

Office of Inspector General Corporation for National and Community Service

AGREED-UPON PROCEDURES REVIEW OF CORPORATION FOR NATIONAL AND COMMUNITY SERVICE EDUCATION AWARD PROGRAM GRANTS TO REGIS UNIVERSITY – COLORADO CAMPUS COMPACT

OIG REPORT NUMBER 08-20



Corporation for
**NATIONAL &
COMMUNITY
SERVICE** 

Prepared by:

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This report was issued to Corporation management on September 5, 2008. Under the laws and regulations governing audit follow-up, the Corporation is to make final management decisions on the report's findings and recommendations no later than March 5, 2009, and complete its corrective actions by September 5, 2009. Consequently, the reported findings do not necessarily represent the final resolution of the issues presented.



OFFICE OF INSPECTOR GENERAL

September 5, 2008

TO: Kristin McSwain
Director, AmeriCorps*State and National

Margaret Rosenberry
Director, Office of Grants Management

FROM: Stuart Axenfeld
Assistant Inspector General for Audit

SUBJECT: *OIG Report 08-20, Agreed-Upon Procedures Review of Corporation for National and Community Service Education Award Program Grants to Regis University – Colorado Campus Compact*

We contracted with the independent certified public accounting firm of Regis & Associates, PC, (Regis PC) to perform agreed-upon procedures in its review of Corporation Education Award Program grants awarded to Regis University – Colorado Campus Compact (Regis-CCC). [Note: The grantee, Regis University – Colorado Campus Compact, is not affiliated with the accounting firm, Regis & Associates]. The contract required the accounting firm to conduct its review in accordance with generally accepted government auditing standards.

Regis PC is responsible for the attached report, dated April 4, 2008, and the conclusions expressed therein. We do not express opinions on Regis-CCC's Schedule of Questioned Education Awards, Accrued Interest Awards and Excess Drawdowns; conclusions on the effectiveness of internal controls; or compliance with laws, regulations, and grant provisions.

Under the Corporation's audit resolution policy, a final management decision on the findings in this report is due by March 5, 2009. Notice of final action is due by September 5, 2009.

If you have questions pertaining to this report, please call me at 202-606-9360, or Ron Huritz, Audit Manager, at 202-606-9355.

Attachment

cc: Ms. Stephanie Schooley, Director, UCAN Serve AmeriCorps Program, Regis-CCC
William Anderson, Deputy Chief Financial Officer, Financial Management
Rocco Gaudio, Deputy Chief Financial Officer, Grants and Field Financial Management
Sherry Blue, Audit Resolution Coordinator
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**OFFICE OF INSPECTOR GENERAL
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE**

**AGREED-UPON PROCEDURES REVIEW OF
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE
EDUCATION AWARD PROGRAM GRANTS TO
REGIS UNIVERSITY – COLORADO CAMPUS COMPACT**

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Note: The grantee, Regis University, is not affiliated with the audit firm, Regis & Associates.

EXECUTIVE SUMMARY

The Office of Inspector General (OIG), Corporation for National and Community Service (Corporation), contracted with Regis & Associates, PC to perform agreed-upon procedures of Regis University – Colorado Campus Compact (Regis-CCC) to assist the OIG in compliance testing of member files for Education Award Program (EAP) grants for Program Years 2004-2005, 2005-2006, 2006-2007, and 2007-2008. As a result of applying these procedures, we have questioned amounts totaling \$152,452 consisting of Education Awards of \$81,356, administrative fees of \$69,616 and \$1,480 in accrued interest awards (interest forbearance on student loans). The questioned administrative fees include \$1,875 for ineligible members, and \$67,741 for excess funds drawn down. The detailed results of our agreed-upon procedures (AUP) on questioned amounts are presented in the Independent Accountant's Report on Applying Agreed-Upon Procedures, and Exhibit A, *Schedule of Questioned Education Awards, Accrued Interest Awards and Excess Drawdowns*.

A questioned amount is an alleged violation of a provision of law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds; a finding that, at the time of testing, such amount was not supported by adequate documentation, or a finding that the expenditure of funds for the intended purpose was unnecessary or unreasonable.

Questioned Amounts. As a result of testing a statistical sample of transactions, we questioned amounts as shown below:

Grant Number	AUP Period	Questioned Amounts		
		Education Award	Accrued Interest	Admin Fees
04EDHCO001	05/10/04 – 05/09/06	\$16,202	\$293	\$177
05EDHCO001	08/19/05 – 03/17/08	\$65,154	\$1,187	\$69,439
Total		<u>\$81,356</u>	<u>\$1,480</u>	<u>\$69,616</u>

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

Exit Conference. The contents of this report were discussed with the Corporation and Regis-CCC at an exit conference conducted on May 23, 2008.

Agreed-Upon Procedures Scope

These agreed-upon procedures covered the objectives of determining whether members enrolled in the program are eligible to serve, are performing service in accordance with grant terms and conditions and, if certified for an education award, have performed the minimum service hours required during the award periods shown below:

<u>Grant Award Number</u>	<u>Grant Award Period</u>
04EDHCO001	05/10/04 - 05/09/06
05EDHCO001	08/19/05 - 08/18/08

We also performed tests to determine compliance with grant terms and provisions. We performed our procedures during the period March 24, 2008, through May 2, 2008.

The OIG's agreed-upon procedures, dated September 2007, provided guidance for understanding the Regis-CCC EAP Program and testing compliance with grant provisions. We used statistical sampling software for selecting the sample for our testing, however, we did not project the results to the member population. These procedures are described in more detail in the *Independent Accountants' Report on Applying Agreed-Upon Procedures*.

Background

Regis-CCC administers the UCAN Serve Program that enrolls 3,000 students annually in 40 sub-site campuses located in Utah, Colorado, Arizona, New Mexico and Montana. These UCAN Serve members contribute 2.2 million volunteer hours per year as part of their academic service and student leadership activities.

As the CCC host campus and grantee, Regis-CCC provides all administrative responsibilities for monitoring the UCAN Serve Program. Its management consists of six board members, two full-time CCC staff (the Program Director and the Program Coordinator), one part-time auditor, and one part-time work-study student.

AmeriCorps Education Award Program (EAP) grants are fixed-amount awards. In determining the amount of these awards, the Corporation considers the number of "full-time equivalents" (FTEs) that the grantee agrees to enroll. One FTE equals a full-time education award for which a minimum of 1,700 hours of service has to be completed. The Corporation sets a limit on the grant support per FTE. That amount has varied over the years due to program funding levels. Because EAP grant awards are based on fixed amounts rather than incurred costs, grantees are not required to document their expenditures or submit Financial Status Reports to the Corporation. However, grantees must still comply with applicable laws, regulations and grant provisions.

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Regis & Associates, PC performed the agreed-upon procedures described below, which were agreed to by the Corporation's OIG, solely to assist it in compliance testing of member files for EAP Grant Number 04EDHCO001 for program years 2004-2006, and Grant Number 05EDHCO001 for program years 2005-2008. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and generally accepted government auditing standards. The sufficiency of these procedures is solely the responsibility of the OIG. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

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

The procedures that we performed included verifying that:

- Enrolled members were U.S. citizens, nationals, or lawful permanent residents and had obtained high-school diplomas or equivalency certificates;
- Hours reported in the Corporation's Web-Based Reporting System (WBRS) agree to hours recorded on members' timesheets;
- Hours recorded on members' timesheets supported members' eligibility to earn education awards;
- Members timesheets, forms, and contracts were in member files and were signed, dated, and did not contain discrepancies;
- Member contracts were signed by members and included required AmeriCorps stipulations;
- Regis-CCC certified to the National Service Trust that members were eligible to receive education awards;
- Criminal record checks were conducted for members with substantial recurring contact with children or vulnerable individuals;
- Members attended orientation sessions;
- Mid-term and end-of-term performance evaluations were performed and documented;

- Members released for compelling personal circumstances were eligible for pro-rated education awards;
- Members' enrollment, exit, and change-of status forms were completed and approved in WBRS within 30 days of members starting and ending service or changing status;
- No more than 20 percent of the aggregate of all AmeriCorps members' service hours were spent in training and educational activities;
- Grant drawdowns did not exceed the administrative fees for eligible members enrolled.

RESULTS

As a result of applying the agreed-upon procedures, we tested 1,013 member files. We questioned \$81,356 of education awards, \$1,480 in accrued interest awards, and \$69,616 in administrative fees. The questioned amounts are summarized in Exhibit A, *Schedule of Questioned Education Awards, Accrued Interest Awards and Excess Drawdowns*. The compliance testing results are summarized in the section titled, *Compliance Testing Results*.

Issues identified included instances of the following:

- Member files did not include all required documentation to support eligibility to participate in the program;
- Service hours were earned before member contracts were signed;
- Member files were not retained as required by grant provisions and regulations;
- Inadequate documentation to support the conduct of criminal background checks;
- Timesheet hours were not accurately recorded in WBRS;
- Member enrollment and exit forms were not entered into WBRS in a timely manner;
- Regis-CCC was unable to provide documentation of required AmeriCorps pre-service orientation attendance for members;
- Member contracts lacked the required clauses on Civil Rights and Equal Opportunity;
- Regis-CCC's grant drawdowns exceeded the amount allowed for eligible members enrolled in program year 2006-2007.

EXHIBIT A

**REGIS UNIVERSITY – COLORADO CAMPUS COMPACT
UCAN SERVE AMERICORPS PROGRAM
EDUCATION AWARD PROGRAM**

**SCHEDULE OF QUESTIONED EDUCATION AWARDS, ACCRUED INTEREST
AWARDS AND EXCESS DRAWDOWNS**

EDUCATION AWARDS

Reasons for Questioned Amounts	Enrollment Type	Education Award Amount	Number of Members	Questioned Amounts			Total Questioned Amounts
				Total Education Awards	Accrued Interest	Admin Fees	
No Evidence of US Citizenship							
2004-2005	QT	\$1,250	1	\$1,250	\$0	\$106	\$1,356
2005-2006	MT	\$1,000	1	\$1,000	\$0	\$71	\$1,071
Hours Not Supported in WBRs and Time Sheets							
2004-2005	2YHT	\$2,363	4	\$9,452	\$293	\$0	\$9,745
	QT	\$1,250	2	\$2,500	\$0	\$0	\$2,500
	MT	\$1,000	2	\$2,000	\$0	\$0	\$2,000
2005-2006	2YHT	\$2,363	7	\$16,541	\$110	\$0	\$16,651
	QT	\$1,250	6	\$7,500	\$0	\$0	\$7,500
	MT	\$1,000	7	\$7,000	\$0	\$0	\$7,000
2006-2007	QT	\$1,250	5	\$6,250	\$1,077	\$0	\$7,327
	MT	\$1,000	6	\$6,000	\$0	\$0	\$6,000
2007-2008	MT	\$1,000	1	\$1,000	\$0	\$0	\$1,000
Missing Member Files							
2004-2005	MT	\$1,000	1	\$1,000	\$0	\$71	\$1,071
2005-2006	QT	\$1,250	1	\$1,250	\$0	\$106	\$1,356
	MT	\$1,000	2	\$2,000	\$0	\$142	\$2,142
2006-2007	2YHT	\$2,363	1	\$2,363	\$0	\$212	\$2,575
	QT	\$1,250	9	\$11,250	\$0	\$954	\$12,204
	MT	\$1,000	3	\$3,000	\$0	\$213	\$3,213
Total Education Award and Administrative Fees				\$81,356	\$1,480	\$1,875	\$84,711

(QT - Quarter Time, MT - Minimum Time, 2YHT – Two-year Half Time)

EXCESS DRAWDOWNS

Program Year	Number of FTE	Administrative Fee Entitlement	Drawdown Amount	Excess Drawdown
2006-2007	995	\$397,700	\$465,441	\$67,741

**REGIS UNIVERSITY – COLORADO CAMPUS COMPACT
UCAN SERVE AMERICORPS PROGRAM
EDUCATION AWARD PROGRAM**

COMPLIANCE TESTING RESULTS

Finding 1. Member files did not include all required documentation to support eligibility to participate in the Education Award Program.

We reviewed 1,013 member files to verify that enrolled members were U.S. citizens, or lawful permanent residents. We noted that Regis-CCC did not require the sub-site locations to comply with AmeriCorps provisions. Some incoming participants were allowed to self-certify their age and citizenship or lawful permanent residency eligibility prior to enrollment. Age and citizenship eligibility are conditions for participants to enroll in the program and receive education awards. Regis-CCC did not comply with the provisions established for the AmeriCorps programs, which requires that applicants meet AmeriCorps member eligibility requirements before starting service. Regis-CCC's general practice is to require program officials to obtain the necessary documentation to confirm a member's eligibility after the member has completed his/her service. This practice does not comply with grant provisions, and we found that this practice is inconsistently followed.

Programs that do not maintain documentation to ensure that applicants meet the citizenship or residency eligibility requirements at the time their service begins are at risk of enrolling members who may not be eligible to participate in the EAP Program.

As a result, we questioned amounts totaling \$2,427, representing \$2,250 in education awards and \$177 in administrative fees for two ineligible members.

Criteria

The AmeriCorps Education Award Program Grant Provisions for 2005-2006, Section IV.M.2, states in part, "*Verification.* 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. §2522.200(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 a driver's 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."

According to Title 45 CFR § 2522.200, *What are the eligibility requirements for an AmeriCorps participant?*, every AmeriCorps participant is required to be a citizen, national, or lawful permanent resident alien of the United States.

Recommendations

We recommend that the Corporation:

- 1a. Require Regis-CCC to consistently follow the AmeriCorps provisions to ensure that adequate documentation is maintained to verify member eligibility as a condition of enrollment.
- 1b. Disallow and recover education awards and related administrative fees for members determined to be ineligible.

Regis – CCC's Response

Regis-CCC officials acknowledged that the UCAN Serve program sometimes allowed members to self-certify and program locations to obtain eligibility documentation prior to the exiting process, rather than prior to enrollment, to avoid delays in members earning service hours. Regis-CCC also indicated that in the future, the UCAN Serve program will require that member eligibility documentation be obtained prior to enrollment.

Auditor's Comment

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

Finding 2. Service hours were earned before member contracts were signed.

Our review of member files to determine whether members signed contracts before they earned service hours showed that Regis-CCC established a 30-day Enrollment Policy for UCAN Serve members that permitted incoming prospective members to earn service hours prior to signing a member contract. The policy states, "There is a 30-day commitment period within which members are able to capture hours prior to being enrolled in the WBRS system."

According to program officials, the policy was based on their interpretation of the AmeriCorps provision requiring that members be enrolled in the WBRS system within 30 days of their start date. To implement the policy, Regis-CCC's sub-site campuses backdate member enrollment dates entered into WBRS. The policy stipulates that the coordinator is to enter the member enrollment information into WBRS within 30 days of the contracted start date.

We treated the date the member signed the contract as the date for determining the number of eligible hours. We identified both active and completed members with ineligible hours. We noted a total of 50 members with ineligible hours for the 2007-2008 program years; however, we did not question the amounts because these members were still serving during our fieldwork.

The table below reflects the amounts questioned for members who received an education award but did not earn the required number of hours for their enrollment status after deducting the ineligible hours. The questioned amounts also include accrued interest awards.

Reasons for Questioned Amounts	<u>2004-2005</u>	<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>
Ineligible hours				
Questioned Amount	\$13,952	\$31,041	\$12,250	\$1,000
Accrued Interest	<u>\$293</u>	<u>\$110</u>	<u>\$1,077</u>	<u>\$0</u>
Total Questioned Costs	<u>\$14,245</u>	<u>\$31,151</u>	<u>\$13,327</u>	<u>\$1,000</u>
Number of Members	20	30	25	4

Regis-CCC did not comply with AmeriCorps' provisions. Applicants who record service time before contracts are in place may receive education awards and accrued interest awards to which they are not entitled, as applicants do not become members until they sign their service contracts.

Criteria

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

1. *Member Enrollment Procedures.*

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

Recommendations

We recommend that the Corporation:

- 2a. Ensure that Regis-CCC permits only members with signed contracts, and who meet the criteria of an AmeriCorps member, to record service hours.
- 2b. Disallow and recover from Regis-CCC education awards and related accrued interest awards due to ineligible member hours.

- 2c. Determine if each of the 50 members (PY 2007-2008) identified as beginning service before signing their member contract served sufficient hours after signing the contract to earn an education award.

Regis - CCC's Response

Regis-CCC officials acknowledged that UCAN Serve members often begin their service prior to completing the program orientation, at which time the member completes the required forms. Regis-CCC officials also pointed out that the orientation process was conducted within a 30-day period, and that their interpretation of the commitment clause in the *Member Enrollment* policy, permits members to capture hours prior to being enrolled in the WBR system. The grantee defended its position by stating that it had never been informed that its interpretation of the 30-day policy was incorrect, and agreed to notify its 125 Coordinators of the recommendations noted above if it is determined that its current interpretation of the policy is incorrect.

Corporation's Response

The Corporation does not interpret the grant provisions as disallowing otherwise legitimate service hours solely because the hours were performed prior to the contract being signed by the member. The provision is a requirement that the grantee be diligent in completing the member enrollment process within a reasonable time after members have begun service. The provision itself defines enrollment, not the service start date, and does not state that the member contract signature date must coincide with the term of service start date.

Auditor's Comment

Our review and resulting recommendations were prepared based on the previously quoted guidelines. The grantee's response addressed Recommendation 2a only. The full text of the Corporation's response (see Appendix B) sets forth its reasoning for disagreeing with the finding.

In our opinion, the provision clearly states the criteria for determining when an applicant gains membership status. The Corporation has not offered an alternative event that specifies the date an applicant becomes a member. Therefore, we consider hours served before start dates as invalid service hours for calculating the number of service hours earned. We continue to question the costs because the members did not serve the required number of hours to complete their term of service when hours recorded before the start date are deducted from the total reported service hours. The OIG is continuing to work with the Corporation on the issue of hours recorded before member contracts are signed.

Finding 3. Member files were not retained as required by grant regulations.

Regis-CCC was not able to provide member files for 22 members, consisting of 17 members who exited the program with education awards, and 5 active members. As a result, we questioned administrative fees for 22 members and 17 education awards as follows:

<u>Reasons for Questioned Amounts</u>	<u>Program Years</u>		
	<u>2004-2005</u>	<u>2005-2006</u>	<u>2006-2007</u>
Number of Members (22)	1	3	13
Questioned Education Award (17)	\$1,000	\$3,250	\$16,613
Administrative Fee (22)	<u>\$71</u>	<u>\$248</u>	<u>\$1,379</u>
Total Questioned Amount	<u>\$1,071</u>	<u>\$3,498</u>	<u>\$17,992</u>

Regis-CCC management did not ensure compliance with its records retention policy. Not retaining complete and accurate records increases the risk of drawing administrative fees for ineligible members and participants receiving education awards for which they are not eligible.

Criteria

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

Recommendations

We recommend that the Corporation:

- 3a. Require Regis-CCC to follow its policies and procedures, and to ensure that complete and accurate member records are maintained; and
- 3b. Disallow and recover (if used) the education awards for members without member files, documented eligibility and time sheets.

Regis-CCC's Response

The grantee indicated that because the program staff received the list of sample items one week prior to the review, which also fell during Spring Break and one campus Coordinator was out on maternity leave, there was not sufficient time to collect all of the requested member files during the fieldwork. According to Regis-CCC officials, all but one member file had been retained as required by the Corporation.

Auditor's Comment

While it is true that the sample was provided to Regis-CCC one week prior to the beginning of fieldwork, that timeframe is customary for independent reviews. However, 11 of the 17 missing member files were for members who completed their service during the 2006-2007 program years, and three of the files were for members who exited the program during PY 2005-2006. According to Regis-CCC program staff, member files are forwarded to the CCC office when the

member has completed their service hours. We provided the program staff three opportunities to provide the missing files; once during the two-week period that fieldwork was being conducted, during the week following the completion of fieldwork, and several days following the exit conference. To date, we have not been provided documentation for the 22 missing member files.

Finding 4. Inadequate documentation to support the conduct of criminal background checks on members.

Regis-CCC could not provide documentation to support that criminal background checks were completed as part of the screening process for nine members.

Without documentation of required criminal background checks, members who should not have been working with children or other vulnerable persons may have had substantial direct contact with those groups, resulting in a potential liability for Regis-CCC and the Corporation, and posing a potential danger to the persons being served.

Criteria

The AmeriCorps Education Award Program Grant Provisions for 2005-2006, Section IV. C. *Member Enrollment*, states: "*Criminal Background Checks.* Programs with members (18 and over) or grant-funded employees who, on a recurring basis, have access to children (usually defined under state or local law as un-emancipated minors under the age of 18) or to individuals considered vulnerable by the program (i.e. the elderly or individuals who are either physically or mentally disabled), shall, to the extent permitted by state and local law, conduct criminal background checks on these members or employees as part of the overall screening process."

Recommendations

We recommend that the Corporation ensure that Regis-CCC:

4. Develops and implements policies and procedures to comply with the latest Corporation regulation concerning criminal background checks (45 CFR 2522.205).

Regis-CCC's Response

The grantee stated that all members serving children and other vulnerable populations are in supervised positions. It also indicated that the member contract states that the campus/service site is responsible for completing the criminal background check and notifying UCAN Serve of adverse results, if any. In addition, the grantee stated that all UCAN Serve members were checked through the national sex offender registry online beginning in program year 2006-2007, and were also checked through the State criminal database for the State in which they were serving/living in program year 2007-2008.

Auditor's Comment

Regis-CCC's response partially addressed the recommendation. Documentation should be maintained as evidence that criminal background checks have been performed and that there were no adverse results. The grantee's procedures should now comply with 45 CFR 2522.205, which became effective November 23, 2007.

Finding 5. Timesheet hours were not accurately recorded in WBRS.

We reviewed 100 members' monthly timesheets to verify whether the hours recorded agreed with the hours reported in WBRS. We found that timesheet hours did not always agree with WBRS hours. We noted discrepancies on five (five percent) of the timesheets tested. The discrepancies did not affect the members' education award eligibility because the service hours earned exceeded the number of hours needed for the award.

If timesheet hours are not compared to hours certified on exit forms, some members could receive an education award to which they are not entitled.

Criteria

The AmeriCorps Education Award Program Grant Provisions for 2005-2006, Section IV F. (1), *Terms of Service, Program Requirements*, states that to be eligible for an education award, "Each Program must, at the start of the term of service, establish the guidelines and definitions for the successful completion of the Program year, ensuring that these Program requirements meet the Corporation's service hour requirements as defined below:

- a. Full-Time Members.** Members must serve at least 1700 hours during a period of not less than nine months and not more than one year.
- b. Half-Time Members.** Half-time members must serve at least 900 hours during a period of one or two years as indicated in the approved budget.
- c. Reduced Half-Time Members.** Reduced half-time members must serve at least 675 hours over a period not to exceed one year.
- d. Quarter-Time Members.** Quarter-time members must serve at least 450 hours over a period not to exceed one year.
- e. Minimum Time Members.** Minimum time members must serve at least 300 hours over a period not to exceed one year."

Recommendation

5. We recommend that the Corporation require Regis-CCC to perform a periodic review to agree timesheet hours with hours certified on exit forms.

Regis-CCC's Response

Regis-CCC indicated that their program policy was to have Coordinators sign changes to timelogs and notify the member of the change, but did not require approval by the member. Regis-CCC further indicated that a written policy will be implemented to have the Coordinator initial any timelog changes and email the member to notify them of the change.

Auditor's Comment

We continue to recommend that Regis-CCC develop a policy and procedure to make sure that certified hours agree with total timesheet hours.

Finding 6. Member enrollment and exit forms not entered into WBRS in a timely manner.

Regis-CCC did not enter enrollment and exit forms into WBRS in a timely manner for 94 members. Specifically, we noted that 56 enrollment forms were not entered into WBRS within 30 days of the member's start date. In addition, 38 exit forms were not entered into WBRS within 30 days of members ending their service.

Regis-CCC did not always follow AmeriCorps provisions. Untimely submission of these forms may prevent the Corporation from monitoring activity affecting the National Service Trust and the grantee's member slots.

Criteria

AmeriCorps Education Award Program Grants Provisions for 2005-2006, Section IV.O. (2), *AmeriCorps Special Provisions, Reporting Requirements, AmeriCorps Member-Related Forms* states, "The grantee is required to submit the following documents to the National Service Trust on forms provided by the Corporation. Grantees and sub-grantees may use WBRS to submit these forms electronically. Programs using WBRS must also maintain hard copies of the forms.

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

Recommendation

6. We recommend that the Corporation require Regis-CCC to follow the AmeriCorps provisions to ensure that member enrollment and exit forms are entered into WBRS in a timely manner.

Regis-CCC Response

The grantee acknowledged that prior to Program Year 2005-2006, exceptions were allowed to the 30-day guideline for enrollments on a case-by-case basis, and that there had been consistent improvement in the number of enrollments that exceed the 30-day maximum. Additionally, Regis-CCC officials indicated that there had been improvement in the number of exited members entered into WBRS beyond the 30-day maximum period.

Auditor's Comment

The actions implemented by the grantee should be considered by the Corporation, which should include follow-up to ensure that improvement continues in processing member enrollments and exits.

Finding 7. Regis-CCC was unable to provide evidence of required member attendance at AmeriCorps pre-service orientation sessions.

Regis-CCC was unable to provide evidence that members attended the required orientation sessions prior to starting their service. Of the 1,013 member files reviewed, we were unable to identify 667 members on orientation rosters. In addition, we noted 26 members for whom no "indirect training" hours were entered into WBRS.

Program officials indicated that orientation sessions are typically held during campus activities that attract large numbers of students. Although sign-in sheets are provided during orientation sessions, not all members provide a signature.

If members do not participate in the required orientation, they may be unaware of requirements to which they must adhere to successfully complete the Education Award Program.

Criteria

AmeriCorps Education Award Program Grant Provisions for 2005-2006, Section IV. E. 3, *Training, Supervision, and Support*, states that:

"The grantee must conduct an orientation for members and comply with any pre-service orientation or training required by the Corporation. This orientation should be designed to enhance member security and sensitivity to the community. Orientation should cover member rights and responsibilities, including the program's code of conduct, prohibited activities (including those specified in the regulations), requirements under the Drug-Free Workplace Act

(41 U.S.C. 701 et seq.) suspension and termination from service, grievance procedures, sexual harassment, other non-discrimination issues, and other topics as necessary.”

Recommendation

7. We recommend that the Corporation require Regis University-CCC to follow AmeriCorps provisions to ensure that all members receive the required program pre-service orientation. Specifically, orientation should be conducted to enhance member service rather than being part of other campus activities that attract non-members.

Regis-CCC's Response

The grantee indicated that the enrollment forms served as proof of orientation because members cannot complete and submit enrollment paperwork unless they have attended an orientation. The grantee added that the Corporation should establish a written policy if additional proof of member orientations is required. However, Regis-CCC indicated that beginning in PY 2007-2008, end-of-term evaluations would include a requirement verifying that the member attended an orientation as a part of their term of service.

Auditor's Comment

The action proposed by Regis-CCC does not fully address the intent of the provision requirements. While the proposed action serves to provide some documentation of orientation, it does not provide documentary evidence of compliance that pre-service orientation or training was conducted.

Finding 8. Member contracts did not include required clauses on Civil Rights and Equal Opportunity.

The contract used by Regis-CCC for all program years tested did not include all of the Civil Rights and Equal Opportunity clauses as stipulated in the AmeriCorps provisions. The member contract only includes the Non-Discrimination Guidelines.

The grantee indicated that these provisions are incorporated into Regis-CCC's organization-wide policies and are communicated to all employees and program sub-sites. If these requirements are not included in the member contracts, members may not be aware of their rights under Civil Rights and Equal Opportunity regulations as they relate to the Education Award Program.

Criteria

The AmeriCorps Education Award Program Grant Provisions for 2006, Section V.F.3, *Public Notice of Non discrimination*, states,

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

Recommendation

8. We recommend that the Corporation require Regis-CCC to revise its member service contract to include all AmeriCorps requirements stipulated in the grant provisions for each year of service.

Regis-CCC's Response

The grantee indicated that the Civil Rights and Equal Opportunity Clauses were added to the UCAN Serve Member Handbook and to its website after the 2006-2007 program year. It also indicated the clauses are now also present in the Member Contract.

Auditor's Comment

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

Finding 9. Regis-CCC's grant drawdowns exceeded the amount allowed for eligible members enrolled in program year 2006-2007.

We verified administrative fees drawn down by the grantee for all program years tested. We found that the fees drawn exceeded the allowed amount by \$67,741 during program year 2006-2007. Therefore, we questioned \$67,741 of excessive administrative fees. Regis-CCC's management did not ensure compliance with the EAP provisions regarding drawdowns. Weak controls over the grant drawdown process could increase the risk of ineligible or excessive drawdowns by the grantee.

Criteria

The AmeriCorps Education Award Program Grant Provisions for 2005-2006, Section V.K, *General Provisions, Responsibilities Under Grant Administration*, Fixed Amount Award states:

“Education Award Programs are for fixed amounts and are not subject to the Federal Cost Principles. The fixed amount is based on the approved number of members and is funded at the amount per full-time equivalent member specified in the award.

The award is dependent upon the grantee's performance under the terms and conditions of the award. These include properly enrolling the number of members as specified in the award to carry out the activities and to achieve the specific project objectives as approved by the Corporation. Failure to enroll the number of members approved in the grant itself may result in the reduction of the amount of the grant.”

Recommendations

We recommend that the Corporation:

- 9a. Require Regis-CCC to ensure that the drawdown of grant funds complies with AmeriCorps provisions; and
- 9b. Disallow and recover the overdrawn grant funds.

Regis-CCC's Response

The grantee indicated that drawdowns are executed through the HHS Payment Management System which allows funds to be drawn down based on the award total for the program and that there can be no excess drawdowns. Additionally, Regis-CCC indicated that during the 2006-2007 program year, the Corporation's letter of award dictated that its performance was measured over a three-year grant period, not a single grant year. The grantee disagreed with the finding.

Auditor's Comment

The process described in the grantee's response did not address the provision requirements which stipulate that the grantee's award is based on the number of members enrolled (full text of the requirement is presented above). The grantee's original award is based on 100 percent of enrollment for a specific mix of full time equivalent (FTE) members enrolled (i.e. 200 quarter-time, 100 minimum time, etc.). As the grantee refills vacated slots or fills a slot that changes the mix of FTEs, the award amount fluctuates. To avoid excess drawdowns, reconciliations should be performed to calculate the drawdown amount based on the number of FTEs enrolled as opposed to the percentage of enrollment. In addition, because the funding is budgeted annually, this calculation should be based on the annual amount budgeted and not the grant period. Therefore, we recommend that the Corporation take action on our recommendation.

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

Regis & Associates, PC

Regis & Associates, PC
April 4, 2008

APPENDIX A

**RESPONSE TO DRAFT REPORT OF
REGIS UNIVERSITY – COLORADO CAMPUS COMPACT**



July 28, 2008

To:
Ronald Huritz
OIG Audit Manager
Corporation for National & Community Service
1201 New York Avenue, N.W.
Washington, DC 20525

From:
Stephanie Schooley
Program Director, UCAN Serve AmeriCorps Program
Colorado Campus Compact/Regis University
3333 Regis Blvd., B-7
Denver, CO 80221-1099

Dear Mr. Huritz:

Attached is the UCAN Serve AmeriCorps Program response to the OIG's draft report. We look forward to working with the Corporation to further clarify the findings in this report and implement any continuous improvement steps necessary. Please feel free to contact me at 303-964-5084 or sschoole@regis.edu if you have any follow-up questions. Thank you for your time.

Yours in Service,

A handwritten signature in black ink that reads "Stephanie". The signature is written in a cursive, flowing style.

Stephanie Schooley, MA
Director, UCAN Serve AmeriCorps Program



To: The Office of Inspector General
Corporation for National and Community Service
1201 New York Avenue, NW, Suite 830
Washington, DC 20525

From: Regis University – Colorado Campus Compact
UCAN Serve AmeriCorps Program
3333 Regis Blvd. B-7
Denver, CO 80221-1099

To Whom It May Concern:

Thank you for providing the UCAN Serve AmeriCorps program and Colorado Campus Compact with the opportunity for continuous improvement through the Office of Inspector General audit process. Our program staff has taken some very valuable information from this process that we will utilize as the program moves forward. We also recognize the need for clarity around some Provisions and the differing interpretations of those Provisions between the Office of Inspector General, the Corporation for National and Community Service and Colorado Campus Compact. We look forward to working with the Corporation to resolve these differences of interpretation and policy in the coming months.

Finding 1 ~ Documentation of Eligibility

The UCAN Serve program sometimes allowed for flexibility for members collecting their birth certificate or passport from out-of-state. Because all of our members are college/university students, oftentimes their parents were the individuals with access to those documents. To avoid delay in getting members up and running with their service, a small number were enrolled using the self-certification on the Enrollment Form as long as their eligibility documentation was provided prior to the exiting process. In the future, members will not be allowed to enroll in UCAN Serve without having their eligibility documentation prior to enrollment to avoid situations in which a member file is missing appropriate citizenship/permanent residency documentation.

Finding 2 ~ 30-Day Enrollment Policy

The Corporation for National and Community Service requires that members be enrolled in the WBRS system within 30 days of their start date. There is a 30-day commitment period within which members are able to capture hours prior to being enrolled in the WBRS system. Because UCAN Serve members typically participate through their





academic or student service programs, the scheduling of orientations (where all paperwork is submitted) sometimes occurs at a set time based on the availability of the course schedule, rather than the individual student's schedule. It often happens that the member begins their service and then goes through the UCAN Serve orientation at a later date within the 30-day timeframe. UCAN Serve members often begin their service prior to their orientation but within the required 30-day timeframe to comply with the CNCS requirement, and members indicate their start date within that 30-day period. With the volume of students we process, this system has been critical to our success.

All members receive site-based training and supervision before or during the start of their service regardless of their start date in WBRS, preparing them for their actual service activities. The UCAN Serve orientation then walks members through the Member Handbook, required forms, policies and procedures, etc. The 30-day policy allows participating campuses to respond to the individual needs of community partners while still ensuring that all UCAN Serve members attend an orientation and submit required documentation through that in-person training.

Through five state CNCS site visits over the past four years, we were never informed that this interpretation of the 30-day policy was incorrect. Members have been entered into the UCAN Serve program in good faith following this interpretation and have served their contracted hours with the program to earn their education award. If it is determined that the 30-day policy interpretation is incorrect, the UCAN Serve program will immediately issue guidance to our 125 Coordinators informing them of the policy change.

Finding 3 ~ Retention of Member Files

The UCAN Serve AmeriCorps program is a six-state, multi-site program that operates through a decentralized system on 60 campuses. This system was explained to the audit team during the entrance conference to ensure that we would receive lists of required files in advance, so that we would have time to collect those files from our participating sites in six states, and make certain that all requested files would be present during audit field work. UCAN Serve program staff received the list of files to be audited one week before field work began. We collected the files that we were able to collect in that short period of time, which also fell directly during Spring Break for all of our public colleges and universities. For one campus, the local Coordinator was out on maternity leave and there was not ample time to contact her and get the files shipped to the Colorado Campus Compact office. With the exception of one member file out of the sample, all records have been retained as required by the Corporation. However, the abbreviated timeline provided to our program by the auditors to collect member files regionally created a





situation in which we were not able to have 100% of the requested files in our office during the field work. The UCAN program has a written record retention policy, approved by the Corporation, that all campuses follow and that is included in the Coordinator Handbook and the UCAN Serve Operations Manual.

Finding 4 ~ Criminal Background Checks Verification

All UCAN Serve AmeriCorps members serving with children and other vulnerable populations are in supervised positions. In addition, the Member Contract clearly states that if a criminal background check is required by the site or by law, the campus/service site are responsible for completing that check and notifying the UCAN Serve program of any adverse findings. Beginning in the 2006-2007 program year all UCAN Serve members were checked through the national sex offender registry online. Beginning in the 2007-2008 program year all UCAN Serve members were checked through the national sex offender registry and through the state criminal database for the state in which they were serving/living. That policy of a statewide check in addition to the sex offender check remains the current UCAN Serve criminal background check policy and members cannot be enrolled in the program prior to their criminal background check completion date.

Finding 5 ~ Timelogs

Member timelogs were amended in the past to correct mathematical errors, to discount indirect service hours that exceeded the 20% maximum, to discount fundraising hours that exceeded 10%, and to discount any hours recorded before the member's start date. UCAN Serve did have as program policy that Coordinators needed to sign off on such changes and notify the member of the change; however, approval of the change by the member was never a part of that policy. Beginning in the 2008-2009 program year it will be the written policy of UCAN Serve that Coordinators must initial any timelog changes and email the member notifying them of the change.

Finding 6 ~ Member Enrollments and Exits

UCAN Serve staff closely monitors the WBR system prior to approving any enrollments to ensure that they are within the allotted 30-day window. There are exceptions to the rule that are handled on a case-by-case basis. The 30-day guideline was issued in 05-06, and since that time our program has consistently reduced the number of enrollments that exceed the 30-day maximum. For exits, the Program Coordinator runs queries in WBR to identify any member with an exit date more than 25 days past and notify their Coordinator to get them exited in a timely fashion. Again, we continue to





work on this requirement and are pleased with the steady progress our program has made over the past three years.

Finding 7 ~ Proof of Orientations

All UCAN Serve AmeriCorps members go through an orientation prior to being enrolled as a member. These orientations may be in group or individual settings, or via an online orientation. Members cannot complete and submit enrollment paperwork unless they have attended an orientation, so the enrollment forms serve as proof that the individual attended an orientation. The UCAN Serve program has not, in the past, required additional proof of orientations because that was not a stated program requirement from the Corporation. If it is a requirement to have proof of orientations maintained by programs then the Corporation should make that a stated, written requirement in the Provisions. Beginning in the 07-08 program year we included a line on the end-of-term member evaluation verifying that the member attended an orientation as part of their term of service.

Finding 8 ~ Civil Rights and Equal Opportunity Clauses

The Civil Rights and Equal Opportunity Clauses were added to the UCAN Serve Member Handbook and to our website after the 2006-2007 program year. Those clauses are now present in the Member Contract (in addition to the website and general Handbook) for subsequent grant years.

Finding 9 ~ Excess Drawdowns

According to the Administrative Accounting department at Regis University, the fiscal host for UCAN Serve, drawdowns are executed through the HHS system, which allows funds to be drawn down based on the award total for the program, therefore, there can be no excess drawdowns. If a program reaches 100% enrollment, which UCAN Serve did, the program is then eligible to draw down 100% of awarded funds. In 2006-2007, UCAN Serve reached 100% enrollment and then began refilling vacated slots with the permission of our Program Officer. Furthermore, during 2006-2007, the CNCS letter of award contract we signed dictated our performance was measured over a three year grant period, not a single grant year. Thus, we respectfully disagree with OIG Finding #9.

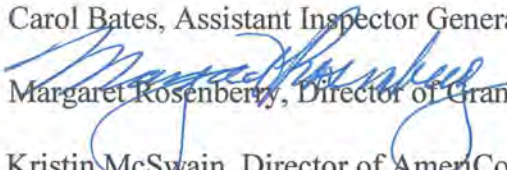


APPENDIX B

**RESPONSE TO DRAFT REPORT OF
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE**

Corporation for
**NATIONAL &
COMMUNITY
SERVICE** 

To: Carol Bates, Assistant Inspector General for Audit

From: 
Margaret Rosenberly, Director of Grants Management

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

Date: July 28, 2008

Subj: Response to OIG Draft of Agreed-Upon Procedures Review of Education Award Program Grants Awarded to the Regis University-Colorado Campus Compact

Thank you for the opportunity to review the draft Agreed-Upon Procedures review of the Corporation's Education Award Program grants awarded to the Regis University- Colorado Campus Compact. We are only addressing one of the findings at this time. We will respond to all recommendations in our management decision when the final audit is issued and we have worked with the grantee to resolve all of the findings.

Audit Finding #2 takes exception to service hours earned before member contracts were signed. As we have noted in other recent audits, the Corporation does not agree that the hours served before the members signed a contract should be deducted. The audit report does not provide any evidence that the members engaged in inappropriate service activities or that they served outside of the period of performance of the grant. The only issue raised by the audit report is whether service hours may be recorded prior to an individual signing a member contract.

Neither the national service legislation nor implementing regulations mention a member contract as a pre-condition for serving as an AmeriCorps member. The grant provisions require a member contract for the purpose of informing members of their rights and responsibilities. The criteria referenced by the audit report were the grant provisions sections on enrollment. We do not interpret the provisions as disallowing otherwise legitimate service hours solely because they were performed prior to signature of a member contract. The provision itself defines enrollment, not the service start date, and does not state that the member contract signature date must coincide with the term of service start date. Read in its entirety, the provision is a requirement that the grantee be diligent in the overall enrollment process for its AmeriCorps members within a reasonable time after they have begun service.

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