amount shown above as Approved Budget represents the Federal funding for the two Administrative grants for the grant periods per the budget.
2. Claimed costs represent the amount of reported expenditures for the Administrative grants from January 1, 2002 through June 30, 2005.

VOLUNTEER FLORIDA
Schedule of Award Costs
Award Number 01SCSFL009 and 04CAHFL001
January 1, 2002, to June 30, 2005

3. Costs were claimed to the Corporation for administrative support resources provided by the Commission to a non-profit entity, Volunteer Florida Foundation, as shown below (See Compliance Finding No. 3.A.)

01SCSFL009	01SCSFL009 State Funded Match	04CAHFL001	04CAHFL001 State Funded Match
\$ 84,505	\$ 22,329	\$ 13,185	\$ 79,373

4. Costs were claimed to the Corporation for Federal Emergency Management Agency (FEMA) related efforts. The Commission negotiated a separate agreement with FEMA in which they were to be reimbursed a portion of the costs. The questioned costs of \$5,031 represent the portion that FEMA did not reimburse the Commission which was charged to the grant. (See Compliance Finding No. 3.B.)
5. Claimed travel costs of \$19,087 included costs not allocable to the grants, cost deemed unreasonable, costs not provided for in the budget, and costs associated with lobbying efforts. The costs included trips taken by the Commission’s Executive Director, the Chief of Staff and other personnel. (See Compliance Finding No. 5.)
6. The Executive Director’s labor costs were charged to the grant while she was involved in efforts considered unnecessary and unreasonable. (See Compliance Finding No. 4.)
7. Other costs totaling \$8,443 were claimed to the Corporation which did not meet the cost principles or grant provisions. These costs included consulting fees exceeding the allowable limit, consulting fees not in the award budget, membership fees in civic organizations and various types of entertainment costs. (See Compliance Finding No. 7.)
8. Questioned match costs represent costs not allocable to the grant and costs deemed unallowable per the cost principles or grant provisions. (See Compliance Finding Nos. 6 & 10.)

VOLUNTEER FLORIDA
Schedule of Award Costs
Award Number 02PDSFL009 and 05PTHFL001
June 1, 2003, to June 30, 2005

PROGRAM DEVELOPMENT AND TRAINING GRANTS

Reference

Approved Budget (Federal Funds)

02PDSFL009	\$460,788	
05PTHFL001	<u>155,000</u>	
Total Budget		<u>\$615,788</u> Note 1
Claimed Costs		<u>\$340,070</u> Note 2
Questioned Costs		
AmeriCorps Training Event	\$ 19,931	Note 3
FEMA Costs not Allocable	189	Note 4
Meals Exceeding Per-Diem	8,945	Note 5
Entertainment Costs	<u>1,242</u>	Note 6
Total Questioned Costs		<u>\$ 30,307</u>

Notes

1. The amount shown above as Approved Budget represents the Federal funding for the two PDAT grants for the grant periods per the budget schedules for Volunteer Florida grants.
2. Claimed costs represent the amount of reported expenditures of the PDAT grants from June 2003 through June 30, 2005.
3. Costs of \$19,931 were charged to the grant for an AmeriCorps training event not included in the budget or budget narrative. (See Compliance Finding No. 3.C.)

VOLUNTEER FLORIDA
Schedule of Award Costs
Award Number 02PDSFL009 and 05PTHFL001
June 1, 2003, to June 30, 2005

4. Costs were claimed to the Corporation for FEMA-related efforts. The Commission negotiated a separate agreement with FEMA in which it was to be reimbursed a portion of the costs. The questioned costs of \$189 represent the portion that FEMA did not reimburse the Commission. (*See* Compliance Finding No. 3.B.)
5. Costs of meals totaling \$8,945 were charged to the grant which exceeded the established per-diem rates used by Tallahassee Community College. (*See* Compliance Finding No. 6.)
6. Entertainment costs of \$1,242 were charged to the grant for the AmeriCorps training event discussed in note 3. (*See* Compliance Finding No. 7.)

**VOLUNTEER FLORIDA
Schedule of Award Costs
Award Number 04SVSFL001
October 1, 2004, to September 30, 2005**

EMERGENCY PREPAREDNESS GRANT

		<u>Reference</u>
Approved Budget (Federal Funds)	\$ <u>408,351</u>	Note 1
Claimed Costs	\$ <u>78,049</u>	Note 2
Questioned Costs:		
FEMA Costs not Allocable	\$ <u>238</u>	Note 3
Total Questioned Costs	\$ <u>238</u>	

Notes

1. The amount shown above as Approved Budget represents the Federal funding for the Emergency Preparedness grant for the grant period per the budget schedules for Volunteer Florida grant.
2. Claimed costs represent the amount of reported expenditures of the grant from October 2004 through September 30, 2005.
3. Costs were charged to the grant for FEMA-related efforts. The Commission negotiated a separate agreement with FEMA in which it was to be reimbursed a portion of the costs. The questioned costs of \$238 represent the portion that FEMA did not reimburse the Commission. (See Compliance Finding No. 3.B.)

**VOLUNTEER FLORIDA
Schedule of Award Costs
Award Number 03CDHFL001
July 1, 2003, to June 30, 2005**

DISABILITY GRANT

		<u>Reference</u>
Approved Budget (Federal Funds)	\$ <u>554,446</u>	Note 1
Claimed Costs	\$ <u>307,793</u>	Note 2
Questioned Costs:		
Promotional Advertising Costs	\$ <u>300</u>	Note 3
Total Questioned Costs	\$ <u>300</u>	

Notes

1. The amount shown above as Approved Budget represents the total funding from January 2004 through December 2006 for the Disability grant periods per the budget schedules for the Volunteer Florida grants.
2. Claimed costs represent the amount of reported expenditures applicable to our audit period, July 2003 through June 2005.
3. Costs not provided for in the award budget were claimed to the grant, including a \$300 promotional advertising fee at a conference. Advertising costs are unallowable and, as such, are questioned. (*See* Compliance Finding No. 7.)

Office of Inspector General
Corporation for National and Community Service

**REPORT ON COMPLIANCE AND OTHER MATTERS AND ON INTERNAL
CONTROLS OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL SCHEDULES PREPARED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

We have audited the Schedules of Award Costs, as presented in Exhibits A through F, that summarize the claimed costs of Volunteer Florida under the Corporation grants listed below, and have issued our report thereon, dated March 3, 2006.

<u>Program</u>	<u>Award Number</u>	<u>Award Period</u>	<u>Audit Period</u>
AmeriCorps	03ACHFL001	08/11/03 to 08/10/06	10/01/03 to 09/30/05
AmeriCorps	03AFHFL001	09/05/03 to 09/04/06	10/01/03 to 09/30/05
AmeriCorps	02AHHFL010	01/01/03 to 04/30/06	10/01/03 to 09/30/05
Special Volunteer Program	02SVHFL008	07/29/02 to 12/31/05	09/01/03 to 08/31/05
Administrative	01SCSFL009	01/01/01 to 12/31/03	01/01/02 to 12/31/03
Administrative	04CAHFL001	01/01/04 to 12/31/06	01/01/04 to 06/30/05
PDAT	02PDSFL009	01/01/02 to 05/31/05	06/01/03 to 05/31/05
PDAT	05PTHFL001	01/01/05 to 12/31/07	01/01/05 to 06/30/05
Emergency Preparedness	04SVSFL001	09/30/04 to 09/29/07	10/01/04 to 09/30/05
Promise Fellows	01APSFL010	07/01/01 to 08/31/05	09/01/03 to 08/31/05
Disability	03CDHFL001	01/01/03 to 12/31/05	07/01/03 to 06/30/05

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and generally accepted government auditing standards issued by the Comptroller General of the United States.

Compliance and Other Matters

Compliance with laws, regulations, and the provisions of the awards is the responsibility of Volunteer Florida's management. As part of obtaining reasonable assurance about whether the financial schedules are free of material misstatement, we performed tests of compliance

with certain provisions of laws, regulations, and the terms and conditions of the awards, noncompliance with which could have a direct and material effect on the determination of the amounts on the financial schedules. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the Compliance Findings section of this report. Instances of noncompliance include non-adherence to requirements, or violations of prohibitions contained in statutes, regulations, and the award provisions.

Compliance Findings

The results of our tests disclosed the following instances of noncompliance:

1: The Commission did not have adequate financial monitoring or other procedures in place to ensure that its subgrantees claimed costs in accordance with OMB’s principles or grant provisions.

In numerous instances, the Commission claimed costs that did not comply with OMB’s cost principles. We have questioned \$276,215 of costs claimed to the Corporation as follows:

<u>Description</u>	<u>Entity</u>	<u>Grant</u>	<u>Federal Share</u>	<u>Criteria</u>
Unsupported Costs	CIS-Miami	03ACHFL001	\$ 9,152	(1)
Costs Exceed Provision Limits Prior to the Start of the Grant	CIS-Miami	03ACHFL001	921	(2)
Unallocable Costs	CIS-Miami	03ACHFL001	2,074	(3)
Unallowable Costs	CIS-Miami	03ACHFL001	4,440	(4)
	CIS-Miami	03CAHFL001	50	(5)
Subtotal Competitive Grant			<u>16,637</u>	
Lacking Citizenship Documents	Community Integration	03AFHFL001	1,147	(6)
Unsupported Costs	Community Integration	03AFHFL001	903	(1)
Prior to the Start of the Grant	Community Integration	03AFHFL001	33	(3)
Unsupported Costs	Dignity Project	03AFHFL001	23,850	(1)
Unsupported Costs	CIS of Florida	03AFHFL001	225,438	(1)
Costs Exceed Provision Limits	CIS of Florida	03AFHFL001	412	(2)
Unsupported Costs	Listen to Children	03AFHFL001	1,491	(1)
Costs Exceed Provision Limits	Bethune Cookman (FAMU)	03AFHFL001	43	(2)
Subtotal Formula Grant			<u>253,317</u>	
Unallocable Costs	Dept of Elder Affairs	02AHHFL010	2,451	(4)
Unsupported Costs	Dept of Elder Affairs	02AHHFL010	1,110	(1)
Subtotal Homeland Security Grant			<u>3,561</u>	
	Tallahassee CC Administrative 1% Fee		<u>2,700</u>	
TOTAL			<u>\$276,215</u>	

subgrantees. We recognize the fact that the Commission is working with the Corporation to develop and implement corrective actions to the existing process. However, the fact that a corrective action plan has been developed further supports our finding that weaknesses existed. The errors identified during fieldwork were easily identifiable by the audit teams and should have been easily identified by Commission monitoring. For these reasons, the finding and recommendations remain as stated.

2: The Commission did not have adequate procedures in place to ensure that its subgrantees documented member eligibility, and that members completed the service hours required to earn the education award.

A. Eligibility Documentation

We found one instance at Community Integration where living allowances and fringe benefits were paid to an AmeriCorps member whose file did not include proof of citizenship. The costs of these living allowances and fringe benefits are questioned in Finding No.1.

B. Partial Education Awards

We found exceptions with certification of partial education awards as shown below:

Description	Entity	Number of Partial Education Awards	Education Awards Questioned
Member file did not contain compelling documentation	Community Integration	2	\$ 5,245
Service hours claimed in error.	Non-Violence Project	9	25,246
Total			<u>\$30,491</u>

Officials at Community Integration indicated that the files were missing “release for compelling circumstance” documentation due to the sensitive nature of the circumstances. Program officials did not want to include written documentation reflecting reason the members left the program.

Partial education awards were granted to members at the Non-Violence Project when it was determined that some of the service hours had been claimed erroneously due to the Program Director giving misinformation on what constituted a service hour. When corrections were made to the service hours, the members no longer had achieved the minimum service hour requirements. As a result, the Commission determined that partial education awards were appropriate. We believe, however, that this scenario does not constitute an example of compelling circumstances and therefore does not make the members to be eligible for partial education awards.

We determined the cause for these findings to be a systemic breakdown on the part of the Commission to properly monitor the fiscal activities of its subgrantees. We observed the overall focus of the Commission appeared to be establishing relationships with Volunteer Centers throughout the State rather than assisting its AmeriCorps subgrantees with grant compliance. We also noted that the Commission tended to not renew the subgrants of subgrantees that had problems, rather than assist those subgrantees with corrective actions.

This finding is also considered to be an internal control weakness.

Criteria

- (1) The AmeriCorps General Provision,¹ C.22.b, *Source Documentation*. The grantee must maintain adequate supporting documents for its expenditures (Federal and non-Federal) and in-kind contributions made under this grant. Costs must be shown in books or records [e.g., a disbursement ledger or journal], and must be supported by a source document, such as a receipt, travel voucher, invoice, bill, in-kind voucher, or similar document.

The AmeriCorps General Provision, C.22.c.i., *Staff*, requires that salaries and wages charged directly to this grant or charged to matching funds must be supported by signed time and attendance records for each individual employee regardless of position, and by documented payrolls approved by a responsible official of the grantee.

The AmeriCorps General Provision, C.22.c.ii, *AmeriCorps Members*, requires that grantees maintain time and attendance records on all AmeriCorps members in order to document their eligibility for in-service and post-service benefits.

- (2) AmeriCorps Special Provision, B.11.a.i. and ii, *Living Allowances*, stipulates that the Corporation will only fund up to 85 percent of the minimum living allowance.

- (3) The Code of Federal Regulations, 45 C.F.R. § 2543, *Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profits*, subsection 28, states:

Where a funding period is specified, a recipient may charge to the grant only allowable costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the Federal awarding agency.

- (4) OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, (hereafter OMB-122) Attachment A, General Principles, 4.a., states:

A cost is allocable to a particular cost objective, such as a grant, contract, project, service, or other activity, in accordance with the relative benefits received.

¹ All AmeriCorps Grant provision references are to the 2003 edition.

(5) OMB Circular A-122, Attachment A, General Principles, 2.a., states:

Factors affecting allowability of costs. To be allowable under an award, costs must meet the following general criteria:

a. Be reasonable for the performance of the award and be allocable thereto under these principles.

(6) AmeriCorps Provisions, Section A - Definitions, –defines, in part, an AmeriCorps member as an individual:

b. Who is a U.S. citizen, U.S. national or lawful permanent resident alien of the United States.

Recommendation

The Corporation should determine the allowability of the questioned costs, recover unallowable costs that were charged to the grant, including applicable administrative costs, and ensure that the Commission trains and monitors its subgrantees so that living allowances are paid in accordance with AmeriCorps Provisions and grant costs are incurred in compliance with the cost principles and grant terms.

Commission's Response

The Commission disagrees with the finding on the basis that it has financial monitoring systems in place that are in accordance to the Corporation standards and have proven to be successful. The Commission also believes that the costs questioned were isolated incidences where subgrantees claimed costs not consistent with the grant provisions. The Commission cited the number of persons employed by Volunteer Florida who are responsible for administering the grants and the training provided to its subgrantees as further evidence that adequate procedures for monitoring subgrantees are in place.

The Commission cited examples of the methods by which it has improved its financial monitoring.

Auditor's Comment

We identified questioned costs based on the established grant provisions and cost principles at eight of the nine subgrantees visited. We also identified instances at three of these locations where there was no audit trail to substantiate the costs claimed by the subgrantees to Volunteer Florida. These instances required the audit teams to reconstruct what actually was claimed to the grant. The lack of an audit trail at certain subgrantees and identification of questioned costs by the audit teams, supports the finding that the method of financial monitoring was not working. We do not believe the number of people employed at Volunteer Florida directly relates to the success or failure of financial monitoring of

C. Timesheet Variances

We also noted that member service hours had been inaccurately reported through the Corporation’s Web-Based Reporting System (WBRS) causing members to appear to have met their minimum service hour requirements. The inaccuracies were identified when comparing member timesheets with hours reported in WBRS. The questioned education awards are shown in the table below:

Entity	Hours in WBRS	Hours per Timesheets	Variance	Education Awards Questioned
Communities in Schools of Miami	1,731.50	1,599.50	132.00	\$ 4,725
Communities in Schools of Miami	1,717.95	1,153.25	564.70	4,725
Dignity Project	900.90	875.20	25.70	2,363
School Board of Gadsden County	1,700.25	1,655.25	32.00	4,725
Total				<u>\$16,538</u>

D. Missing Timesheets

Education awards of \$18,900 were granted to five members of Communities in Schools of Florida. Timesheets, however, were missing for the members. As a result, we could not determine if minimum service hour requirements had been achieved.

Ineligible members may have received living allowances, and partial education awards were granted to eleven members whose situations did not constitute a compelling circumstance. Full education awards were granted in error to nine members, mentioned above.

Criteria

(1) AmeriCorps Provisions, Section A - Definitions, –defines, in part, an AmeriCorps member as an individual:

- a. Who enrolled in an approved national service position.
- b. Who is a U.S. citizen, U.S. national or lawful permanent resident alien of the United States.

(2) AmeriCorps Special Provision, B.14.b, *Verification*, states:

To verify U.S. citizenship, U.S. national status or, U.S. lawful permanent resident alien status, the Grantee must obtain and maintain documentation as required by 45 C.F.R. 2522.2000 (b) and (c). The Corporation does not require programs to make

and retain copies of the actual documents used to confirm age or citizenship eligibility requirements, such as driver license, or birth certificate as long as the Grantee has a consistent practice of identifying the documents that were reviewed and maintaining a record of the review.

(3) AmeriCorps Special Provision, B.12, *Post-Service Education Awards*, states:

In order to receive a full education award, a member must perform the minimum hours of service as required by the Corporation and successfully complete the program requirements as defined by the Program.... If a member is released from a program for compelling personal circumstances, the member is eligible for a prorated education award based on the number of hours served.

(4) The AmeriCorps General Provision, C.22.c.ii, *AmeriCorps Members.*, requires that grantees maintain time and attendance records on all AmeriCorps members in order to document their eligibility for in-service and post-service benefits.

This finding is also considered to be an internal control weakness.

Recommendation

The Corporation should instruct the Commission to work with its subgrantees and more closely monitor them to ensure that (1) member files contain all required documentation; (2) written policies and procedures are established requiring member hour verification on an ongoing basis, and prior to members exiting the program; and (3) education awards are earned in accordance with grant provisions and those awards that are not be rescinded.

Commission's Response

The Commission disagreed with the finding on the basis that a process is in place to monitor program compliance, member eligibility and member service hours. The Commission indicated that the process meets Corporation standards and is consistent with those utilized by other state Commissions. Recently, the Commission instituted a policy requiring programs to submit selected member timesheets for review.

Auditor's Comment

We acknowledge the fact there is a process in place for monitoring program compliance. However, the finding states that the current process is inadequate to detect the errors we noted during our review. We believe that had, the process been adequate, fewer errors would have occurred and been identified by the audit teams. As such, the finding and recommendations remain as stated.

3: The Commission did not have adequate financial monitoring procedures or other procedures in place to ensure that it claimed costs allocable to the grants.

A. Volunteer Florida Foundation

The previous Executive Director and certain Commission staff provided services to the non-profit entity, Volunteer Florida Foundation. Services provided included administrative work, accounting, communications and information technology support. The costs for these services were incurred by the Commission and charged to the Corporation's Administrative grants. Volunteer Florida Foundation reported the costs for these services as in-kind services on its financial statements. Services provided to the Volunteer Florida Foundation by the Commission began in 2001 and continue to this day. The costs of these services are still being incurred by the Commission and are ultimately being paid by the Corporation, with the exception of one third of the Commission Chief Financial Officer's salary. Effective July 2005, Volunteer Florida Foundation began sharing the costs of this salary. We computed the overstatement of costs charged to the Administrative grants for the periods within our audit scope. We noted that, not only were costs charged for these services, but they were also claimed to the State of Florida through the state grant used for match. We summarized the Volunteer Florida Foundation costs charged to Administrative grants below:

Grant	Federal Share Questioned	State of Florida Grant Match Questioned
01SCSFL009	\$ 84,505	\$ 22,329
04CAHFL001	<u>13,185</u>	<u>79,373</u>
Total Questioned	<u>\$ 97,690</u>	<u>\$101,702</u>

The Corporation was aware of the ongoing relationship between the Commission and the Volunteer Florida Foundation. In fact, the Corporation's Standard Review, conducted in 2004, suggested that reimbursement for services should be considered. The following is an excerpt from the Standards Review performed in August 2004:

Consideration should be given to reviewing the arrangements between the Commission and the Foundation and updating the 1999 agreement with more specific details on service and support arrangements in such areas as: programs, funding and financial support, administration, management, property, facilities, and personal services and addressing such matters as responsibilities, accountability, protocols, and contributions to and/ or *reimbursement for services* or support provided or exchanged between the two organizations. (*emphasis added*)

The review also stated the following:

There is a need to update, clarify and appropriately document the commission's relationship with Volunteer Florida, Inc.

Although the Corporation was aware of the Volunteer Florida Foundation, it appears that the relationship between the two entities remains unclear. We conclude that the costs incurred on behalf of Volunteer Florida Foundation for services rendered by Commission employees were not included in the grant award budgets and do not constitute allocable costs to the grants.

B. FEMA Reimbursement Variance

The Commission entered into disaster relief funding agreements with FEMA to provide assistance during hurricane relief efforts on a cost reimbursement basis. The efforts were put forth by Commission employees and reflected on timesheets and travel vouchers. The costs for these efforts were originally paid for out of Corporation funding and subsequently reimbursed by the appropriate grants. However, we determined a difference existed in the Commission’s level of effort versus the amounts reimbursed by FEMA. This variance occurred because FEMA agreed to only reimburse the Commission for 98 percent of its efforts in 2004 and 90.5 percent in 2005. The variance represents costs claimed to the Corporation that are not allocable to the grants charged, as shown in the following table.

Grant	Variance/Questioned Costs
Special Volunteer – 02SVHFL008	\$1,446
Administrative – 04CAHFL001	5,031
PDAT – 02PDSFL009	152
PDAT – 05PTHFL001	37
Emergency Preparedness – 04SVSFL001	<u>238</u>
TOTAL	<u>\$6,904</u>

We also determined that the reimbursement lag time between the costs incurred and the time of reimbursement from FEMA varied from 2 to 14 months. This indicates that Corporation funding was being used to supplement FEMA activity prior to reimbursement.

C. AmeriCorps Training Event

Funds totaling \$20,833 were shifted from existing budget line items within the 05PTHFL001 grant to fund an AmeriCorps training event held in Orlando during May 2005. The funds helped pay for the AmeriCorps training event, whose total costs to the Commission exceeded \$143,000, and were shifted from cross stream training events and Program Director meetings. Actual costs of \$40,764 claimed to the PDAT grant, however, exceeded the amounts in the revised budget as shown in the table below:

Total PDAT Award Budget	<u>\$155,000</u>
Cross-Stream Training Budget	7,500
Program Director Meeting Budget	<u>13,333</u>
Training Budget	<u>\$ 20,833</u>
AmeriCorps event claimed to grant	<u>40,764</u>
Amount Exceeding Budget	<u>\$ 19,931</u>

The costs claimed in excess of the budget represent almost 13 percent of the entire PDAT grant. The Commission never sought permission from the Corporation to exceed its budget for this activity. We therefore do not consider these costs to be allocable to the grant.

Criteria

(1) OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* (hereafter OMB Circular A-87) Attachment A, Part C, Basic Guidelines, ¶ 3.a., states:

A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received.

(2) OMB Circular A-87, Attachment A, Part C, Basic Guidelines, ¶ 3.c., states:

Any cost allocable to a particular Federal award or cost objective under the principles provided for in this Circular may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by law or terms of the Federal awards, or for other reasons.

(3) The PDAT grant award document states:

The Grantee agrees to administer the funded Program in accordance with the approved Grant application and budget(s), supporting documents, and other representations made in support of the approved Grant application.

The use of funds as described above diverts available funding from other AmeriCorps activities. This finding is also considered to be an internal control weakness.

Recommendation

The Corporation should determine the allowability of the questioned costs, recover unallowable costs that were charged to the grant, and ensure the Commission more closely tracks costs claimed so that they comply with the cost principles and grant provisions.

Commission's Response

The Commission disagreed with the finding because the Florida Statute defined the extent to which the Foundation and the Commission could work together. The Commission also cited the Unified State Plan and its agreement with the Florida Division of Emergency Management and the State Emergency Response Team as further evidence that these costs are allocable to the grant.

Auditor's Comment

We agree that the Florida Statute defines the extent to which the two entities work together. However, the Statute does not state that the Commission will pay for the Foundation's efforts through its Federal grants, and the Commission's approved budget does not include this activity. We acknowledge that the Commission has other agreements with the State of Florida. Both the efforts of the Foundation and the efforts put forth toward other agreements are from different funding sources. As such, these efforts should not be commingled with the Corporation grants and should be separately claimed to the appropriate funding sources.

The Commission's response does not address the shifting of funds for the training event, nor the difference that exists between the Commission's level of effort versus the amounts reimbursed by FEMA. The finding and recommendations remain as stated.

4: Unnecessary and unreasonable costs claimed.

We noted instances of Commission personnel and Commissioners traveling to Washington, D.C. to meet with Federal lawmakers. The Commission Executive Director stated that the meetings were conducted to educate the lawmakers about Commission activities. The Commission maintains a Legislative Committee. Our review of the Commission's Legislative Committee Reports, Legislative Committee Notes, form letters sent from Commissioners to Congressmen, and a letter sent from the Commission Chair on Volunteer Florida letterhead, indicated that the Executive Director's trips had a wider scope that included discussing the Corporation's fiscal year appropriation. The following is an excerpt from the letter, sent on Commission letterhead, to a Congressman on June 7, 2005, shortly after a meeting had taken place in Washington, D.C. between the Commission's Executive Director, Commissioners and the Congressman:

As a Member of the House Appropriations Committee, I encourage you to support the President's budget request for the Corporation for National Community Service. This will continue these effective programs that serve citizens while recruiting more citizens to engage in volunteer work and civic participation in our communities.

Based on our review of the documents referred to above, it appears the Commission attempted to influence members of Congress concerning the Corporation's appropriation bills pending in Congress through visits to Washington, D.C., through correspondence from Commissioners, through public appearances with lawmakers at subgrantee locations, and through the actions of the Commission's Legislative Committee. This activity constitutes an impermissible attempt to influence legislation with Federal funds. As a result, such costs associated with these activities are unallowable and are questioned. In addition, we question the labor costs incurred by Commission staff for this effort as unallocable.

Description	Grant	Federal Share Amount
Executive Director Travel	04CAHFL001	\$2,256
Executive Director Labor	04CAHFL001	<u>2,796</u>
Executive Director Total		<u>\$5,052</u>

Description	Grant	Federal Share Amount	State of Florida Grant Match Questioned
Director of Emergency Management Travel	04CAHFL001	\$904	\$ 94
Director of Emergency Management Labor	04CAHFL001		771
Director of Emergency Management Labor	02SVHFL008	86	
Director of Emergency Management Total		<u>\$990</u>	<u>\$865</u>

Funding for these activities detract from the Commission's ability to use its personnel and resources for allowable and assigned activities, such as monitoring and assisting its subgrantees. This finding is also considered to be an internal control weakness.

Criteria

Corporation regulation 45 C.F.R. § 2520.30, *What activities are prohibited in AmeriCorps subtitle C programs?*, states:

While charging time to the AmeriCorps program, or otherwise performing activities supported by the AmeriCorps program or the Corporation, staff and members may not engage in the following activities:

- (a) attempting to influence legislation.

OMB Circular A-87, Attachment B, Lobbying ¶ 24. states:

The cost of certain influencing activities associated with obtaining grants, contracts, cooperative agreements, or loans is an unallowable cost. Lobbying with respect to certain grants, contracts, cooperative agreements, and loans shall be governed by the common rule, "New Restrictions on Lobbying" published at 55 FR 6736 (February 26, 1990), including definitions, and the Office of Management and Budget "Government-wide Guidance for New Restrictions on Lobbying" and notices published at 54 FR 52306 (December 20, 1989), 55 FR 24540 (June 15, 1990), and 57 FR 1772 (January 15, 1992), respectively.

We also determined these trips to be unnecessary and unreasonable because many of the trips to Washington D.C. were to meet with elected officials from the State of Florida. We believe it would have been feasible for these meetings to take place in Florida.

Criteria

(1) OMB Circular A-87, Attachment A, Part C Basic Guidelines ¶ 1.a. and ¶ 2. state:

1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:
 - a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
2. Reasonable costs. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

The use of funds as described above detracts from the Commission using the funds for more meaningful purposes such as subgrantee monitoring trips. This finding is also considered to be an internal control weakness.

Recommendation

We recommend that the Corporation: (1) instruct the Commission to cease its practice of engaging in efforts to influence lawmakers concerning appropriations legislation; and (2); discontinue funding the Legislative Committee activities or provide substantial evidence as to its need and value in assisting the Commission in carrying out its responsibilities under Corporation grants.

The Corporation should determine the allowability of the costs questioned.

Commission's Response

The Commission disagreed with the finding and cited the fact that staff had participated in training related to the topic. The Commission mentioned that the discussions with Congressmen had been carefully scripted to discuss how the funding had been utilized. The Commission also stated that it would be unreasonable and wasteful to visit with the elected officials in their home State of Florida and that the same results can be achieved in one two-day visit to Washington, D.C.

Auditor's Comment

The response is consistent with our discussions with Commission management during fieldwork. As a result, we have reached the same conclusion as we did during fieldwork. We note that these types of costs claimed to the Corporation grants were not included in the grant award. We would have accepted the trips to Washington, D.C. if this travel had consisted of a one, two-day trip. However, there were seven such trips in 2005 and the benefits of these travels to the AmeriCorps program remain unsubstantiated. The Commission has also engaged in extensive in-state travel that includes the constituencies of many of the elected officials it wishes to contact. In-state offices of lawmakers could be visited as part of this travel, thereby avoiding the time and expense of traveling to Washington D.C. The finding and recommendations remain as stated.

5: The Commission did not have adequate procedures in place to ensure that travel costs charged to the grants were allowable, allocable, and reasonable.

We determined certain travel costs were questionable for various reasons. The tables on the next page represent specific travel expenditures and the categories of questioned costs, of which some are questioned for more than one reason.

A. Executive Director's travel claimed to the 04CAHFL001 Administrative grant.

Travel Voucher #/Date	Description	Lobbying Amount (see finding number 4 above)	Non-Allocable Amount	Travel Not in Award Budget
15763 – March 2004	D.C. to Educate Lawmakers	\$1,343	\$1,343	\$ -
16270 – April 2004	Naples for Presidential Visit	-	555	-
16438 – May 2004	Tampa for Governor's Hurricane Conference	-	423	-
16875 – July 2004	Key West for Florida Association of Voluntary Agencies for Caribbean Action (FAVACA) Board of Directors Retreat	-	496	-
16881 – July 2004	Airfare to Reno, Nevada for Personal Vacation	-	261	-
17211 – October 2004	Jacksonville to attend FAVACA Board Meeting	-	215	-
17798 – December 2004	Cab to Congressman's Office in D.C.	18	18	-
18061 – January 2005	Presentation to CNCS in D.C.	-	800	800
17962 – January 2005	Alabama Presentation	-	16	16
18304 – February 2005	CNCS meeting in D.C.	-	-	637
18071 – March 2005	Hands On Conference in Portland, Oregon	-	-	1,165
18270 – March 2005	D.C. to Educate Lawmakers	895	895	895
18499 – April 2005	D.C. for Aguirre meeting and Congressional visit	-	-	643
18927 – May 2005	D.C. for Homeland Security Briefing	-	770	770
18830 – May 2005	Tampa for Governor's Hurricane Conference	-	867	-
19009 – May 2005	Atlanta to meet Points of Light and Hands On	-	310	310
18778 – May 2005	Presentation in Arizona	-	32	32
16 – June 2005	Miami for Disaster Training (ESF-15)	-	730	-
18977 – August 2005	Registration for D.C. Points of Light Conference	-	-	400
142 – August 2005	D.C. for Points of Light Conference	-	-	1,346
TOTAL		\$2,256	\$7,731	\$7,014

Travel not included in the award budget comprised trips taken outside the State of Florida. The original award budget specified that out-of-state travel be considered allocable cost. However, an amendment to the award budget to reduce the administrative grant amount ended funding for trips outside of Florida.

The Executive Director's travel budget for calendar year 2005 was \$12,000. As of September 2005, costs claimed were \$15,536. Our review of travel costs was limited to costs claimed as of September 2005. Spreadsheets with travel transactions through November 2005 indicated Executive Director's travel costs to be \$21,963, or \$9,963 (83 percent) higher than budgeted in the Administrative cost award budget.

The Executive Director's airfare was approved by her Administrative Assistant and travel vouchers were approved by the Chief of Staff, who often accompanied the Executive Director on these trips. This lack of segregation of duties indicates there may have been little, if any, oversight as to the allowability, reasonableness or allocability of costs incurred for the trips.

B. Chief of Staff travel claimed to the 04CAHFL001 Administrative grant.

Travel Voucher #/Date	Description	Non-Allocable Amount	Out of State Travel Not in Award Budget	Unnecessary or Reasonable
16393 – May 2004	Governor's Hurricane Conference in Tampa	\$550	\$ -	\$ -
16861 – July 2004	Governor's Press Conference Attended by Four Commission Employees	-	-	251
18072 – March 2005	Hands On Conference in Portland, Oregon	-	1,042	-
18666 – May 2005	Governor's Hurricane Conference in Tampa	Credited during fieldwork	-	-
19005 – May 2005	Atlanta to meet Points of Light and Hands On	51	51	-
TOTAL		\$601	\$1,093	\$251

C. Director of Emergency Services travel claimed to the 04CAHFL001 Administrative grant.

Travel Voucher #/Date	Description	Lobbying Amount (finding # 4 above)	Non-Allocable Amount	Out of State Travel Not in Award Budget	Unnecessary or Reasonable
16883 – June 2004	Presentation in San Juan	\$ -	\$ -	\$ 24	\$ -
17040 – July 2004	Governor's Press Conference Attended by four Commission Employees	-	-	-	206
18104 – January 2005	Presentation in DC to CNCS	-	-	804	-
18269 – March 2005	D.C. to Educate Lawmakers	904	904	904	-
TOTAL		\$904	\$904	\$1,732	\$206

D. Director of Emergency Services travel claimed to the 04CAHFL001 Administrative grant match.

Travel Voucher #/Date	Description	Lobbying Amount (see finding number 4 above)	Non-Allocable Amount	Unnecessary or Reasonable
17807 – November 2004	Check presentation with several Commission personnel and lawmaker	\$94	\$94	\$ 94
17968 – December 2004	Boy Scout Governor’s Ceremony also attended by ED	-	-	539
TOTAL		\$94	\$94	\$633

E. Other Travelers claimed to the 04CAHFL001 Administrative grant.

Travel Voucher #/Date	Traveler	Description	Lobbying Amount (see finding number 4 above)	Non-Allocable Amount	Out of State Travel Not in Award Budget	Not Necessary or Reasonable
19236 – May 2005	Communication’s Director	Governor’s Hurricane Conference	\$ -	\$ 862	\$ -	\$ -
	Commission Staff	Governor’s Hurricane Conference	-	862	-	-
17796 – November 2004	Commission’s AmeriCorps Director	Check presentation with several Commission personnel and lawmaker	307	307	-	307
18073 – March 2005	Commission Staff	Hands On Conference in Portland, Oregon	-	-	1,301	-
TOTAL			\$307	\$2,031	\$1,301	\$307

The use of funds as described above detracts from the Commission’s spending of funds for more purposeful uses such as subgrantee monitoring. This finding is also considered to be an internal control weakness.

Criteria

(1) OMB Circular A-87, Attachment A, Part C, Basic Guidelines, ¶ 3.a. states:

A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received.

(2) OMB Circular A-87, Attachment A, Part C, Basic Guidelines, ¶ 1.a. and 2. state:

1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:

a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.

2. Reasonable costs. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

The costs claimed for duplicative travelers from the Commission attending the same events do not represent reasonable costs that would be incurred by a prudent person. Therefore, we have questioned these costs as unreasonable.

The Administrative grant award document states:

The Grantee agrees to administer the funded Program in accordance with the approved Grant application and budget(s), supporting documents, and other representations made in support of the approved Grant application.

Recommendation

The Corporation should instruct the Commission to: (1) give closer scrutiny to its budget to ensure travel costs incurred are allowable and allocable to the grants; (2) give closer scrutiny to travel costs claimed to ensure they are in accordance to the cost principles; and (3) implement controls to achieve adequate oversight of travel. This oversight should include proper segregation of duties in reviewing and approving travel vouchers and in the purchase of airline tickets.

We also recommend the Corporation determine the allowability of the costs questioned.

Commission's Response

The Commission disagreed with the finding on the bases that it has a strong understanding of the OMB Circulars and the trips were within the scope of the Unified State Plan. However, the Commission stated that the process for approving the Executive Director travel has been changed.

Auditor's Comment

The Commission revised the Executive Director's travel authorization and reimbursement process, however, we do not believe the response addresses the focal point of the finding, which is the unsubstantiated benefit that such travel accrues to the AmeriCorps program. The finding and recommendations remain as stated.

6: The Commission claimed meals that exceeded established per-diem rates.

We found instances where the Commission exceeded the established per-diem rates used by Tallahassee Community College. The per diem ceilings were circumvented by providing meals as direct-billed hotel transactions. Most of the transactions were contractual arrangements between the Commission and the hotel for various Commission events. Two of the events were dinners provided at the homes of the former and current Executive Directors. The amounts of the meals that exceeded the established per-diem rates are summarized below.

Grant	Location	Event	Questioned Federal Share	Questioned State of Florida Match
02PDSFL009	Holiday Inn- Orlando, FL	Service Leadership	\$1,660	\$ -
02PDSFL009	Canterbury Retreat – Ovieda, FL	Program Director Meeting	1,488	-
02PDSFL009	Holiday Inn – Tallahassee, FL	Commissioner Meeting	3,874	-
02PDSFL009	Holiday Inn- Orlando, FL	Service Leadership	1,430	-
Grant Subtotal			\$8,452	\$ -
05PTHFL001	Rosen Center – Orlando, FL	Program Director Meeting	493	-
Grant Subtotal			\$ 493	\$ -
01SCSFL009	Holiday Coach – Orlando, FL	Commission Meeting	-	2,063
01SCSFL009	Sheraton Suites – Ft. Lauderdale, FL	Commission Meeting	-	1,001
01SCSFL009	Tower Club – Ft. Lauderdale, FL	Commission Meeting	-	793
01SCSFL009	Radisson – Ft. Lauderdale, FL	Commission Meeting	-	1,616
01SCSFL009	Home of Former Executive Director	Commissioner Dinner	-	91
01SCSFL009	Embassy Suites – Orlando, FL	Commission Meeting	-	2,334
Grant Subtotal			\$ -	\$ 7,898
04CAHFL001	Buena Vista Suites – Orlando, FL	Commission Meeting	-	775
04CAHFL001	Ritz Carlton – Sarasota, FL	Commissioner Meeting	-	4,560
04CAHFL001	Tallahassee Civic Center – Home of Executive Director	Commissioner Dinner	-	1,983
Grant Subtotal			\$ -	\$ 7,318
TOTAL			\$8,945	\$15,216

The use of funds as described above detracts from the Commission's spending of funds for more purposeful uses such as subgrantee monitoring. This finding is also considered to be an internal control weakness.

Criteria

OMB Circular A-87, Attachment B, Selected Items of Cost, ¶ 43.b. states:

Lodging and subsistence. Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, shall be considered reasonable and allowable only to the extent such costs do not exceed charges normally allowed by the governmental unit in its regular operations as a result of the governmental unit's policy.

The Tallahassee Community College Policy Manual 6Hx27:09-04 specifies that per-diem and subsistence allowances will be paid at \$21 per day. The established ceilings for each meal are as follows:

- Breakfast - \$3
- Lunch - \$6
- Dinner - \$12

We used these allowances for our computation of questioned costs.

Recommendation

The Corporation should instruct the Commission to cease its practice of negotiating fees for meals that exceed per-diem allowances and should also determine the allowability of the costs questioned.

Commission's Response

The Commission indicated that it had discontinued its practice of providing meals in excess of the allowable per-diem and that costs are now held to the limits established by the Florida Legislature.

Auditor's Comment

We agree with the Commission's discontinuance of the practice of negotiating fees for meals in excess of the per diem allowances. We continue to recommend that the Corporation determine the allowability of the excess per diem charged to Federal Share and match.

7: The Commission did not have procedures in place to ensure that other direct costs charged to the grants were allowable, allocable, and reasonable.

The following costs selected for testing are questioned under the criteria noted:

<u>Description</u>	<u>Grant</u>	<u>Corporation Amount</u>	<u>Criteria</u>
Balloon Decorations	01SCSFL009	\$ 518	(1)
Subtotal Administrative Grant		<u>\$ 518</u>	
Consulting Fees Exceeding Limit	04CAHFL001	\$1,020	(2)
Consulting Fees not in Award Budget	04CAHFL001	6,452	(3)
Membership Fees in Civic Organization	04CAHFL001	25	(4)
Ribbons & Confetti for AmeriCorps event	04CAHFL001	255	(1)
Prepaid Business Cards Never Ordered	04CAHFL001	<u>173</u>	(5)
Subtotal Administrative Grant		<u>\$7,925</u>	
Promotional Advertising	03CDHFL001	<u>\$ 300</u>	(6)
Subtotal Disability Grant		<u>\$ 300</u>	
AmeriCorps Training Event Trinkets	05PTHFL001	\$ 492	(1)
Karaoke DJ Services	05PTHFL001	<u>750</u>	(1)
Subtotal PDAT Grant		<u>\$1,242</u>	
Total		<u>\$9,985</u>	

This finding is also considered to be an internal control weakness.

Criteria

(1) OMB Circular A-87, Attachment B, Selected Items of Cost, ¶ 14. states:

“Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) are unallowable.”

(2) AmeriCorps State Administrative Award General Provision, 12.e, *Consultant Services*, states:

Payments to individuals for consultant services under this Grant will not exceed \$443 per day (exclusive of any indirect expenses, travel, supplies and so on).

(3) The Administrative grant award document states:

The Grantee agrees to administer the funded Program in accordance with the approved Grant application and budget(s), supporting documents, and other representations made in support of the approved Grant application.

(4) OMB Circular A-87, Attachment B, Selected Items of Cost, ¶ 28.d. states:

Costs of membership in civic and community, social organizations are allowable as a direct cost with the approval of the Federal awarding agency.

Approval to incur this cost was not obtained from the Corporation.

(5) OMB Circular A-87, Attachment A, Part C, Basic Guidelines, ¶ 1.a. and ¶ 2. state:

1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:

a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.

. . . .

2. Reasonable costs. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

(6) OMB Circular A-87, Attachment B, Selected Items of Cost, ¶ 1.f.(4) states:

Unallowable advertising and public relations costs include the following: . . . Costs of advertising and public relations designed solely to promote the governmental unit.

Recommendation

The Corporation should instruct the Commission to familiarize itself with the grant provisions and cost principles and should determine the allowability of the questioned costs.

Commission's Response

The Commission disagreed with the finding, stating that all costs questioned were allowable, allocable and reasonable.

Auditor's Comment

The response did not provide documentation to support the allowability of the questioned costs. The finding and recommendations remain as stated.

8: The Commission did not monitor subgrantees for compliance with grant provisions.

We found instances in which subgrantee member documentation was lacking, not submitted in a timely manner, or inaccurate.

A. Eligibility Documentation

<u>Subgrantee</u>	<u>Total Members Enrolled</u>	<u>Member Files Reviewed</u>	<u>Background Checks Missing</u>	<u>Lack of Signed Member Contract</u>	<u>Lacking Proof of Citizenship</u>	<u>Lacking High School Diploma</u>	<u>Member File Missing</u>
Florida Reads – Leon	17	12	-	-	-	-	-
Florida Reads – Broward	30	8	1	1	-	-	-
Florida Reads – Dade Ed. Fund ²	44	11	2	2	1	-	-
Florida Reads – Duval	38	13	-	-	-	-	-
Florida Reads - Alachua	20	7	-	-	-	-	-
Florida Reads - Citrus	15	7	-	-	-	-	-
Florida Reads – St. Lucie	20	11	-	-	-	-	-
Florida Reads – St. Johns	16	5	-	-	-	-	-
Florida Reads – Palm Beach	12	3	-	-	-	-	-
Florida Reads – Lake	10	2	-	-	-	-	-
Florida Reads (State Office)	-	-	-	-	-	-	-
Dignity Auto Project	69	35	-	7	-	1	-
Florida Agricultural & Mechanical University	60	30	9	-	-	-	-
Gadsden County School Board	91	46	-	1	-	-	-
Community Integration Program	20	10	-	-	1	-	1
Listen to Children	27	14	-	-	-	-	-
Department of Elder Affairs	32	16	-	-	-	-	-
Miami Reads	47	24	-	-	-	-	-

B. Late Forms

<u>Subgrantee</u>	<u>Total Members Enrolled</u>	<u>Member Files Reviewed</u>	<u>Late Enrollment Forms</u>	<u>Late Exit Forms</u>	<u>Late Financial Status Reports</u>	<u>Late Progress Reports</u>
Florida Reads – Leon	17	12	7	4	-	-
Florida Reads – Broward	30	8	6	3	-	-
Florida Reads – Dade Education Fund	44	11	9	1	-	-
Florida Reads – Duval	38	13	8	5	-	-
Florida Reads - Alachua	20	7	6	3	-	-
Florida Reads - Citrus	15	7	6	1	-	-
Florida Reads – St. Lucie	20	11	7	4	-	-
Florida Reads – St. Johns	16	5	5	1	-	-
Florida Reads – Palm Beach	12	3	3	-	-	-
Florida Reads – Lake	10	2	1	-	-	-
Florida Reads (State Office)	-	-	-	-	1	4
Dignity Auto Project	69	35	4	9	2	1
Florida Agricultural & Mechanical University	60	30	-	30	-	-
Gadsden County School Board	91	46	12	-	-	-
Community Integration Program	20	10	-	-	1	1
Listen to Children	27	14	5	-	2	2
Department of Elder Affairs	32	16	12	4	3	5
Miami Reads	47	24	19	3	2	4

2 - Three member background checks were performed 1-2 months after the members had enrolled.

C. Lacking Other Documents

<u>Subgrantee</u>	<u>Total Members Enrolled</u>	<u>Member Files Reviewed</u>	<u>No Mid-Term Evaluations</u>	<u>No End-of-Term Evaluations</u>	<u>No Orientation Documentation</u>
Florida Reads – Leon	17	12	6	8	2
Florida Reads – Broward	30	8	2	2	6
Florida Reads – Dade Education Fund	44	11	11	11	4
Florida Reads – Duval	38	13	5	5	4
Florida Reads – Alachua	20	7	-	-	-
Florida Reads – Citrus	15	7	-	-	-
Florida Reads – St. Lucie	20	11	-	-	-
Florida Reads – St. Johns	16	5	-	-	-
Florida Reads – Palm Beach	12	3	-	-	-
Florida Reads – Lake	10	2	-	-	-
Florida Reads (State Office)	-	-	-	-	-
Dignity Auto Project	69	35	-	69	-
Florida Agricultural & Mechanical University	60	30	60	-	-
Gadsden County School Board	91	46	-	-	-
Community Integration Program	20	10	-	-	-
Listen to Children	27	14	-	-	-
Department of Elder Affairs	32	16	16	16	-
Miami Reads	47	24	18	18	-

D. Trust Fund Database Exceptions

We found errors when comparing member hours in the Web Based Reporting System (WBRS) to member timesheets at all locations. We also found there were six members at Florida Reads – Broward and eight members at Florida Reads – Dade Education Fund that had never been entered into WBRS.

We note that although the Commission regularly performed monitoring and follow-up of its subgrantees, it lacked detailed procedures or monitoring tools to verify compliance with grant provisions.

By not submitting the required documents within established time frames, the Corporation and Commission cannot properly review, track, and monitor the subgrantees’ activities and objectives of the AmeriCorps program. In addition, without current member and financial information, the Corporation may be unable to make timely and effective management decisions.

This finding is also considered to be an internal control weakness.

Criteria

AmeriCorps Special Provision B.16.a., *Financial Status and Progress Reports*, establishes due dates for semi-annual reporting and states that grantees must submit progress reports by these dates. It further establishes that grantees establish their own submission deadlines for their respective subgrantees. Subsection B.16.b, *AmeriCorps Member Related Forms*, specifies the forms that grantees must submit to the Corporation to track AmeriCorps member status and hours.

The AmeriCorps Special Provision B.6.h., Eligibility, Recruitment, and Selection states:

Programs with members or employees who have substantial direct contact with children (as defined by state law) or who perform service in the homes of children or individuals considered vulnerable by the program, shall, to the extent permitted by state and local law, conduct criminal record checks on these members or employees as part of the screening process. This documentation must be maintained consistent with state law.

The 2005 Florida Statute 1012.32(a) (2) states:

Instructional and noninstructional personnel who are hired or contracted to fill positions requiring direct contact with students in any district school system or university lab school shall, upon employment or engagement to provide services, undergo background screening as required under 1012.465 or 1012.56 whichever is applicable.

The AmeriCorps Provisions, Definitions, A.14.d. requires members to have a high school diploma or an equivalency certificate.

AmeriCorps Provision, Definitions, A.14.a and b. defines, in part, an AmeriCorps member as an individual:

- a. Who enrolled in an approved national service position.
- b. Who is a U.S. citizen, U.S. national or lawful permanent resident alien of the United States.

AmeriCorps Special Provision, B.14.b., B *Verification.*, states:

To verify U.S. citizenship, U.S. national status or, U.S. lawful permanent resident alien status, the Grantee must obtain and maintain documentation as required by 45 C.F.R. 2522.2000 (b) and (c). The Corporation does not require programs to make and retain copies of the actual documents used to confirm age or citizenship eligibility requirements, such as driver license, or birth certificate as long as the Grantee has a consistent practice of identifying the documents that were reviewed and maintaining a record of the review.

AmeriCorps Special Provision, B.7.b. *Member Contracts*. states:

The Grantee must require that members sign contracts that, at a minimum. AmeriCorps Special Provision, B.16.b. *AmeriCorps Member-Related Forms*, states:

- i. Enrollment Forms. Enrollment forms must be submitted no later than 30 days after a member is enrolled.
- iii. Exit/End-of-Term-of-Service Forms. Member Exit/End-of-Term-of-Service Forms must be submitted no later than 30 days after a member exits the program or finishes his/her term of service.

AmeriCorps Special Provision, B.7.g., *Performance Reviews*, states:

The Grantee must conduct and keep a record of at least a midterm and end-of-term written evaluation of each member's performance.

AmeriCorps Special Provision, B.7.c., *Training*, states:

The Grantee must conduct an orientation for members and comply with any pre-service orientation or training required by the Corporation.

Recommendation

The Corporation should instruct the Commission to prepare a comprehensive corrective action plan to addresses the above compliance requirements for all subgrantees, including those not tested.

Commission's Response

The Commission disagreed with the finding, stating that it had a process in place for monitoring subgrantees so all subgrantees meet grant requirements and effectively manage their programs.

Auditor's Comment

We believe that, had monitoring of the subgrantees for the compliance items identified above taken place, the number of exceptions would not have been as pervasive. In its response, the Commission did not address the quality of the monitoring that takes place. Due to the significant number of financial and compliance findings, the Commission must develop a comprehensive corrective action plan to addresses these findings, and improve the quality of its monitoring visits. The finding and recommendation remains as stated.

9: Executive Director annual and sick leave.

We found that the Executive Director (ED) had not recorded vacation or sick leave since her employment began on November 10, 2003. We noted this when comparing the Tallahassee Community College (TCC) Leave Register Reports with the ED's monthly calendar, which contained vacation notations as well as travel vouchers indicating that the ED was on vacation. Also included on the ED's monthly calendar were notations concerning the ED being absent due to illness.

Our discussions with Commission management indicated that the ED sought to use a compensatory time policy and take leave in the form of overtime hours she had worked during the normal course of employment.

The overstatement of the ED leave banks places the Commission with a larger liability because payment of these hours would be forthcoming upon termination. The Corporation's grants would bear 100 percent of the costs for these accrued hours in the event the ED departs the Commission. The accrued hours as of October 2005 were 470 hours of vacation and 278 hours sick leave. We also note that the Executive Director's contract establishes a base rate of 176 hours of vacation and 104 hours of sick leave at the inception of employment, in addition to the accrual of additional vacation hours at the completion of each payroll cycle.

The process in place at TCC requires employees to complete either an Exempt or non-Exempt Employee Leave Request Form. As referenced on the form, this requirement includes Select Exempt employees, which is the designated labor category of the ED. These forms were completed by other personnel based on our review of the Leave Register Reports, our observation of forms completed in the office, and our discussions with various personnel.

TCC policy number 6Hx27:07-06 states:

Inasmuch as the service of an executive/administrative employee is performance and contract based, an executive/administrative employee is expected to work whatever hours may be required by the position and no overtime or compensatory leave may be earned or paid.

Recommendation

The Corporation should instruct the Commission to reduce the ED's annual and sick leave hours to the actual amounts accrued.

Commission's Response

The Commission disagreed with the finding on the basis that the practice identified during the audit was one that utilized a flexible work schedule rather than compensatory time. The Commission stated that this type of work schedule was permissible under Florida Statute and

was agreed to by the Tallahassee Community College administration.

Auditor's Comment

The use of a flexible work schedule was mentioned during fieldwork and communicated to the audit team as the policy in effect for the Commission. The Commission cited the policy it followed as being that utilized by the Florida Department of Management Services (DMS). Commission personnel are employees of the Tallahassee Community College. As a result, we believe the TCC policy, not the DMS policy cited in the finding, is applicable to Commission personnel.

The Commission used monthly certifications for most of the period under review. The certifications documented that the employee had worked 100 percent of their effort toward the AmeriCorps grant but did not provide the number of hours worked. Therefore, overtime hours worked for use in a flexible work schedule would not have been verifiable even had the DMS policy been in effect. The finding and recommendation remains as stated.

Internal Control Finding

10: Director of Emergency Management Services timekeeping.

The Commission's Director of Emergency Management Services completes timesheets which segregate his efforts between state funded grants and efforts that pertain to Corporation grants. However, efforts for the Corporation encompasses includes two grants, the Emergency Preparedness grant (04SVSFL01) and the Operation Step Up grant (02SVHFL008). Timekeeping for these grants is combined as one funding source as opposed to designating a level of effort specific to each grant.

The TCC payroll system allocates labor activity based on predetermined percentages entered into the payroll system. This approach does not affect other members of the Commission because their effort is 100 percent to the Corporation or 100 percent to Corporation grants and grant match. Costs claimed to the two Corporation grants for the Director of Emergency Management Services, however, may not reflect actual levels of effort to either grant.

Criteria

OMB Circular A-87, Attachment B, Selected Items of Cost, ¶ 8.h. states:

Support of salaries and wages. These standards regarding time distribution are in addition to the standards for payroll documentation. Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or

other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

. . . .

(5) Personnel activity reports or equivalent documentation must meet the following standards :(a) They must reflect an after-the-fact distribution of the actual activity of each employee....

Recommendation No. 10

The Corporation should require that the Commission claim costs to each grant based on documented levels of effort, as reflected on employee timesheets.

Commission's Response

The Commission disagreed with the finding, stating that the timekeeping was in accordance with OMB Circular A-87. The Commission also commented that this issue was not presented at the exit conference and therefore the Commission stated that it regrets its inability to respond.

Auditor's Comment

We believe the response does not affect the finding or the recommendation as the Commission did not specifically address the issue that the employee's time is combined for the two Corporation grants.

The finding was not presented at the exit conference due to the large number of findings that are included in this report and had to be dealt with at the conference. However, this finding was discussed on numerous occasions with the Commission during the audit, and was also presented in the draft audit report in sufficient detail for the Commission to prepare its response. The finding and recommendation remains as stated.

Internal Controls Over Financial Reporting

In planning and performing our audit of awards costs as presented in Exhibits A through F for the period January 1, 2002 to September 30, 2005, we considered Volunteer Florida's internal controls over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial schedules and not to provide an opinion on the internal controls over financial reporting. However, we noted certain matters involving the internal control over financial reporting that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Volunteer Florida's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Compliance findings numbered 1 through 8 and number 10, as set forth in the Compliance and Internal Control Findings Sections of this report, are also considered as internal control reportable conditions.

A material weakness is a reportable condition 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 caused by error or fraud 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal controls that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are considered to be material weaknesses. However, we believe all of the reportable conditions identified above represent material weaknesses.

Conrad and Associates, L.L.P.

Conrad and Associates, L.L.P.
Irvine, California
March 3, 2006

Appendix A

Response to the Draft Report by Volunteer Florida



August 25, 2006

Governor Jeb Bush

Commissioners

Executive Committee

Dave Ramsay
Chairman
Leon County

Lee Cockerell
Vice Chairman
Orange County

Ann Henderson
Treasurer
Monroe County

Laura Corry
Palm Beach County

Burt Harres
Hernando County

Marci Greene
Lee County

Willard Payne, Jr.
Duval County

Carl Weinrich
Sarasota County
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Alachua County

David Armstrong
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Honor Bell
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Orange County

James R. (Bob) Richburg
Okaloosa County

Robert Ruano
Miami-Dade County

Megan Spillane
Alachua County

Jerry Thorpe
Broward County

Rosalind Tompkins
Leon County

Polly Wilkie
Broward County

Flora Woodfaulk
Taylor County

Wendy Spencer
Chief Executive Officer

Dear Mr. Shadowens:

Volunteer Florida respectfully submits the attached final response to the draft report on the *Audit of Corporation for National and Community Service Grants Awarded to Volunteer Florida*, submitted by the Office of Inspector General to the Corporation for National and Community Service, and prepared by the contracted agency, Mayer Hoffman McCann P.C., Conrad Government Services Division.

This audit response has been prepared with the full cooperation of the entire Volunteer Florida management team, with valuable input from volunteer commissioners who serve as the Commission's Officers and on the Commission's Finance and Audit Committee.

We are pleased to be able to provide these responses, which illustrate our confidence in Volunteer Florida's ability to successfully administer AmeriCorps and other grant funding provided by the Corporation for National and Community Service; to fulfill the intent of the original legislation which established State Commissions; and more important, to implement programs that meet the established goals of the Corporation's Strategic Plan.

We will await your response, and further notification regarding the timeline and process for the Resolution phase, as we work collectively to implement improvements based on the audit's recommendations.

Regards,

Wendy Spencer
Chief Executive Officer

cc: Carol Bates, Inspector General, CNCS
Stuart Axenfeld, Audit Manager, CNCS Office of Inspector General
Deirdre Finn, Deputy Chief of Staff, Executive Office of the Governor
Derry Harper, Chief Inspector General, Executive Office of the Governor
David Eisner, Chief Executive Officer, CNCS
Dave Ramsay, Commission Chairman
Lee Cockerell, Commission Vice Chairman
Ann Henderson, Commission Treasurer
Carl Weinrich, Commission Immediate Past Chairman
General Bob Milligan, Commissioner
Kim Mills, Director of Auditing, Executive Office of the Governor
Peg Rosenberry, Director of Grants Management, CNCS
Douglas S. Gerry, Office of Grants Management, CNCS
Jolene Harrell, Program Officer, CNCS

**Volunteer Florida: Response to the draft report on the
Audit of Corporation for National and Community Service Grants Awarded to Volunteer Florida**

1: The Commission did not have adequate financial monitoring or other procedures in place to ensure that its subgrantees claimed costs in accordance with OMB's principles or grant provisions.

Commission's Response

Volunteer Florida disagrees with this finding. Volunteer Florida has financial monitoring systems in place that are in accordance with Corporation for National and Community Service standards. These systems have proven successful in revealing subgrantees that need additional training and assistance. Volunteer Florida has consistently met and exceeded the requirements and standards set forth by the Corporation for National and Community Service.

Volunteer Florida already has taken steps to require documentation to support the largest questioned costs in this audit. The lack of documentation for AmeriCorps staff salaries and wages charged directly to the grant were primarily for staff that spent 100 percent of their time as AmeriCorps program directors.

In order to improve its fiscal monitoring and program oversight, Volunteer Florida has implemented a process that requires all programs to submit the first three months of reimbursements with complete source documentation including: 1) staff time-and-effort reports; 2) Member time records; and 3) an expense report from their accounting system reconciling with reports filed by the programs in WBRS (Web-based Reporting System).

Volunteer Florida policy also now requires a site visit to all new subgrantees by a member of its budget office who has expertise in financial source documentation and applicable requirements. This will allow program consultants to spend more time reviewing Member files and eligibility documentation on site. These corrective actions were developed in consultation with the Corporation for National and Community Service.

Response to the statement in compliance finding 1: In numerous instances, the Commission claimed costs that did not comply with OMB's cost principles"

Volunteer Florida disagrees with this statement. Volunteer Florida has a clear understanding of OMB cost principles and provides oversight of subgrantees. Volunteer Florida recognizes there have been isolated incidences where subgrantees claimed costs that were not consistent with grant provisions; however, this does not demonstrate an inadequate monitoring system.

Volunteer Florida has paid for subgrantee fiscal staff, from all but one subgrantee with findings, to attend Walker & Company's Financial Management Workshops. Volunteer Florida also has qualified staff providing training and on-site technical assistance. Programs are provided with a comprehensive Financial Management Handbook. The one grantee that did not have a fiscal officer attend a Financial Management Workshop sponsored by Walker & Company did have two Program Directors participate in trainings. Volunteer Florida, in working with this subgrantee, had identified this

**Volunteer Florida: Response to the draft report on the
Audit of Corporation for National and Community Service Grants Awarded to Volunteer Florida**

organization as needing additional assistance prior to the audit. Volunteer Florida requested the audit team visit this program due to our monitoring indications.

Response to the statement in compliance finding 1: “We observed the overall focus of the Commission appeared to be establishing relationships with Volunteer Centers throughout the State rather than assisting its AmeriCorps subgrantees with grant compliance.”

Volunteer Florida disagrees with this statement. While the relationship and work with Volunteer Centers is well-documented in the Administrative grants funded by the Corporation for National and Community Service, Volunteer Florida’s main focus is and has always been the administration of Florida AmeriCorps programs.

To demonstrate this focus, Volunteer Florida has invested in **seventeen** (17) full-time staff members with either partial or 100 percent responsibility for the administration of AmeriCorps programs as demonstrated in the chart below. The 01SCSFL009 and 04ACHFL001 budgets include only **one** (1) full-time staff member devoted to Volunteer Center Development.

Administrative Staff	AmeriCorps Staff	Volunteer Coord.
CEO	Director of National Service	Volunteer Svc. Coord.
Chief of Staff	AmeriCorps Program Consultant	
Communications Director	AmeriCorps Program Consultant	
Systems Administrator	AmeriCorps Program Consultant	
Communications Coordinator	PDAT Coordinator	
Director of Finance	Inclusion Coordinator	
Budget Assistant	Program Assistant	
Executive Assistant	Grants Administrator	
Staff Assistant		

Response to the statement in compliance finding 1: “We also noted that the Commission tended to not renew the subgrants of subgrantees that had problems, rather than assist those subgrantees with corrective actions.”

Volunteer Florida has an aggressive assistance process in place to work with programs on corrective actions. Volunteer Florida has never non-renewed a program without having offered the subgrantee assistance and guidance, all of which is well-documented:

- Volunteer Florida has a fair, competitive and comprehensive process in place to fund programs. That process was not questioned in the audit report.
- Programs funded during the scope of the audit have, on average, received funding for **6.7 years**, or an average of more than two grant funding cycles.
- Volunteer Florida has a responsibility as state Commission to fund diverse, cost effective, and sustainable programs; therefore, in moving programs toward sustainability, reducing funds awarded to subgrantees over time is necessary.

In response to statement in the executive summary that “Several subgrantees were

unaware of grant provision and laws and regulations, and were not provided guidance from the Commission”:

Volunteer Florida disagrees with this opinion and has requested that auditors provide specific instances supporting this statement. This would be helpful in assisting programs that, despite having been provided guidance and having participated in trainings provided to all subgrantees, still struggle with understanding provisions, laws and regulations.

Specific instance where subgrantees are provided a review of grant provisions, laws, and regulations include: 1) during contact negotiations; 2) during annual new program director orientation; and 3) during planned, comprehensive trainings held throughout the program year.

2: The Commission did not have adequate procedures in place to ensure that its subgrantees documented member eligibility, and that members completed the service hours required to earn the education award.

Commission’s Response

Volunteer Florida disagrees with this finding. Volunteer Florida has a process in place to monitor this area of program compliance, and to address instances where subgrantees did not adequately support Member service hours or Member eligibility documentation (an excerpt of this tool is provided at the end of this document). Volunteer Florida’s system of monitoring meets the standards of the Corporation for National and Community Service and is consistent with other state Commissions.

Volunteer Florida utilizes a risk-based program management system that guides staff in addressing program challenge areas and also in determining the best monitoring and technical assistance strategy to address challenges. Volunteer Florida staff complete a risk assessment and plan for monitoring and technical assistance at the start of each program year.

Subgrantees receive at least one on-site monitoring visit each year utilizing an extensive monitoring tool (see end of document for the monitoring tool). The Volunteer Florida monitoring tool includes 11 modules of major program management areas that based upon the AmeriCorps Provisions.

At least one-quarter of the timesheets for the total corps are tested for accuracy on-site. In addition, Program Consultants review Member time logs quarterly via WBRs. Subgrantees with Members who appear to be behind in hours are notified in writing and asked to respond or clarify the status of the Member(s) hours.

Volunteer Florida stresses during trainings and program orientation that Member service-hour completion is the responsibility of the local subgrantee charged with directly supervising Members. Grantees with compliance issues in this area are given 30 days to resolve issues and reimbursements are suspended until all issues are resolved. Beginning August 1, 2006, Volunteer Florida instituted a policy requiring programs to submit

**Volunteer Florida: Response to the draft report on the
Audit of Corporation for National and Community Service Grants Awarded to Volunteer Florida**

Member timesheets for the first three months of each program year, enabling consultants to identify Member-time and staff-time tracking errors early in the program year.

3: The Commission did not have adequate financial monitoring procedures or other procedures in place to ensure that it claimed costs allocable to the grants.

Commission's Response

Volunteer Florida disagrees with this finding.

With regard to costs questioned relative to work with the Volunteer Florida Foundation, Volunteer Florida believes that it is within the intended scope of work, as outlined in federal code, to engage the Foundation, which is designated in Florida Statute as its Direct Support Organization (DSO), as a part of Volunteer Florida's holistic approach to achieving its mission. Florida Statute clearly defines the extent to which Volunteer Florida and the Volunteer Florida Foundation can work together. Volunteer Florida will continue working the Corporation for National and Community Service to define more clearly the relationship between Volunteer Florida and the Foundation.

Questioned costs regarding emergency management work are allocable to the grant and within Volunteer Florida's scope of work, the Unified State Plan, and Volunteer Florida's mission: "Strengthening Florida's Communities through Volunteerism and Service."

Volunteer Florida is unique in that it has entered into an agreement with the Florida Division of Emergency Management and the State Emergency Response Team (SERT) to serve as the official state coordinator of volunteers and donations during times of disaster. This role has enabled Volunteer Florida to provide leadership in engaging AmeriCorps Members in disaster response

4: Unnecessary and unreasonable costs claimed.

Commission's Response

Volunteer Florida unequivocally refutes the allegation that staff lobbies any member of Congress or Congressional staff. Volunteer Florida has a clear understanding of the OMB Circulars and State of Florida regulations with respect to: 1) lobbying; 2) advocacy; and 3) education. Volunteer Florida staff has participated in several trainings relating to this topic.

In reaching out to community-based organizations, it is vital for community leaders, including elected officials, to be informed about the resources available to address their communities' needs.

The audit report bases its finding on a single paragraph, taken from a letter signed by a former volunteer Commissioner, which was unrelated in content to the legislative visits and was sent a full three months after the visits occurred. Commissioners, as volunteers, are permitted to lobby independently; however, at no time was Volunteer Florida money

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spent on lobbying.

All meetings with members of Congress or Congressional staff are carefully scripted to detail only how federal funding provided has been utilized in Florida. At no time during these meetings have staff or Commissioners had conversations that relate to new grants or renewal grant awards. At no time do the conversations attempt to influence the introduction, the enactment or modification of any pending legislation.

The audit report also states: “We also determined these trips to be unnecessary and unreasonable because many of the trips to Washington D.C. were to meet with elected officials from the State of Florida. We believe it would have been feasible for these meetings to take place in Florida.”

As stewards of taxpayer dollars, it would be unreasonable, wasteful and in conflict with section of OMB A-87 referenced, to conduct 13 separate visits to 13 separate cities at 13 separate times within a state covering an area of 58,560 square miles – including more than 1,000 miles between Pensacola and the Florida Keys – when the same results can be achieved in one two-day visit to Washington, D.C., where legislators are located within two city blocks of each other.

5: The Commission did not have adequate procedures in place to ensure that travel costs charged to the grants were allowable, allocable, and reasonable.

Commission’s Response

Volunteer Florida disagrees with this finding.

Volunteer Florida and fiscal agent Tallahassee Community College have a strong understanding of OMB Circulars. Volunteer Florida does not concur that any staff travel has been unnecessary, unreasonable, unallocable or unallowable. All travel completed is within the scope of work, the Unified State Plan, and Volunteer Florida’s mission: “Strengthening Florida’s Communities through Volunteerism and Service.” As one of the nation’s largest state service Commissions, Volunteer Florida has sufficient resources both to provide subgrantee monitoring in accordance with Corporation for National and Community Service standards and to fulfill the holistic scope of its mission.

The established procedures and processes to ensure staff travel costs are allowable, allocable and reasonable were not questioned. The process for the Executive Director’s travel has been revised to provide travel authorizations and reimbursement vouchers to the Commission Chairman, Vice Chairman or Treasurer for approval.

6: The Commission claimed meals that exceeded established per-diem rates.

Commission's Response

Volunteer Florida's past practice of providing meals included as a part of a lump-sum contractual arrangement with convention and meeting facilities for Commission and AmeriCorps program meetings and trainings is no longer in force. Meal costs are now held to the limits established by the Florida Legislature.

7: The Commission did not have procedures in place to ensure that other direct costs charged to the grants were allowable, allocable, and reasonable.

Commission's Response

Volunteer Florida disagrees with this finding. All costs questioned are allowable, allocable and reasonable.

8: The Commission did not monitor subgrantees for compliance with grant provisions.

Commission's Response

Volunteer Florida disagrees with this finding. Volunteer Florida places great emphasis and works diligently on strengthening its monitoring procedures so that all subgrantees meet all requirements and manage effective programs. Volunteer Florida's monitoring tool is updated annually to comply with all changes to the AmeriCorps Provisions. Volunteer Florida electronically tracks all monitoring visits, has a written protocol for conducting monitoring visits, and provides subgrantees with a written report of visits utilizing the monitoring tool.

The audit report implies that in every instance where a subgrantee failed to produce required documentation, Volunteer Florida failed either to provide guidance or to monitor in accordance with the AmeriCorps Provisions. The report, however, does not include any specific instance in which Volunteer Florida staff failed to produce documentation of the extensive work done with programs to resolve compliance issues.

Volunteer Florida utilizes a risk-based program management system that guides staff in addressing program challenge areas, and in determining the best monitoring and technical assistance strategy to address challenges. Volunteer Florida staff complete a risk assessment plan for monitoring and technical assistance at the start of the program year.

Subgrantees receive at least one on-site monitoring visit each year. The Volunteer Florida monitoring tool includes 11 modules of major program management areas that are based upon the AmeriCorps Provisions.

Subgrantees with compliance issues are given 30 days to resolve issues and reimbursements are suspended until all issues are resolved. As of August 1, 2006,

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subgrantees began submitting Member timesheets for the first three months of each program year. The above-referenced scheduled on-site review by Volunteer Florida budget office personnel will allow more time during the on-site monitoring visits for Program Consultants to review Member eligibility documentation, to address timeliness of reports, and to review other required documents.

9: Executive Director annual and sick leave.

Commission's Response

Volunteer Florida disagrees with this finding. The audit implies that exempt employees seek to use a compensatory leave policy. This is inaccurate because a flexible work schedule is not compensatory leave. Volunteer Florida utilizes a flexible work schedule for exempt employees, which is in accordance with Florida Statutes. Volunteer Florida also has written documentation from Tallahassee Community College administration that the flexible work schedule currently in use does not conflict with TCC policy.

Internal Control Finding

10: Director of Emergency Management Services timekeeping.

Commission's Response

Volunteer Florida disagrees with this finding. The characterization of the Director of Emergency Management Services' timekeeping practices is incorrect and not reflective of documentation provided. Timekeeping is maintained in accordance with the OMB Circular A-87.

Volunteer Florida would like to note that this finding was not presented at the exit interview, when all other potential findings were revealed. Volunteer Florida regrets the inability to address this issue prior to the final audit response.

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Following is the monitoring tool referenced in the above document:

**TECHNICAL ASSISTANCE & COMPLIANCE REVIEW
EXECUTIVE SUMMARY**

Program Name:
Date of Visit:
Visit Conducted by:
Interviews Conducted:

Program Description

Recruitment and Retention of Members:

Progress Toward Performance Measurement Objectives:

Needs and Service Activities:

Strengthening Communities:

Member Development:

**Volunteer Florida: Response to the draft report on the
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Progress toward sustainability (include established partnerships within the community):

Program Strengths:

Program Challenges:

Training or Technical Assistance Needed by Program:

Compliance Issues Requiring Immediate Program Action:

**Program Technical Assistance & Compliance Review
Instrument**

This Program Technical Assistance and Compliance Review Instrument covers AmeriCorps specific laws, provisions and other federal requirements. It contains the following sections that cover basic program implementation components and early issue detection:

Section I:	Member Documentation Compliance
Section I-A:	Member Timesheet Compliance
Section II:	Effective Staff Recruitment and Development
Section III:	Member Management
Section III-A:	Member Service Site and Service Activities
Section IV:	Effective Program Implementation
Section IV-A:	Data Collection, Analysis and Reporting Procedures
Section IV-B:	APR Reporting Procedures and WBRs
Section V:	Fiscal Management
Section VI:	Program Inclusion & Accessibility
Section VII:	Sustainability

Section I
MEMBER DOCUMENTATION COMPLIANCE

Number of Members allocated this program year:	
Number enrolled in WBRs:	
Number of Members currently serving:	
Number of Members who were exited for personal compelling circumstances:	
Number of Members who were exited for other than personal and compelling circumstances:	
Number of files reviewed for Members who are currently serving:	
Number of files reviewed of Members who have exited the program:	

Do Member files contain the appropriate documentation listed below?

- **Evidence of eligibility to serve (e.g., age, citizenship, or residency). The acceptable documents to verify citizenship or lawful permanent resident status are listed below.**
 - ✓ Birth Certificate
 - ✓ U.S. Passport
 - ✓ Certificate of birth-foreign service (FS-545) issued by the State Department
 - ✓ Certificate of report of birth (DS-1350) issued by the State Department
 - ✓ Certificate of naturalization (Form N-550 or N-570) issued by the INS
 - ✓ Certificate of citizenship (Form N-560 or N-561) issued by the INS For lawful permanent resident alien
 - ✓ A Permanent Resident Card or Alien Registration Receipt Card (also known as the Green Card) (Form I-551) issued by the INS
 - ✓ A passport indicating that the INS has approved it as temporary evidence of lawful admission for permanent residence
 - ✓ A Departure Record (Form I-94) issued by the INS, indicating that the INS has approved it as temporary evidence of lawful admission for permanent residence
- **WBRs Member enrollment forms**
- **Signed Member contract**
 - ✓ Dates of Term of Service
 - ✓ Minimum service hours and other requirements (as developed by the program) for successful completion of term of service and to be eligible for the education award
 - ✓ Service Status – Full-time, Half-time etc.
 - ✓ Expectations (Conduct, Duties, Attendance, etc.)
 - ✓ Attendance Policy
 - ✓ Disciplinary Procedures to include suspension and termination rules
 - ✓ Specific circumstances under which a Member may be released for cause

**Volunteer Florida: Response to the draft report on the
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- ✓ Signed Grievance Procedures (in accordance to AmeriCorps Provisions) – see Grievance Checklist
- ✓ Living Allowance amount and distribution
- ✓ Ineligibility for Unemployment Compensation
- ✓ Position Description
- ✓ Prohibited Activities
- ✓ Member Benefits
- ✓ Acknowledgement of a Drug-free workplace
- ✓ Sexual Harassment And EEOC Statement
- **Criminal Background checks (if required)**
- **Child Care eligibility (if eligible)**
- **Healthcare eligibility (if applicable)**
- **High School Diploma or an equivalency certificate (or agreement to obtain a high school diploma or its equivalent before using an education award) OR documentation that the member has been determined through an independent assessment to be incapable of obtaining a high school diploma or its equivalent.**
- **Member position description**
- **Member evaluations (at least mid and end of year required)**
- **Change of status or end of term of service forms**

Grievance Procedure Checklist

The Program's Grievance Procedures for AmeriCorps Programs must be established in accordance with 42 U.S.C. 12636 and implementing regulations 45 C.F.R. 2540.230. Formal Grievance Procedures must contain the following:

- Time Limits – Except for a grievance that alleges fraud or criminal activity, a grievance must be made **no later than one year** after the date of the alleged occurrence.
- If a hearing is held on a grievance, it must be conducted **no later than 30 calendar days** after the filing of such grievance.
- The grievance hearing is conducted by someone who was not involved in the initial decision making process of the issue.
- A decision on any such filled grievance must be made **no later than 60 days** after filing.

Arbitration – If there is an adverse decision against the party who filed the grievance, or no decision has been reached after **60 calendar days after filing the grievance**, the aggrieved party

may submit the grievance to binding arbitration. Arbitration must include the following:

- Selection of an Arbitrator – An qualified arbitrator agreed upon by both parties must be identified **within 15 calendar days after receiving a** request from one of the parties.
- Time Limits – An arbitration proceeding must be held **no later than 45 days** after the request for arbitration. A decision must be made by **the arbitrator no later than 30** calendar days after the date the arbitration proceeding begins.
- Costs-The costs of the arbitration proceeding must be divided evenly

Section I-A

MEMBER TIMESHEET COMPLIANCE

Volunteer Florida staff should initially randomly select and review timesheets for one-fourth of the total number of members enrolled. The most current and previous month's timesheets should be reviewed and compared to time logs in WBRS. If problems are found during the initial review such as; inconsistent calculations, unsigned timesheets, prohibited activities, etc., it will be considered a compliance issue and may require a complete audit of all member timesheets.

1. Do the timesheets clearly track the service activities to ensure adherence to the 80/20 rule? (Members hours must be direct service activities and no more than 20% attributed to training).
2. Are the timesheets signed and dated regularly by the Site Supervisor and Program Director to indicate that member hours have been verified?
3. Are member service activities listed on timesheets in line with the approved objectives and are void of prohibited activities?
4. Are members awarded service hours for anything other than service or training (for example, planning time?) If so, what do the hours represent and is there an appropriate written policy in place to manage these hours.
5. Are members on target with their hours given their tenure in the program?
6. How often are member timesheets turned in and/or reviewed?

List Member timesheets reviewed:

Are member timesheets reviewed complete, accurate, and consistent with WBRS?

YES NO

If no, please list names of individuals for which there are incomplete member timesheets

Member Documentation Follow-Up and Support

Ask program staff the following questions:

1. Is there more information, training or support needed in this area?

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Volunteer Florida Recommendations:

**Section II
EFFECTIVE STAFF DEVELOPMENT**

This section contains information collected from interviewing, conversing with and/or observing:

- ◆ Board Member(s)
- ◆ Member(s)
- ◆ Program staff
- ◆ Other stakeholders
- ◆ Member supervisor(s) from partner organization(s)

1. Describe the tenure and structure within the organization of key program staff.
2. What evidence or documentation exist that show program staff have copies of the most recent AmeriCorps Provisions and Corporation for National Service Program Directors Handbook?
3. What evidence or documentation exist that shows that the program staff is familiar with their Volunteer Florida contract?
4. What evidence or documentation exist that show the lead agency does require that program staff comply with the Drug-Free Workplace Act?
5. Does program staff keep timesheets in accordance with federal policy (note: educational institutions are exempt)?
6. What evidence or documentation exist that show that staff is aware of limitations on fundraising prohibitions for AmeriCorps staff?
7. What evidence or documentation exist that show that staff is aware of the performance measurement objectives?
8. Does Program staff have current position descriptions that accurately reflect their job responsibilities?
9. Does program staff receive at least an annual performance evaluation?
10. Describe how staff (particularly new staff) training needs will be identified and met this year?

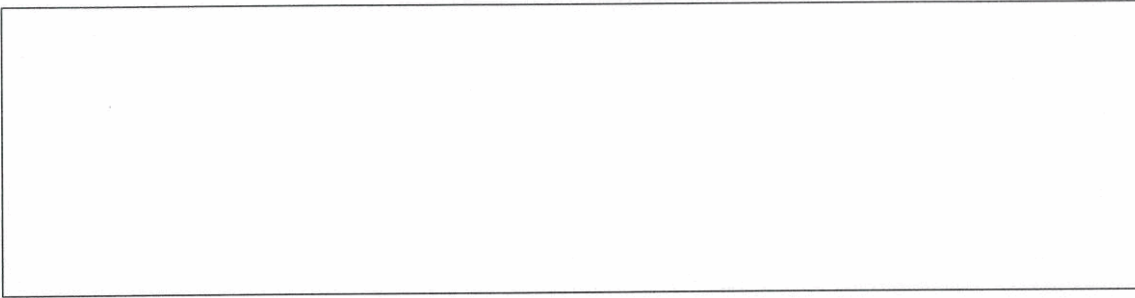
Staff Development Follow-Up and Support

Ask program staff the following questions:

1. Is there more information, training or support needed in this area?

Volunteer Florida Recommendations:

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**Section III
MEMBER MANAGEMENT**

1. Has the program recruited the allotted number of members?
2. What recruitment strategies did the program use?
3. Have Members been provided a copy of a position description? If not, how is it assured that members are knowledgeable of their roles and prohibited activities?
4. How do members become aware of program goals and objectives?
5. What member attendance procedures are in place?
6. How are members regularly updated on progress toward hours?
7. How often do program staff and members meet as a team?
8. What activities are in place to facilitate team building and esprit' de corps among members?
9. Have members been given a copy of their position description? (Review)
10. What disciplinary or corrective action procedures are in place for members who fall behind on hours or are not meeting performance standards?
11. Did all Members participate in a pre-service orientation (attach an orientation agenda). If not how did the program ensure that members understood their commitment and role in the program?
12. According to members and program partners, what pre-service training was provided to Members? According to Members and Site Supervisors, did the pre-service trainings adequately prepare them for service?
13. Has the program scheduled all required trainings? (Attach a copy of the program training schedule) If not, what is being done to ensure that members receive required trainings?
14. What process is in place to ensure that all members receive required training including members who begin the program late or miss scheduled trainings?
15. How often are performance evaluations conducted on the members?
16. Is the program experiencing a member retention problem? If yes, how is this challenge being addressed?

**Section III-A
MEMBER SERVICE AND ACTIVITIES**

This section contains information collected from interviewing, conversing with and/or observing:

- ◆ Board Member(s) ◆ Member(s)
- ◆ Program staff
- ◆ Other stakeholders ◆ Member supervisor(s) from partner organization(s)

1. What type of orientation to the AmeriCorps program did the service sites receive? Who participated from the sites?
2. Has each site where members serve, signed an agreement that ensures that they follow the policies regarding member management, prohibited activities, and program performance measurements?
3. Has the program designated a staff person to daily oversee the member's service activities, and verify service hours, at each site?
4. Have all members been given a service schedule that will ensure completion of required hours by the end of term?
5. What types of activities does a typical day include for members and how many hours a week are Members required to serve? (Review activities)
6. What are the procedures does the Program Director have in place monitoring service sites and do those procedures include a written record of monitoring?
7. Are members provided adequate space, equipment, materials and supplies to effectively carry out their service assignments?

Service Site and Service Activities Follow-Up and Support

Ask program staff the following questions:

1. Is there more information, training or support needed in this area?

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Volunteer Florida Recommendations:

**Section IV
PROGRAM IMPLEMENTATION**

This section contains information collected from interviewing, conversing with and/or observing:

- ◆ Board Member(s)
- ◆ Program staff
- ◆ Other stakeholders
- ◆ Member(s)
- ◆ Member supervisor(s) from partner organization(s)

1. What documentation exists that demonstrates how community stakeholders (partners, community residence, etc.) are involved in program planning and evaluation?
2. Does the program conduct at least an annual survey on stakeholder satisfaction? If so, how is this information used to improve program operations?
3. How is the Board involved in program planning and implementation?
4. What documentation exists that demonstrates how program staff provide partners with regular updates on program progress?
5. What system is in place to recruit, track, and recognize volunteers?

Program Implementation Follow-Up and Support

Ask program staff the following questions:

1. Is there more information, training or support needed in this area?

Volunteer Florida Recommendations:

Section IV-A

PROGRAM MEASURE OBJECTIVES AND DATA COLLECTION

This section contains information collected from interviewing, conversing with and/or observing:

- ◆ Board Member(s)
- ◆ Program staff
- ◆ Other stakeholders
- ◆ Member(s)
- ◆ Member supervisor(s) from partner organization(s)

1. Does the program have a procedure in place for collecting data on each performance measure and is this procedure written so that other program staff and program partners can assist in collecting data?
2. Do the members participate in collecting data? If yes, what data do they collect?
3. Does the program have any evaluations or assessments prepared to gather data on program services, projects completed, performance or impact?
4. Review Progress on Needs and Service performance measure objectives. What data is collected to report progress on Needs and Service performance measure objectives?
5. Review Progress on Member Development performance measure objectives. What data is collected to report progress on Member Development performance measure objectives?
6. Review Progress on Strengthening Communities performance measure objectives. What data is collected to report progress on Community Strengthening performance measure objectives?

Performance Measure Objectives and Data Collection Follow-up and Support

Ask program staff the following questions:

1. Is there more information, training or support needed in this area?

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Volunteer Florida Recommendations:

**Section IV-B
APR REPORTING PROCEDURES AND WBRS**

This section contains information collected from interviewing, conversing with and/or observing:

- ◆ Program staff
- ◆ Lead agency staff involved in the program reporting
- ◆ Fiscal personnel

1. Does program staff have a good working knowledge of the use of WBRS?
2. Does the program submit clear and comprehensive information on the progress report and is the report submitted in a timely manner?
3. Are the performance measure objectives and implementation plans complete in the APR map on WBRS?
4. Does the program data collection system/information collected consistent with the information provided by the program on the WBRS progress reports?
5. Review a sampling of the program's data for one of its performance measures from the previous year? Is the data consistent with the program's final AmeriCorps Progress Report (APR) from the previous year?

Reporting Procedures and WBRS Follow-Up and Support

Ask program staff the following questions:

1. Is there more information, training or support needed in this area?

Volunteer Florida Recommendations:

**Section V
FISCAL MANAGEMENT**

A. Systems, Policies and Procedures

The purpose of this section is to obtain an understanding of the program's fiscal systems, policies and procedures. Based upon past fiscal performance the all or some of the following questions will be asked of the grantee to determine **HOW** each item is completed, **WHO** is responsible for completion, **WHO** is involved in the transaction and **WHY** the system works best for the organization. If necessary, request a copy of the organization's Policies and Procedures.

1. How is program staff informed of the budget, budget narrative, and expenditures?
2. How does the program track expenditures for AmeriCorps program separately from other expenditures?
3. How does the program track match to ensure match is not used as match for another program?
4. Are equipment purchases in compliance with the budget narrative or has written approval been received from the Commission?
5. How does the program track cash and in-kind match (in-kind vouchers, invoices, etc.)?
6. Is signature authority on purchases and checks shared between several employees?
7. Does the program reconcile monthly bank (account) statements?
8. How does the program compare expenditures with budget?
9. Does the program have adequate liability and worker's compensation coverage?
10. Review the program's member payroll records. How often do members receive their living allowance? Is the living allowance paid in the same amount each pay period or do the amounts fluctuate?

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**Section VI
PROGRAM INCLUSION AND ACCESSIBILITY**

Program Name:	Date of Visit:
Visit Conducted by:	Person Interviewed:

1. Has the program staff completed and submitted this years Plan to Recruit Persons with Disabilities?

Yes ____ No ____

If not, the program staff will be given a specific date to submit the required plan.

If so, review a copy of the Plan to Recruit Persons with Disabilities which must include the following:

- A letter of agreement attached to the plan and contact information for the organization and types of disability served provided in the plan?
- Updated letters of agreement dated for the current program year?
- Three outreach activities and completion dates for the current year
- A representative from the disability community to the program
- A listing of essential job functions
- A process for obtaining feedback from the disability community on the program's efforts to include persons with disabilities in the program
- Documentation of progress on previous year plan

2. Has the required disability awareness and sensitivity training been scheduled or conducted for all AmeriCorps members?

If not, what plans does the program have to ensure that this training is scheduled within 30 days of the date of this visit.

Inclusion & Accessibility Follow-Up and Support

1. Describe challenges the program is experiencing in the area of inclusion and accessibility and describe technical assistance or training needed.

**Section VII
PROGRAM SERVICE SUSTAINABILITY**

This section contains information collected from interviewing, conversing with and/or observing:

- ◆ Board Member(s)
- ◆ Program staff
- ◆ Other stakeholders
- ◆ Member(s)
- ◆ Member supervisor(s) from partner organization(s)

1. Has the lead agency developed a written plan of how program services will be sustained beyond AmeriCorps funding? If not, what is the time line for the lead agency to develop a written plan?
2. Who is specifically responsible for coordinating the development of the sustainability plan?
3. Are key stakeholders aware of the requirement to develop and implement a sustainability plan? If so, how were key stakeholders made aware of this requirement?
4. What strategies will be used to engage stakeholders in the development of a sustainability plan and what documentation exists to demonstrate that these strategies are being utilized?
5. What is the primary strategy or means for the community to sustain services beyond AmeriCorps funding?
6. What agency or entity will be primarily responsible for implementing or coordinating the provision of services beyond AmeriCorps funding?
7. Describe the progress to date in the development or implementation of a sustainability plan?
8. Does the program's sustainability plan include fundraising efforts? If so, who is responsible for fundraising activities?
9. Does the program's sustainability plan include a role for members? If so, what is the member's role and are member activities in accordance with the AmeriCorps Provisions?

Program Service Sustainability Follow-Up and Support

Ask program staff the following questions:

2. Do you need more information about or support in developing or implementing your

**Volunteer Florida: Response to the draft report on the
Audit of Corporation for National and Community Service Grants Awarded to Volunteer Florida
sustainability plan?**

Volunteer Florida Recommendations:

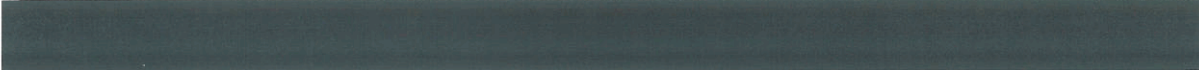
**Volunteer Florida: Response to the draft report on the
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**Program Technical Assistance & Compliance Review
Checklist**

Program Staff should have copies of the following available on the first day of the visit. Program Consultants should review this information and keep required documentation in the program's official Volunteer Florida Contract File

- Member Contract (including Grievance Process)
- Member Orientation Agenda
- Member Timesheets/Activity Log
- Member Position Description
- Staff Timesheet
- Program Director/Coordinator Position Description
- Sample Partner Site Agreement
- Member Training Schedule/Calendar
- Plan to Recruit Persons with Disabilities (including current letters of agreement)
- Updated Sustainability Plan
- List of Community Partners
- Contact Information for Agency Board Members
- Lead Agency Organizational Chart
- Copy of Lead Agency Statement of Drug-Free Workplace
- Copies of documentation of expenditures to be reviewed
- Data to support program previous progress report (Identified by Program Consultant prior to visit)
- Copy of Stakeholder Survey

**Volunteer Florida: Response to the draft report on the
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End the visit with an exit meeting with key staff. During this meeting, review findings as follows:

1. Program Strengths:

2. Program Challenges:

3. Technical Assistance, Training, or Information Needed by Program:



4. Findings Requiring Immediate Action by Program:

Appendix B

Response to the Draft Report by the Corporation for National and Community Service

Corporation for
**NATIONAL &
COMMUNITY
SERVICE** 

To: Carol Bates, Acting Inspector General

From: Margaret Rosenberry, Director of Grants Management 
Kristin McSwain, Director of AmeriCorps 

Cc: Elizabeth Seale, Chief Operating Officer
Sherry Wright, Audit Resolution Coordinator, Office of the CFO

Date: August 24, 2006

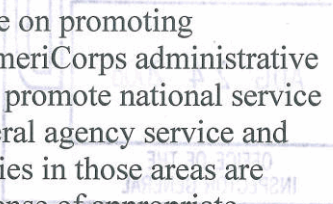
Subject: Response to OIG Draft Audit Report: Audit of Corporation for National and Community Service Grants Awarded to Volunteer Florida

Thank you for the opportunity to review the draft audit report of the Corporation's grants awarded to the Florida Commission (Volunteer Florida). Due to the limited timeframe for response, the nature of the auditor's findings, and Volunteer Florida's response, we are addressing only four issues at this time. We will respond to all findings and recommendations in our management decision when the final audit is issued; we have reviewed the findings in detail and worked with Volunteer Florida to resolve the audit.

Before we can fully resolve the audit, we need to understand the basis on which the audit team made its determination of "systemic failure on the part of the commission to properly monitor the fiscal activities of its subgrantees." Over 80% of the questioned costs among the subgrants occurred in only one subgrantee, which may not suggest that the problem is systemic. However, while not stated in the report, discussions with your staff revealed that the audit team also could not easily reconcile expenditures as reported by subgrantees on the Financial Status Report to the subgrantee's general ledger. Therefore, while the Volunteer Florida response describes an extensive monitoring plan, its strengths are in programmatic monitoring and there are areas for improvement related to financial monitoring. A Corporation team conducted a monitoring and technical assistance site visit to Volunteer Florida in early June and reviewed corrective action plans Volunteer Florida has developed to address the issue. The commission developed a new financial monitoring tool and is moving to a risk-based monitoring system to ensure all high risk and new programs receive extensive financial monitoring and assistance. The team also recommended that the commission use its financial office to conduct all fiscal monitoring.

The Corporation agrees with the audit team that the relationship between Volunteer Florida and the Volunteer Florida Foundation needs to be updated, clarified and documented. During audit resolution we will ensure that expenses are appropriately charged and the relationship is fully documented.





The audit report also noted that commission staff seemed to focus more on promoting voluntarism and supporting disaster response in the state than on its AmeriCorps administrative responsibilities. However, commissions have broad responsibilities to promote national service and to coordinate with other volunteer service programs and other federal agency service and assistance activities in the state. Therefore, Volunteer Florida's activities in those areas are appropriate and allowable as long as they are not conducted at the expense of appropriate administration and operation of AmeriCorps programs and activities related to AmeriCorps programs. During audit resolution we will review commission activities and ensure the commission is meeting its broad responsibilities, included those related to review, support, assistance and oversight of AmeriCorps programs.

Finally, the Corporation's grant provisions and other federal requirements for commission grants are clear about restrictions on lobbying and what constitutes lobbying. Any expenditure of federal funds for direct lobbying efforts are unallowable, including writing to legislators urging support of appropriations on stationery paid for with grant funds. However, state commissions are responsible for providing program information to legislators upon request. During audit resolution we will review costs to ensure none were incurred for lobbying.

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