

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

**AUDIT OF
CORPORATION FOR NATIONAL AND COMMUNITY
SERVICE GRANTS AWARDED TO
WAYNE COUNTY ACTION PROGRAM, INC.**

OIG REPORT NUMBER 12-07



Corporation for
**NATIONAL &
COMMUNITY
SERVICE** 

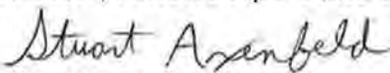
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This report was issued to Corporation management on December 23, 2011. Under the laws and regulations governing audit follow-up, the Corporation is to make final management decisions on the report's findings and recommendations no later than May 22, 2012, and complete its corrective actions by December 21, 2012. Consequently, the reported findings do not necessarily represent the final resolution of the issues presented.



December 23, 2011

TO: Margaret Rosenberry, Director, Office of Grants Management
John Gomperts, Director, AmeriCorps State and National

FROM: Stuart Axenfeld 
Assistant Inspector General for Audit

SUBJECT: *OIG Report 12-07, Audit for Corporation for National and Community Service Grants Awarded to Wayne County Action Program (WCAP)*

Attached is the final report for the above-noted audit. It was performed in accordance with generally accepted government auditing standards.

Under the Corporation's audit resolution policy, a final management decision on the findings in this report is due by May 22, 2012. Notice of final action is due by December 24, 2012.

If you have questions pertaining to this report, please call me at (202) 606-9360, or Rick Samson, Audit Manager, at (202) 606-9380.

Attachment

cc: Janelle Krasucki-Cooper, CEO, WCAP
Donna Robbins, COO, WCAP
William Anderson, Chief Financial Officer, CNCS
Rocco Gaudio, Deputy Chief Financial Officer, Grants & Field Financial Management
Kim Mansaray, Acting Chief Operating Officer
Claire Moreno, Audit Liaison, CNCS
Donna Smith, NY State Program Director, CNCS
Taryn Vanaskie, NY Program Specialist, CNCS
Jennifer Brown, Program Officer, CNCS
Mark Walter, Executive Director, NY Commission

**OFFICE OF INSPECTOR GENERAL
AUDIT OF
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE
GRANTS AWARDED TO
WAYNE COUNTY ACTION PROGRAM, INC.**

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EXECUTIVE SUMMARY

The Office of Inspector General (OIG), Corporation for National and Community Service (Corporation), performed an audit of Corporation grants awarded to Wayne County Action Program, Inc. (WCAP). The purpose of the audit was to determine whether WCAP was in compliance with applicable laws, regulations, and terms and conditions of the grants.

SUMMARY OF RESULTS

We found the following areas in which Corporation program requirements were not met by WCAP:

1. Foster Grandparents Program (FGP) volunteer files did not include documentation of volunteer assignment plans;
2. A FGP volunteer file did not include documentation of the identity of the foster grandchild being served by the volunteer;
3. Retired Senior Volunteer Program (RSVP) volunteer files did not include documentation of volunteers agreeing to abide by all requirements of applicable regulations;
4. An AmeriCorps member's timesheet did not include site supervisor's signature;
5. AmeriCorps members' timesheets were signed by site supervisors prior to the end of the pay period;
6. An AmeriCorps member's living allowances were not paid in equal increments; and
7. Personnel costs were charged to the FGP, RSVP, and AmeriCorps grants by budgeted amounts and not actual costs.

SUMMARY OF QUESTIONED COSTS

Finding	Questioned Costs	Questioned Ed Awards	Questioned Accrued Interest
4	-	\$2,363	-
5	-	2,250	-
6	\$1,671	-	-
Total	\$1,671	\$4,613	-

RESULTS OF AUDIT

1. FGP volunteer files did not include documentation of volunteer assignment plans.

Six of the 20 FGP volunteer files reviewed did not have documentation of the volunteers' assignment plans for their terms of service.

Criteria

45 CFR §2552.72, *Is a written volunteer assignment plan required for each volunteer?*, states:

- a. All Foster Grandparents shall receive a written volunteer assignment plan developed by the volunteer station that:
 1. Is approved by the sponsor and accepted by the Foster Grandparent;
 2. Identifies the individual child(ren) to be served;
 3. Identifies the role and activities of the Foster Grandparent and expected outcomes for the child;
 4. Addresses the period of time each child should receive such services; and
 5. Is used to review the status of the Foster Grandparent's services in working with the assigned child, as well as the impact of the assignment on the child's development.

WCAP officials stated that job descriptions are created on an annual basis, depending upon the sites available to the volunteers. These descriptions are distributed 30 days before the beginning of the school year. According to WCAP officials, the volunteers in question came into the program at mid-year and thus missed the annual distribution. By not maintaining volunteer assignment plans, program staff and the volunteers may not have a complete understanding of the service activity.

Recommendation

1. We recommend that the Corporation verify that WCAP has developed written volunteer assignment plans that adhere to program requirements and are delivered to each volunteer.

WCAP's Response

WCAP concurs with the audit finding and recommendation and offers corrective action effective September 1, 2011. It implemented new operating procedures to ensure volunteers' files document assignment plans for their terms of service.

Corporation's Response

WCAP's action is responsive to the audit finding and recommendation. This action will be reviewed and confirmed by the Corporation.

OIG Comments

The planned actions proposed by WCAP meet the intent of the recommendation and address the finding.

2. A FGP volunteer file did not include documentation of the identity of the foster grandchild being served by the volunteer.

One of the 20 FGP volunteer files reviewed did not include documentation on the foster grandchild being served by the volunteer.

Criteria

45 CFR §2552.72, *Is a written volunteer assignment plan required for each volunteer?*, states:

- a. All Foster Grandparents shall receive a written volunteer assignment plan developed by the volunteer station that:
 1. Is approved by the sponsor and accepted by the Foster Grandparent;
 2. Identifies the individual child(ren) to be served;
 3. Identifies the role and activities of the Foster Grandparent and expected outcomes for the child;
 4. Addresses the period of time each child should receive such services; and
 5. Is used to review the status of the Foster Grandparent's services in working with the assigned child, as well as the impact of the assignment on the child's development.

Without proper documentation of foster grandchildren, WCAP may have volunteers serving an unassigned or ineligible child. WCAP officials stated that this volunteer was a short-term summer placement and such placements do not receive child assignments due to the temporary nature of their service.

Recommendation

2. We recommend that the Corporation ensures that WCAP has documentation of foster grandchildren served for all foster grandparents, to include volunteers for short-term summer placements.

WCAP's Response

WCAP concurs with the audit finding and recommendation and offers corrective action effective January 1, 2012. WCAP has revised its Volunteer Assignment Plan and Child Progress Report to clearly state "grandchild" assignments. This plan and report will be issued to all FGP volunteers, including short-term summer placement volunteers, at the beginning of their assignments.

Corporation's Response

The Corporation agrees and will work with WCAP staff to ensure that all FGP assignment plans cover all children served by the Foster Grandparents, including summer placements. The Corporation will review the revised policy and confirm it addresses the recommendation.

OIG Comments

The planned actions proposed by WCAP meet the intent of the recommendation and address the finding.

3. RSVP volunteer files did not include documentation of volunteers agreeing to abide by all requirements of applicable regulations.

Three of the ten RSVP volunteer files reviewed did not include documentation of the volunteer agreeing to abide by all RSVP requirements of applicable regulations.

Criteria

45 C.F.R. §2553.41 *Who is eligible to be a RSVP volunteer?*, states:

- a. To be an RSVP volunteer, an individual must:
 1. Be 55 years of age or older;
 2. Agree to serve without compensation;
 3. Reside in or nearby the community served by RSVP;
 4. Agree to abide by all requirements as set forth in this part.

WCAP officials stated that volunteers are asked to sign the required declaration at orientation. In these cases, staff error was cited as the reason for the omission. Without documenting volunteers' agreement to abide by RSVP requirements, there is no evidence the volunteers understand or have agreed to follow such rules, including performing prohibited activities.

Recommendation

3. We recommend that the Corporation ensure that WCAP requires volunteers to sign the necessary declaration that confirms their agreement to abide by RSVP requirements.

WCAP's Response

WCAP concurs with the audit finding and recommendation and offers corrective action effective September 1, 2011. WCAP policies and procedures now clearly states that all volunteers are to be given the RSVP handbook, which contains all program requirements. Volunteers are also obligated to sign a form indicating that they received the handbook and their agreement to abide by these necessary requirements.

Corporation's Response

The Corporation agrees and will work with WCAP to establish better controls to ensure all volunteers complete the sign-off that they will abide by the requirements in the program handbook that contain all RSVP requirements.

OIG Comments

The planned actions proposed by WCAP meet the intent of the recommendation and address the finding.

4. An AmeriCorps member's timesheet did not include site supervisor's signature.

One timesheet for one of the 20 AmeriCorps members reviewed was not signed by the site supervisor. We deducted the 17 service hours reported on this timesheet from the member's total because it lacked proper approval.

Criteria

2008 AmeriCorps Provisions, Section IV. *AmeriCorps Special Provisions*, Part C.4., states:

Timekeeping. The grantee is required to ensure that time and attendance recordkeeping is conducted by the individual who supervises the AmeriCorps member. This time and attendance record is used to document member eligibility for in-service and post-service benefits. Time and attendance records must be signed and dated both by the member and by an individual with oversight responsibilities for the member.

After deducting these 17 service hours from the member's total of 901.5, we determined that the member did not meet the minimum required service hours to receive an education award for a half-time AmeriCorps member. Therefore, we question this member's education award of \$2,363. WCAP officials stated that the unsigned timesheet was caused by human error and was an isolated incident.

Recommendation

4. We recommend that the Corporation recover the questioned education award of \$2,363.

WCAP's Response

WCAP concurs with the audit finding and recommendation with exception and offers corrective action effective September 1, 2011. WCAP provided an affidavit from the site supervisor stating that the member served the hours documented on the unsigned timesheet. WCAP has lengthened its member and site orientation to include detailed training on the importance of required timekeeping documentation to ensure completeness and accuracy.

Corporation's Response

The Corporation will work with the grantee to ensure its corrective action plan adequately addresses this finding, and will also respond to this finding and recommendation in its management decision.

OIG Comments

The planned action proposed by WCAP addresses the finding. But we do not accept the affidavit from the site supervisor as proper documentation for this exception. We recommend that the Corporation recover the questioned education award of \$2,363.

5. AmeriCorps members' timesheets were signed by site supervisors prior to the end of the pay period.

Three of the 20 AmeriCorps members reviewed had timesheets that were signed by site supervisors prior to the end of the pay period. We deducted service hours reported on these members' timesheets that were accumulated after the site supervisor had signed the timesheets.

Criteria

2008 AmeriCorps Provisions, Section IV. *AmeriCorps Special Provisions*, Part C.4., states:

Timekeeping. The grantee is required to ensure that time and attendance recordkeeping is conducted by the individual who supervises the AmeriCorps member. This time and attendance record is used to document member eligibility for in-service and post-service benefits. Time and attendance records must be signed and dated both by the member and by an individual with oversight responsibilities for the member.

Of the three members, Member No. 1 had 14.5 service hours over four different pay periods that were recorded after the site supervisor signed the timesheets. Member No. 2 had 26.5 service hours during one pay period recorded after the site supervisor signed the timesheet. Member No. 3 had no service hours recorded after the site supervisor signed the timesheet, but a compliance issue remains due to the timesheet being signed prior to the end of the pay period. After deducting the questioned service hours from totals for Members Nos. 1 and 2, we determined that the two members did not meet the minimum required service hours to receive an education award. Therefore, we question Member No. 1's minimum time education award of \$1,000 and Member No. 2's quarter time education award of \$1,250.

WCAP officials stated that the supervisor for Member No. 1 was not on-site on the last day of the pay period and the auxiliary supervisor was not utilized by the site or the member. The supervisor for Member No. 2 was on vacation during the pay period and, in this isolated incident, the auxiliary supervisor was not utilized by the site or the member. For Member No. 3, member leave prompted the member and supervisor to approve a timesheet for which no hours were claimed in order to remain compliant with timesheet submission procedures.

Recommendation

We recommend that the Corporation:

- 5a. Recover the questioned education awards of \$2,250; and
- 5b. Ensure that WCAP develops policies and adequate internal controls that prohibit AmeriCorps members and site supervisors from signing timesheets prior to the end of the pay period.

WCAP's Response

WCAP concurs with the audit finding and recommendations with exception and offers corrective action effective September 1, 2011. WCAP disputes the assumption that these AmeriCorps members did not perform the hours in question. In each instance in the finding, site supervisors pre-signed timesheets in order to remain compliant with pay period deadlines in the face of pending planned absences at the end of the pay period. WCAP provided an affidavit from the site supervisors stating that the members served the hours documented on the questioned timesheet. WCAP has lengthened its member and site orientation to include detailed training on the importance of required timekeeping documentation to ensure completeness and accuracy.

Corporation's Response

The Corporation will work with the grantee to ensure its corrective action plan adequately addresses this finding, and will also respond to this finding and recommendation in its management decision.

OIG Comments

The planned action proposed by WCAP addresses the finding. But we do not accept the affidavits from the site supervisors as proper documentation for these exceptions. We recommend that the Corporation recover the questioned education award of \$2,250.

6. An AmeriCorps member's living allowances were not paid in equal increments.

Living allowances were not paid in equal increments for one of the 20 AmeriCorps members reviewed. This member's expected end-of-term date was adjusted and changed so that she would meet her minimum required service hours earlier than expected. WCAP adjusted this member's living allowance amount so that she could receive the total living allowance, even though she would be completing service prior to her original expected end-of-term date.

Criteria

2008 AmeriCorps Provisions, Section IV. *AmeriCorps Special Provisions*, Part F.1., states:

Living Allowance Distribution. A living allowance is not a wage. Grantees must not pay a living allowance on an hourly basis. Grantees should pay the living allowance in regular increments, such as weekly or bi-weekly, paying an increased increment only on the basis of increased living expenses such as food, housing, or transportation. Payments should not fluctuate based on the number of hours served in a particular time period, and must cease when a member concludes a term of service.

If a member serves all required hours and is permitted to conclude his or her term of service before the originally agreed upon end of term, the grantee may not provide a lump sum payment to the member. Similarly, if a member is selected after the program's start date, the grantee must provide regular living allowance payments from the member's start date and may not increase the member's living allowance incremental payment or provide a lump sum to make up any missed payments.

We question this member's living allowance of \$1,658 and related fringe benefits of \$13. WCAP officials stated that their program pays equal living allowances for equal commitment by taking the total living allowance amount and dividing it by the number of weeks in which the member agrees to fulfill his/her commitment. In a case where a member would like to fulfill his/her commitment, but cannot meet it in the contracted number of weeks, WCAP allows that member to amend his/her original contract.

Recommendation

We recommend that the Corporation:

6a. Recover the questioned living allowance and related fringe benefits of \$1,671; and

6b. Ensure that WCAP emphasizes the need to follow living allowance payment requirements and to strengthen procedures to fulfill these requirements.

WCAP's Response

WCAP does not concur with this audit finding and recommendations. WCAP has allowed members to amend their original contracts in cases where a member would like to fulfill their commitment, but cannot fulfill the contracted number of weeks chosen prior to service. Effective September 1, 2001, WCAP has ceased this practice. In the event that a member must alter his/her contracted service term, the originally contracted weekly living allowance will remain unaltered regardless of the change in term of service.

Corporation's Response

The Corporation will work with the grantee to ensure its corrective action plan adequately addresses this finding, and will also respond to this finding and recommendation in its management decision.

OIG Comments

The planned action proposed by WCAP addresses the finding. We continue to recommend that the Corporation recover the questioned costs of \$1,671.

7. Personnel costs were charged to Corporation grants by budgeted amounts and not actual costs.

We reviewed all six WCAP staff personnel costs that were charged to Corporation grants, and determined that they were based on budgeted amounts and not actual costs. Although WCAP maintained timesheets for each employee charged to these programs, costs were allocated by the budgeted percentages for each employee.

Criteria

A-122, *Cost Principles for Non-Profit Organizations*, Attachment B. *Selected Items of Cost*, Section 8.m. *Support of salaries and wages*, states:

1. Charges to awards for salaries and wages, whether treated as direct costs or indirect costs, will be based on documented payrolls approved by a responsible

official(s) of the organization. The distribution of salaries and wages to awards must be supported by personnel activity reports, as prescribed in subparagraph 2, except when a substitute system has been approved in writing by the cognizant agency.

2. Reports reflecting the distribution of activity of each employee must be maintained for all staff members (professionals and nonprofessionals) whose compensation is charged, in whole or in part, directly to awards. In addition, in order to support the allocation of indirect costs, such reports must also be maintained for other employees whose work involves two or more functions or activities if a distribution of their compensation between such functions or activities is needed in the determination of the organization's indirect cost rate(s) (e.g., an employee engaged part-time in indirect cost activities and part-time in a direct function). Reports maintained by non-profit organizations to satisfy these requirements must meet the following standards:
 - a. The reports must reflect an after-the-fact determination of the actual activity of each employee. Budget estimates (i.e., estimates determined before the services are performed) do not qualify as support for charges to awards.
 - b. Each report must account for the total activity for which employees are compensated and which is required in fulfillment of their obligations to the organization.
 - c. The reports must be signed by the individual employee, or by a responsible supervisory official having first hand knowledge of the activities performed by the employee, that the distribution of activity represents a reasonable estimate of the actual work performed by the employee during the periods covered by the reports.
 - d. The reports must be prepared at least monthly and must coincide with one or more pay periods.

WCAP officials stated that while their managers are guided by their budgets as they carry out the duties and activities needed to meet contracted program goals, WCAP has never tolerated payroll information which is not true and correct. WCAP officials also stated that existing timesheets reflect unique and specific duties performed at different times during each pay period. Without charging actual personnel costs to the grant, WCAP is misstating claimed personnel costs for Corporation grants. Since each employee, within the scope of our review, worked solely on Corporation grants, we did not question any costs associated to these misallocations.

Recommendation

7. We recommend that the Corporation ensure that WCAP utilizes its timesheets and implements a timekeeping system that documents actual labor costs and after-the-fact time charged to AmeriCorps grants.

WCAP's Response

WCAP concurs with the audit finding and recommendation with exception and offers corrective action effective October 1, 2011. WCAP has implemented new policies and procedures where each staff member who is currently charged to more than one funding source is required to meet with his/her supervisor to discuss and explain program activities

for the preceding month. The supervisor is then required to review and approve each timesheet.

Corporation's Response

The Corporation agrees and will review WCAP's timekeeping system to ensure it claims salary costs based on actual after-the-fact time spent on grant activities.

OIG Comments

The planned actions proposed by WCAP meet the intent of the recommendation and address the finding.

AUDIT OBJECTIVE, SCOPE, AND METHODOLOGY

The objectives of the audit were to determine whether the costs claimed are allowable, adequately supported, and charged in accordance with the terms of the grant and applicable laws and regulations; and to determine whether WCAP is in compliance with terms of the grant and applicable laws and regulations related to financial management, volunteer eligibility, terms of service, and volunteer station compliance.

The scope of this audit included the Corporation Grants for the following program years:

Program	Grant Number	Audit Scope	Award Amount	Claimed Costs	Volunteers in Audit Scope
AmeriCorps	06AFHNY0010018	10/01/08 – 12/31/09	\$ 168,096	\$ 162,610	28
		10/01/09 – 12/31/10	168,096	159,930	31
	06AFHNY0010045	10/01/10 – 03/31/11	164,123	46,596	32
	09RFHNY0010010	07/01/09 – 09/30/10	305,013	284,131	17
FGP	06SFANY005	07/01/08 – 06/30/09	314,383	314,183	78
		07/01/09 – 06/30/10	314,183	311,130	82
	09SFANY002	07/01/10 – 12/31/10	318,847	139,526	76
RSVP	06SRANY011	07/01/08 – 06/30/09	48,649	48,649	205
		07/01/09 – 06/30/10	48,649	48,649	200
	09SRANY007	07/01/10 – 12/31/10	50,108	24,824	196
Totals			\$1,900,347	\$1,540,228	945

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

For AmeriCorps, we performed tests of costs incurred in Program Years 2008-2009, 2009-2010, and 2010-2011 (October 1, 2010 through March 31, 2011). We reviewed a sample of 15 Federal-share costs transactions and 8 Grantee-share costs transactions between the three AmeriCorps grants. For FGP and RSVP, we performed tests of costs incurred in Program Years 2008-2009, 2009-2010, and 2010-2011 (July 1, 2010 through December 31, 2010). We reviewed a sample of 20 Federal-share costs transactions and 20 Grantee-share

costs transactions between the four Senior Corps grants. We also performed tests of WCAP's financial management system to determine compliance with applicable laws and regulations. In addition, we performed tests of compliance with AmeriCorps, FGP, and RSVP regulations on volunteer eligibility, terms of service, and volunteer stations. We reviewed a sample of 20 AmeriCorps members, 20 FGP volunteers, and 10 RSVP volunteers for compliance with applicable regulations.

We conducted our fieldwork from June 2011 to September 2011.

BACKGROUND

The Corporation awards grants to assist in the creation of full-time and part-time national and local community service programs. Senior Corps and AmeriCorps are two of the Corporation's three major service initiatives. FGP provides grants to qualified nonprofit organizations to engage persons age 55 and older, with limited incomes, who want to have a positive impact on the lives of children in need. RSVP provides grants to qualified organizations to engage persons age 55 and older in providing assistance that meets critical community needs. AmeriCorps provides grants to qualified organizations to engage persons age 17 and older in programs that address educational, public safety, human, or environmental needs through national and community service, and provides education awards to participants who successfully complete their service.

WCAP, located in Lyons, NY, provides vital programs and services to help low-income families achieve self-sufficiency. WCAP collaborates with other health and human service agencies to provide a unified, central location for these services for Wayne and surrounding counties. WCAP had three different grants with the Corporation from Fiscal Year 2008 to the present. WCAP receives funding from FGP, RSVP, and the AmeriCorps program. AmeriCorps funding is a formula grant that is received from the New York State Office of Children and Family Service. FGP and RSVP funding is received directly from the Corporation.

EXIT CONFERENCE

The contents of this report were discussed with WCAP's management and the Corporation at an exit conference held on September 21, 2011. In addition, a draft of this report was provided to WCAP and the Corporation for their comments on November 3, 2011. We summarized their comments in the appropriate sections of this report, and included their complete comments in Appendices A and B.

This report is intended solely for the use of the management of the Corporation, OIG, WCAP, and U.S. Congress and is not intended to be and should not be used by anyone other than these specified parties. However, the report is a matter of public record and its distribution is not limited.

Wayne County Action Program, Inc.'s Response to the Audit Report

Wayne County Action Program, Inc.

Helping people...Changing lives.



December 2, 2011

Mr. Stuart Axenfeld
Assistant Inspector General for Audit
Office of the Inspector General
1201 New York Ave., Suite 830
Washington, DC 20525

Janelle Krasucki-Cooper
Chief Executive Officer

Donna M. Robbins
Chief Operating Officer

Patrick J. Schmitt
Chief Financial Officer

Dear Mr. Axenfeld,

Wayne County Action Program, Inc. would like to thank you for the opportunity to respond to the findings outlined in the Office of Inspector General draft report with respect to the Corporation for National and Community Service grants awarded to our agency.

Please know that our programs continually evaluate our processes and systems in order to make improvements to better ensure our compliance with the requirements and expectations of the Corporation. Working with the audit review team provided us an opportunity to review our processes and systems for improvement implementations which we are confident will result in stronger and more effective programs.

Program Administrator
Donna Johnson

We look forward to receiving your comments and to final resolution based on the information provided herein.

Sincerely,

A handwritten signature in black ink that reads 'Janelle Krasucki-Cooper'.

Janelle Krasucki-Cooper

Appendix A

**WAYNE COUNTY ACTION PROGRAM, INC.
AMERICORPS PROGRAM**

RESPONSE TO DRAFT REPORT

Submitted December 1, 2011

Finding 1. Wayne County Action Program's Response:

The agency accepts this Finding and offers corrective action supported by accompanying documentation.

Implemented consistently, Foster Grandparents Program (FGP) amended volunteer file assembly procedures which became effective September 1, 2011 will prevent a repeat of these incidents of non-compliance.

- 1a. Our existing internal policy/procedure document (*exhibit FGP-A*) contains a section which refers specifically to the fact that all volunteers are provided with a precise assignment description. Included with the description is a 'Volunteer Assignment Confirmation' document which requires the volunteer to sign for receipt of the document. A copy of this signed document is given to the volunteer, and the original is kept in the volunteer's program file. All active volunteers have this in their file.
- 1b. Further, per new policy (*exhibit FGP-B*) a 'Foster Grandparent Volunteer Assignment Plan and Child Progress Report' which has been revised to contain all Federal Regulation 45CRF-2252.72 requirements will be given to every active FGP Volunteer beginning in January, 2012. Henceforth, new descriptions will be issued for all active volunteers both as new volunteers enroll and at the beginning of each program year.

Finding 2. Wayne County Action Program's Response:

The agency accepts this Finding and offers corrective action supported by accompanying documentation.

Implemented consistently, Foster Grandparents Program (FGP) amended volunteer file assembly procedures which became effective September 1, 2011 will prevent a repeat of these incidents of non-compliance.

- 2a. As stated above, our revised Volunteer Assignment Plan and Child Progress Report (*exhibit FGP-B*) will be issued to all FGP volunteers upon the beginning of their assignment, and annually thereafter. This form will clearly state 'grandchildren' assignments and will go into effect on January 1, 2012. This policy/procedure revision includes Volunteer Assignment Plan documents for our newly developed short-term summer placements to be distributed to all placed volunteers beginning on July 1st and annually thereafter.

Finding 3. Wayne County Action Program's Response:

The agency accepts this Finding and offers corrective action supported by accompanying documentation.

Implemented consistently, Retired Senior Volunteer Program (RSVP) amended volunteer file assembly procedures which became effective September 1, 2011 will prevent a repeat of these incidents of non-compliance.

- 3a. Our internal policy/procedure clearly designates that all volunteers are given the RSVP handbook which contains all program requirements. Before any active service is rendered by the volunteer, he/she is obligated to sign a Policy Sign Off form, indicating both that they have received the Handbook and their agreement to abide by these necessary requirements. (*exhibit RSVP-A*) This form is retained in the volunteer's program file, and is kept on file for all active volunteers

Finding 4. Wayne County Action Program's Response:

The agency accepts this Finding with exception and offers documentation to prove that the member in question did, in fact, complete her commitment in good standing.

- 4a. Under our existing policy, each of our service sites is required to designate a primary and a secondary supervisor as part of the Memorandum of Agreement completed at the beginning of each placement. (*exhibit A/C-A1 & A2*) In this case, the primary supervisor was on vacation during the week in question, (*exhibit A/C B1 & B2*) and the secondary supervisor failed to sign the member's timesheet due to off-site obligations.

This member worked an average number of 14 - 23 hours per week. There is a minimal risk that the member would not have served the 17 hours in question because this time period occurred in the middle of her term, and represented a "typical" amount of time for her commitment. In addition, was no need to exaggerate hours worked, and there is no record of a dispute or an absence for this week. Furthermore, this particular member exhibited a habit of consistency with her host site, over a period of two terms. Over two terms, she did not miss a week, and it would have been extremely uncharacteristic for her NOT to have served this time.

- 4b. Included in our documentation are signed substantiation documents which prove that this individual did, in fact, serve the hours portrayed on the timesheet in question. (*exhibit A/C-~~4b~~*)
- 4c. To prevent further incidents of this nature we have lengthened our member and our site orientation to include a detailed training regarding the importance of required timekeeping documentation, which includes verbal, written and interactive practice to ensure completeness and accuracy. All primary and secondary supervisors are required to receive this training, effective September 1, 2011.

We believe that these amended policies and procedures which became effective September 1, 2011 will prevent a repeat of this incident of non-compliance. Given the information provided herein, the agency respectfully requests that liability associated with this finding in the amount of \$2,363. be removed.

Finding 5. Wayne County Action Program's Response:

The agency accepts this Finding with exception and offers documentation to prove that the members in question did, in fact, complete their commitments in good standing.

- 5.a Wayne County Action Program, Inc. disputes the assumption that these AmeriCorps members did not perform the hours in question. In each of the instances above, site supervisors pre-signed timesheets in order to remain compliant with pay period deadlines in the face of pending planned absences at the end of the period.

Under our existing policy, each of our service sites is required to designate a primary and a secondary supervisor as part of the Memorandum of Agreement completed at the beginning of each placement. (*exhibit A/C-A1, & A2*) In these cases, the primary supervisor failed to take advantage of the ability of the secondary supervisor to sign time sheets in the planned absence of a primary supervisor.

Each of these members worked an average number of hours per day, per week, with little variance, as proven by the preponderance of compliant timesheets in each member file. It would be inconsistent with the undisputed portions of these member's service hours to infer that these hours were not served.

- 5b. Included in our documentation are signed substantiation documents which prove that these individuals did, in fact, serve the hours portrayed on the timesheets in question.
(*exhibit A/C-C, C2 & A2*)

- 5c To prevent further incidents of this nature we have lengthened our member and our site orientation to include a detailed training regarding the importance of required timekeeping documentation, which includes verbal, written and interactive practice to ensure completeness and accuracy. All primary and secondary supervisors are required to receive this training, effective September 1, 2011. Further, effective September 1, 2011 it is our policy that the program Director will approve and initial all timesheets before payment; adding a further layer of oversight to ensure compliance and accuracy.

We believe that these amended policies and procedures which became effective September 1, 2011 will prevent a repeat of this incident of non-compliance. Given the information provided herein, the agency respectfully requests that liability associated with this finding in the amount of education awards totaling \$2,250. be removed.

Finding 6. Wayne County Action Program's Response:

The agency disputes this Finding.

6.a According to our approved member contracts, our living allowance stipend is based on the minimum full-time amount established by the Corporation: \$11,800. Our program has chosen to work within a 52-week term limit for service. The flexibility of our program design allows full-time members to choose the number of weeks in which they will complete the minimum 1700 hours set forth in the Regulations for a full-time placement. We are a variable month program, contracting with members for total weeks of service (designed to meet threshold hours for categories of member service set forth in the Regulations) in order to accommodate agency host sites and member ability. To ensure compliance with Federal Regulations, our members are able to choose one of the following service commitment categories which may be fulfilled in the number of weeks agreed upon by the member and his/her host site.

Full Time (as defined by a minimum of 1700 hours. of service)

Half-Time (as designed by a minimum of 900 hours. of service)

RHT (as defined by a minimum of 675 hours. of service)

Quarter Time (as defined by a minimum of 450 hours. of service)

Minimum Time (as defined by a minimum of 300 hours. of service)

Because members are not employees and are not paid by the hour, our program fulfills its requirement to pay equal living allowance (\$11,800) for equal commitment (1700 hrs.) by taking the equal total amount and dividing it evenly by the number of weeks during which a member fulfills that commitment. Employees are told when they will work; AmeriCorps members design their own number of weeks of commitment in which to meet the Corporation determined threshold hours. **However diverse the timeframes of service for each individual member-contract: 1) each meets the required standard of hours, 2) each is paid in equal increments and 3) each is paid exactly the same total amount. In no case and under no circumstance has a member ever been paid a lump sum to end a contracted service term.**

Under this design, there is no "hourly wage" nor does the program or the host site determine a set "pay rate" for "services rendered." Each member has control over his own commitment, and receives exactly the same living allowance as all other members. In fact, we maintain that weekly stipend amounts that are the same for all members every week is much closer to the prohibited "hourly wage" design; as an individual might be able to say, "AmeriCorps members all make this much on a weekly basis. This is not possible under our program's flexible design.

While we're not required to pay a stipend for any member serving less than 1700 hours (full time), our program has elected to offer those who opt for a lesser commitment with a living

allowance. Since these slots require a lesser commitment, and because members are not paid by the hour, we have determined that the total living allowance will be lower, reasoning that these individuals may more easily be able to access other forms of self-support such as a part-time job.

Based upon the calculation theory explained for full time members, we ensure that lesser commitment members of equal commitment receive equal total support stipends, divided in equal payments over the member selected weeks of service. For example, a half time (900 hour) member who contracts to fulfill his/her commitment over six weeks and a half time (900 hour) member doing a comparable placement commitment over 12 weeks receives the exact same total living allowance. However for one, the allowance is divided by six payments and for the next, the allowance is divided equally into twelve payments. As explained above, there is no "hourly rate" for any placement. Equal stipend for equal commitment is ensured, and each member selects the nature and design of his/her own service.

In a case where a member would like to fulfill his/her commitment (for example, 900 hours) but cannot fulfill the contracted number of weeks chosen, we have allowed that member to amend his/her original contract. Since our policy is to allow members to design their own timeframe for completion of time thresholds set forth in the regulations, and **ONLY IF** the member and placement site agree in writing that such an amendment is beneficial to both parties, we honor this mutual request. **Since the total commitment is the same, only the delivery design has changed, we do not find a basis to amend the living allowance which was originally contracted.** Equal increments of the remaining living allowance are divided equally to correspond with the amended number of weeks. In this way we can continue to ensure that members of equal service commitment continue to receive equal living allowance, regardless of their service timeframe design. **Our members do not receive stipends on the basis of time; rather, they are awarded a living allowance on the basis of service commitment and cumulative fulfillment.**

- 6b. In deference to the ruling of the State Corporation and that of the Office of the Inspector General, Effective September 1, 2011 we have ceased this practice altogether. In the event that a member must alter his/her contracted service term, the originally contracted weekly living allowance, divided equally over the term originally agreed upon, remains unaltered regardless of the change in term of service. (*exhibit A/C-D*)

Given the information provided herein, the agency respectfully requests that liability associated with this finding in the amount of education awards totaling \$1,671 be removed.

Finding 7. Wayne County Action Program's Response:

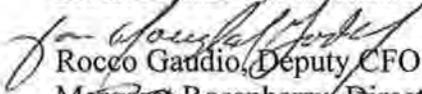
The agency accepts this Finding with exception.

- 7a. It is our position that our timekeeping system has always been in compliance with A-122, *Cost Principles for Non-Profit Organizations*, Attachment B. Section 8.m. While our agency managers are guided by their budgets as they carry out the duties and activities needed to meet contracted program goals, we never at any time have tolerated payroll information which is not true and correct. Existing timesheets clearly reflect unique and specific duties performed at different times during each pay period. Their ability to consistently achieve program objectives within their projected budget parameters reflects the quality of our management staff.
- 7b. Effective October 1, 2011, to further ensure our compliance, each of our agency staff members who are currently charged to more than one funding source are required to meet with his/her supervisor to discuss and explain program activities for the preceding month. The supervisor is then charged with a signed confirmation of the factual representation contained on each time/activity sheet.
(*exhibit Admin-A*)

Corporation's Response to the Audit Report

Corporation for
**NATIONAL &
COMMUNITY
SERVICE** 

To: Stuart Axenfeld, Assistant Inspector General for Audit

From:  Rocco Gaudio, Deputy CFO for Grants and Field Financial Management
 Margaret Rosenberry, Director of Grants Management

Cc: William Anderson, Chief Financial Officer
Valerie Green, General Counsel
John Gomperts, Director of AmeriCorps
Erwin Tan, Director of Senior Corps

Date: December 2, 2011

Subj: Response to OIG Draft Audit of Corporation Grants Awarded to Wayne County Action Program

Thank you for the opportunity to review the draft audit report of grants awarded to Wayne County Action Program, Inc. (WCAP). WCAP operates three Senior Corps programs and operated an AmeriCorps program funded by the state commission through 2010. The AmeriCorps program was not refunded in 2011, but will remain in operation until the members enrolled in 2010 complete their terms of service. We are responding to some of the findings at this time. In other cases, we need to review the audit working papers and work with the grantee to develop corrective actions. We will respond to all remaining findings and recommendations in our management decision when the OIG provides the audit working papers and issues the final audit report.

Recommendation #1: We recommend that the Corporation verify that WCAP has developed written volunteer assignment plans that adhere to program requirements and are delivered to each volunteer.

Corporation Response: The Corporation agrees. In addition to the regulation, the sample assignment plan at Appendix 9 of the FGP Operations Handbook states that, "It is a federal requirement that all Foster Grandparents have an assignment plan for the children with whom they are assigned to work." In its response to the draft report, WCAP indicated it revised its policy, *Foster Grandparent Volunteer Assignment Plan and Child Progress Report*, to include all Federal Regulation 45 C.F.R. 2252.72 requirements. The assignment plan will be given to each new Foster Grandparent beginning in January 2012 and new descriptions will be issued for all active volunteers both as new volunteers enroll and at the beginning of the program year. The Corporation will review the revised policy and confirm it addresses the recommendation.

Recommendation #2: We recommend that the Corporation ensures that WCAP has documentation of foster grandchildren served for all foster grandparents, to include volunteers for short-term summer placements.

Corporation Response: The Corporation agrees and will work with WCAP program staff to ensure that all FGP assigned plans cover all children served by the Foster Grandparents, including summer placements. As noted above, WCAP revised its Volunteer Plan. The revision included a requirement that plans will identify children served by each Foster Grandparent and will be distributed to all short-term summer volunteers beginning on July 1st each year. The Corporation will review the revised policy and confirm it addresses the recommendation.

Recommendation #3: We recommend that the Corporation ensure that WCAP requires volunteers to sign the necessary declaration that confirms their agreement to abide by RSVP requirements.

Corporation Response: The Corporation agrees and will work with WCAP to establish better controls to ensure all volunteers complete the sign-off that they will abide by the requirements in the program handbook that contain all RSVP requirements. In its response to the draft audit, WCAP indicated the sign-off form would be retained in the volunteer's file.

Corporation Response to Recommendations #4 – #6: Recommendations 4 – 6 include questioned costs related to AmeriCorps member education awards and living allowances. The Corporation will need to review the audit working papers and work with WCAP before we can determine if the costs will be allowed or disallowed. We will address the findings and recommendations after the OIG issues the final audit report and provides the working papers.

Recommendation #7: We recommend that the Corporation ensure that WCAP utilizes its timesheets and implements a timekeeping system that documents actual labor costs and after-the-fact time charged to AmeriCorps grants.

Corporation Response: The Corporation agrees and will review the WCAP timekeeping system to ensure it claims salary costs based on actual after-the-fact time spent on grant activities as opposed to budgeted allocations.