

CORPORATION

FOR NATIONAL

 SERVICE

OFFICE OF THE INSPECTOR GENERAL

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

Initial Review

YouthBuild USA, Inc.

Somerville, Massachusetts

Grant Number 94ADNMA061

This report is issued to CNS Management. There are no findings requiring resolution contained herein. The Inspector General must approve any request for public release of the report.

Corporation for National Service
Office of Inspector General
Initial Year Review
Grant Agreement Number 94ADNMA061
Awarded to YouthBuild USA, Inc.

We performed a limited review of the YouthBuild USA, Inc. financial reporting and accounting systems to assess their ability to comply with Federal fiscal accounting and reporting requirements applicable to its AmeriCorps grant and to safeguard related funds.

Results

Based on our review, we have no findings or recommendations. The extent of our work is described in the Scope and Methodology section of this report.

Background

YouthBuild USA, Inc. is a nonprofit association headquartered in Somerville, Massachusetts. Its AmeriCorps program is directed toward low income young people who have dropped out of school. The program gives AmeriCorps members the opportunity to return to school, produce something of value for their community, join a positive peer group, and become a leader, while getting a living allowance. AmeriCorps members work at construction projects rehabilitating condemned and substandard housing.

The Project Director administers the program from Somerville, Massachusetts. YouthBuild USA, Inc. reported it has 12 full time and 210 part time AmeriCorps members who are assigned to six subrecipients located in five States. The subrecipient staff is responsible for the day-to-day management and supervision of the AmeriCorps members and coordination with the community. The locations of the six subrecipients and the current distribution of AmeriCorps members are

Location	AmeriCorps Members	
	Full Time	Part Time
DeKalb, Georgia	0	30
Gary, Indiana	0	30
St. Louis, Missouri	4	32
New York, New York	0	30
Philadelphia, Pennsylvania	8	60
York, Pennsylvania	<u>0</u>	<u>28</u>
Total	<u>12</u>	<u>210</u>

Full-time and part-time YouthBuild AmeriCorps members must perform 1700 and 900 hours of service, respectively.

Total Budgeted Federal Costs
AmeriCorps Grant Number 94ADNMA061
YouthBuild USA, Inc.

Cost Category	Federal Funds Awarded
AmeriCorps Member -- Living Allowances	\$432,988
-- FICA and Worker's Compensation	79,751
-- Health Care	8,160
-- Training, Education, Uniforms, and Other	<u>82,817</u>
Staff Salaries, Benefits, and Training	603,716
Travel, Transportation, Supplies, and Equipment	570,231
Internal Evaluation	282,992
Administrative Expenses	12,500
	<u>40,989</u>
Total YouthBuild USA, Inc. Award	<u>\$1,510,428</u>

In addition to the Federal funds awarded to the grantee, the grant budget established \$552,930 for post service education benefits in the National Service Trust Fund for AmeriCorps members completing required service. Awards amount to \$4,725 for full-time members and \$2,363 for part-time members.

Under the grant, YouthBuild USA, Inc. must provide an additional \$4,380,393 in matching funds for its programs. The grant covers the period from July 1, 1994, through September 30, 1995.

Scope and Methodology

We performed our review during the period September 18 through October 8, 1995. We obtained an understanding of the YouthBuild USA, Inc. accounting system and management controls and performed limited testing to determine whether they were operating as intended. Our procedures included:

- interviewing key accounting and program personnel in YouthBuild USA's office in Somerville Massachusetts,
- documenting and nominally testing key management controls over the YouthBuild USA, Inc. accounting and reporting systems,
- reviewing prior audit reports of the YouthBuild USA, Inc. financial statements and management controls, and
- testing a judgmental sample of financial transactions related to the grant.

- testing a judgmental sample of financial transactions related to the grant.

We performed our review in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. However, our procedures were substantially less in scope than an audit, and accordingly, did not include elements essential to the expression of an opinion on management controls. Accordingly, we do not express such an opinion. Further, if additional audit procedures had been performed other matters might have come to our attention that would have been reported. Also, projections of any evaluation of the internal control structure over financial reporting to future periods are subject to the risk that the internal control structure may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

This report is intended for the information and use of the Corporation of National Service and the YouthBuild USA, Inc. management. However, this report is a matter of public record and its distribution is not limited.