

November 30, 2004

The Honorable Richard B. Cheney  
Vice President of the United States  
and President of the Senate  
United States Senate  
The Capitol  
Washington, DC 20510

Dear Mr. Vice President:

Enclosed is our Inspector General's Semiannual Report to the Congress along with the Corporation's Report on Final Action, as required under Section 5 of the Inspector General Act of 1978, P.L. 95-452.

These reports cover the six-month period from April 1, 2004 through September 30, 2004. During this period, the Corporation made management decisions on seven audits and completed final action on or closed nine audits. Subsequent to this period, the Corporation closed one additional audit.

This Semiannual Report contains a new section in which the Inspector General identifies five management challenges facing the Corporation based in large part on audits of the agency conducted over the past several years. Because the discussion does not adequately reflect the Corporation's significant management reform progress over the past 18 months, I have summarized our progress below, and I am attaching the Corporation's full response to the IG's management challenges and recommendations from our annual Performance and Accountability Report.

### **Grant Monitoring and Management**

The Corporation has taken many steps to build stronger grants oversight and management across all its programs. We have:

- revised the administrative standards for the state service commissions to ensure a comprehensive review of commissions' monitoring of sub-grantees and provided training and technical assistance to help the commissions meet these requirements;
- tightened our risk criteria to give special attention to new grantees;
- extended risk-based monitoring to all major programs, as recommended by our auditors, so that we effectively target our limited monitoring resources;
- conducted financial management seminars for grantees and provided one-on-one coaching and training of individual grantees, as needed; and



- established a Director of Award Oversight and Monitoring position to coordinate activities and drive further reforms across our programs.

### **Financial Management**

The Corporation has achieved five consecutive clean audit opinions, and our National Service Trust management reforms have been favorably reviewed by the OIG, GAO, and our independent auditors. We have taken steps to validate the member data in the Trust and to improve the timeliness with which grantees exit members from the Trust following service completion. Also, we have addressed the IG's concerns from past audits concerning timely vendor payments, control of government charge cards, and gift fund policies.

### **Human Capital**

In FY 2003, our Inspector General and the Office of Personnel Management issued critical reports on the Corporation's human capital program. These reports, augmented by suggestions from Corporation employees, led us to reassess nearly all of our human capital programs and develop a blueprint for reform—reform that fully embraces the goals of the President's Management Agenda.

Since the Corporation began its reform initiative early in FY 2004, dramatic progress has already occurred. Key to this progress has been the hiring of a Chief Human Capital Officer and development of a preliminary Strategic Human Capital Plan, modeled on the Office of Personnel Management's (OPM's) *Human Capital Standards for Success*. Working from this plan, the agency has implemented major human capital reforms in FY 2004 that specifically address the OIG's concerns, including:

- modifying the agency's Alternative Personnel System to increase the number of high-quality job applicants and significantly improve employee morale;
- tightening the criteria used to determine bonuses and pay adjustments;
- implementing a rigorous new managerial appraisal system that more closely ties pay to performance; and
- improving communication with employees by initiating a biweekly newsletter and holding regular "all-staff" meetings on important human capital issues.

### **Performance Measurement**

The Corporation has made enormous progress toward more performance-based grants management. Following on the agency's requirements for grantees to report outcome, output

and efficiency measures, the Corporation is codifying and strengthening these requirements through the AmeriCorps rulemaking process, with a final rule expected to be published in FY 2005.

In FY 2005, the Corporation will begin to analyze its grantee performance reporting in order to develop improved grantee and program performance measures that can be compared and combined in assessing grantee and program performance. In addition, the Corporation will examine the adequacy of current reporting requirements to accurately and fairly present the full range of grantee accomplishments.

Other recent performance measurement accomplishments include:

- the successful launch of national benchmarking surveys for all major programs, giving the Corporation a wealth of annual data from grantees, members, community volunteers, and end beneficiaries;
- a longitudinal study comparing AmeriCorps members to a control group to measure the program's impact on educational, career, community service and other life outcomes;
- the creation of a comprehensive set of performance indicators; and
- the ongoing development of a data warehouse and management dashboard that will put financial and performance information at the fingertips of Corporation executives and managers.

### **Information Security**

The Corporation has maintained an outstanding record of compliance with all applicable laws and regulations governing its systems, including the requirements of the Federal Financial Management Improvement Act (FFMIA) and the Federal Managers' Financial Integrity Act (FMFIA). As required by the Federal Information Security Management Act (FISMA), the Corporation performed a self-assessment of its major systems using the National Institute of Standards and Technology (NIST) ASSET tool in September 2003.

Although the IG made an adverse finding regarding our information security testing last year, two separate, recently completed audits identified no significant security vulnerability. In addition, the FY 2004 financial audit included significant security review that did not find any significant security weakness. The Corporation has a comprehensive security program that has been reviewed as part of this process with no significant changes recommended.

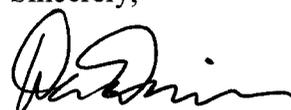
In addition to the five areas listed by the IG, and on which we are providing detailed information, the Corporation has also made significant progress in other areas of management reform, including a top-to-bottom reform of our peer review and competitive grant process and significant structural realignment to reflect greater customer focus and accountability.

The Corporation's senior management and Board of Directors are committed to ensuring that our programs are accountable and effective. At all levels of the Corporation, we are reviewing our business processes, benchmarking with other agencies, measuring customer satisfaction and demanding excellence from our staff.

We are sending copies of this Semiannual Report to interested Congressional committees, the Office of Management and Budget, and the Corporation's Board of Directors. We will also make copies available to others on request.

If you have any questions, please contact me at (202) 606-5000, Ext. 167.

Sincerely,

A handwritten signature in black ink, appearing to read 'David Eisner', written in a cursive style.

David Eisner  
Chief Executive Officer

Attachments

OIG Semiannual Report  
CNCS Annual Performance Report section related to Management Challenges  
Audit Resolution Tables

**Per Public Law 95-452 this letter and the accompanying reports have been delivered to:**

**United States Senate**

The Honorable Richard B. Cheney, Vice President  
The Honorable Ted Stevens, Chairman, Committee on Appropriations,  
The Honorable Robert C. Byrd, Ranking Member, Committee on Appropriations  
The Honorable Arlen Specter, Chairman, Committee on Appropriations, Subcommittee on Labor, Health and Human Services and Education  
The Honorable Tom Harkin, Ranking Member, Committee on Appropriations, Subcommittee on Labor, Health and Human Services and Education  
The Honorable Christopher S. Bond, Chairman, Committee on Appropriations, Subcommittee on VA, HUD and Independent Agencies  
The Honorable Barbara A. Mikulski, Ranking Member, Committee on Appropriations, Subcommittee on VA, HUD and Independent Agencies  
The Honorable Judd Gregg, Chairman, Committee on Health, Education, Labor and Pensions  
The Honorable Edward M. Kennedy, Ranking Member, Committee on Health, Education, Labor and Pensions  
The Honorable Don Nickles, Chairman, Committee on the Budget  
The Honorable Kent Conrad, Ranking Member, Committee on the Budget  
The Honorable Susan Collins, Chairwoman, Senate Governmental Affairs Committee  
The Honorable Joseph Lieberman, Ranking Member, Senate Governmental Affairs Committee

**United States House of Representatives**

The Honorable J. Dennis Hastert, Speaker of the House of Representatives  
The Honorable C.W. Bill Young, Chairman, Committee on Appropriations  
The Honorable David Obey, Ranking Member, Committee on Appropriations  
The Honorable Ralph Regula, Chairman, Committee on Appropriations, Subcommittee on Labor, Health and Human Services and Education  
The Honorable David Obey, Ranking Member, Committee on Appropriations, Subcommittee on Labor, Health and Human Services and Education  
The Honorable James T. Walsh, Chairman, Committee on Appropriations, Subcommittee on VA, HUD and Independent Agencies  
The Honorable Alan Mollohan, Ranking Member, Committee on Appropriations, Subcommittee on VA, HUD and Independent Agencies  
The Honorable John A. Boehner, Chairman, Committee on Education and the Workforce  
The Honorable George Miller, Ranking Member, Committee on Education and the Workforce  
The Honorable Ruben E. Hinojosa, Ranking Member, Committee on Education and the Workforce, Subcommittee on Select Education  
The Honorable Jim Nussle, Chairman, Committee on the Budget  
The Honorable John M. Spratt, Ranking Member, Committee on the Budget  
The Honorable Thomas Davis, Chairman, House Government Reform Committee  
The Honorable Henry Waxman, Ranking Member, House Government Reform Committee

**Office of Management and Budget**

The Honorable Joshua Bolten, Director

**Corporation for National and Community Service**

The Honorable J. Russell George, Inspector General

**TABLE I**

**ACTION TAKEN ON AUDIT REPORTS  
(for the Period April 1, 2004 through September 30, 2004)**

	<u>Number of Reports</u>	<u>Disallowed Costs (\$000)</u>
A. Audit reports with final action not taken by the commencement of the reporting period.	19	
B. Audit reports issued by the OIG during the period	12	
C. Audit reports for which final action was taken during the reporting period	9	
1. Recoveries		
(a) Collections and offsets	6	\$2,171
(b) Property in lieu of cash		
(c) Other (reduction of questioned costs)		
2. Write-offs	0	
3. Audits with no disallowed costs	3	
D. Audit reports for which final action was not taken by the end of the reporting period. <sup>1</sup>	22	
E. <hr/> Audit reports for which management decisions were made during or prior to the six-month reporting period and for which final action is underway.	8	

<sup>1</sup> This includes 18 audits for which final action is not due.

**TABLE II**  
**AUDITS WITH RECOMMENDATIONS TO PUT FUNDS TO BETTER USE**  
**(for the period April 1, 2004 through September 30, 2004)**

	<u>Number of Audit Reports</u>	<u>Dollar value (\$000s)</u>
A. Audit reports with management decisions on which final action had not been taken at the beginning of the period.	0	0
B. Audits which were issued during the period	0	0
C. Total audit reports on which management decisions were made during the period.	0	0
D. Audit reports pending action during the period	0	0
E. Audit reports for which final action was taken during the period		
1. Value of recommendations that were completed	0	0
2. Value of recommendations that management concluded should not or could not be implemented or completed	0	0
3. Total of 1 and 2	0	0
F. Audit reports for which no management decisions were made during the reporting period	0	0

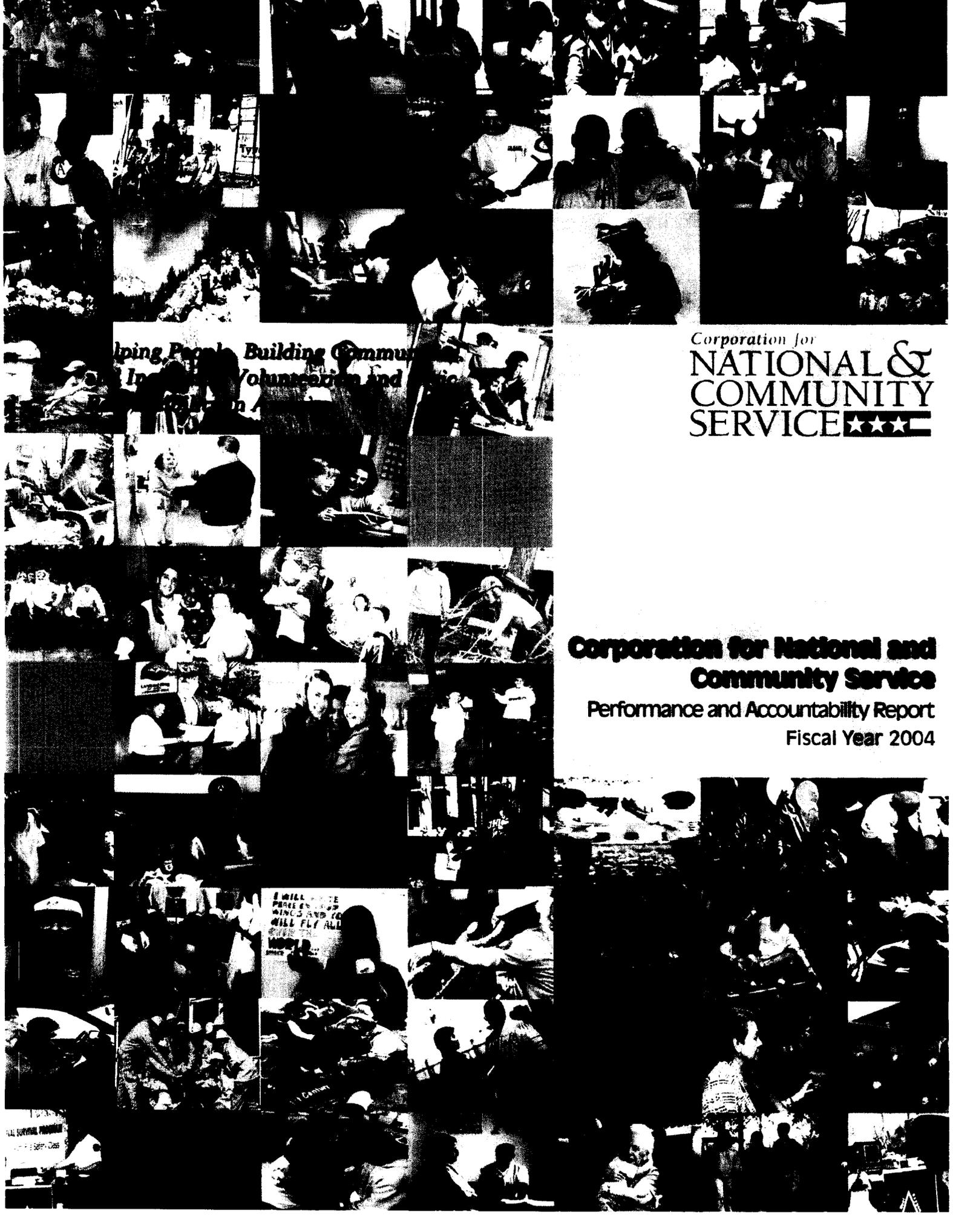
**TABLE III****STATUS OF AUDIT REPORTS WITH MANAGEMENT DECISIONS THAT HAD NO FINAL ACTION  
WITHIN ONE YEAR OF THE ISSUANCE OF THE REPORT  
(As of September 30, 2004)**

<b><u>Audit Number</u></b>	<b><u>Date Issued</u></b>	<b><u>Title</u></b>	<b><u>Disallowed Costs</u></b>	<b><u>Status of Action/Reason No Final Action Was Taken</u></b>
03-04	7/25/03	Incurred Cost Audit of Grants Awarded to the Wisconsin National and Community Service	\$110,216	The Commission provided additional supporting documentation in October 2004 for some questioned costs and requested reconsideration of a disallowance. The Corporation must review the recently provided documentation before completing corrective action.
03-05	09/30/03	Incurred Cost Audit of Grants Awarded to the Ohio Community Service Council	TBD	The Commission is still gathering supporting documentation and information for questioned costs. The Corporation must review the documentation before completing final action.
03-14	03/28/03	Audit of Costs Claimed by the Navajo Nation Under Grant no. 399W023-21, Foster Grandparent Program	\$9,261	The Corporation completed a review of corrective action on November 19, 2004 and informed the grantee of two final actions that need to be taken.
03-25	9/18/03	Review of CNCS Implementation of the FISMA for FY 2003		This audit is complete for the exception of the Notice of Final Action which will be sent to OIG this month.

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**Corporation for National and  
Community Service**  
Performance and Accountability Report  
Fiscal Year 2004



# Corporation Response to the Management Challenges Identified by the Inspector General

In FY 2004, the Corporation has continued to make progress addressing a variety of management challenges at the same time that we are resource constrained. Senior management and the Board of Directors remain committed to ensuring that our programs are more accountable and effective. At all levels of the Corporation, we are reviewing our processes, benchmarking with other agencies, pulsing our customers and demanding excellence from our staff.

This year's OIG management challenges report does not adequately reflect the significant progress made by the Corporation over the past 18 months.

We understand that significant work remains to optimize program performance and ensure that the agency's internal management functions operate according to the highest standards of fiscal and operational accountability. Resource constraints make it increasingly difficult to meet increased demands for higher standards of accountability, especially in the highly decentralized grant programs administered by our agency. Nonetheless, in every area cited by the IG and in many more, the Corporation has begun to implement significant reforms – reforms that senior management and the Board of Directors are committed to seeing through.

Many of those reforms and strategic initiatives are discussed throughout this FY 2004 Performance and Accountability Report. In addition, we would like to respond to the specific points made by the OIG.

## Grant Monitoring and Management

To build stronger oversight and management across all its programs, the Corporation recently established an Award Oversight and Monitoring Council comprised of senior staff. The Council's mission is to ensure that the Corporation exercises uniformly excellent financial, administrative and programmatic award oversight across its programs and supports awardees success through effective compliance monitoring, training and technical assistance. The initial tasks of the Council are to fill the new Director of Oversight and Monitoring position and develop the FY 2005

oversight and monitoring plan.

#### Risk-Based Monitoring.

In FY 2004, the Corporation piloted a risk-assessment process to target site visits and established new administrative standards for the state commissions to assess their performance in overseeing service programs in their states. The Corporation also established new protocols for reviewing the commissions' performance. Under these protocols, the Corporation now will conduct a more in-depth review of a one-third sample of the commissions each year. Following the commission would have six months to bring the commission into compliance with any of the new administrative standards. The Corporation also will continue to review its grants monitoring process, including its risk-assessment approach, to identify further improvements.

#### Senior Corps Monitoring

The Corporation established a pilot tracking system for Senior Corps grantees in FY 2004. In FY 2005, this system will be revised, based on this first year of operation. The agency will improve the system's site visit tracking and documentation capability. This improved documentation capability will better enable the grants specialists to document the scope of their testing and the specific procedures they performed in reaching their conclusions regarding the grantees visited. The Corporation completed all scheduled Senior Corps site visits in FY 2004—nearly 1,000 of them—and will maintain rigorous adherence to its schedule of visits to Senior Corps grantees going forward.

#### Timely Feedback from Site Visits

In FY 2004, about 86 percent of the Corporation's Office of Grants Management site visit reports were submitted on time. The Corporation will continue to improve the timeliness of its reports by, for example, implementing planned improvements to the agency's computer technology (e.g., the replacement of desktop computers with laptops) to the extent that sufficient funding is available. The Corporation includes timeliness as a performance standard for its staff.

#### Grantee Reporting

During the transition to electronic submission of reports, several difficulties surfaced related to electronic tracking in eGrants. The

Corporation has developed solutions to these challenges and that will address these problems in FY 2005. We will incorporate the tracking of AmeriCorps member enrollment and exit forms into eGrants during its next phase of improvements. In addition, we will modify the eGrants system to support a comprehensive system of reminders and follow-up messages on financial and programmatic reports.

### Grantee Matching Documentation

When grantees demonstrate that they cannot meet match requirements because of a lack of available funds at the local community level, the Corporation works with the grantee to establish a grant level suitable to the grantee's match capability. To ensure that grantees maintain appropriate supporting documentation for the match, we provide technical assistance to them and conduct financial management training seminars that cover requirements for documentation.

In FY 2004, the Corporation conducted workshops and conferences for state commissions, national direct grantees, Learn and Serve America grantees and sub-grantees, including about 1,900 attendees. We also conducted 47 on-site technical assistance interventions and provided remote technical assistance to another 1,620 program managers. In FY 2005, the agency will conduct at least two more voluntary seminars and will plan a comprehensive mandatory seminar for all grantees for FY 2006. In addition, the Corporation trains all new grantees on match documentation requirements within the first three months of the grant project period.

The Corporation's recently updated its monitoring protocols to include clear guidance for reviewing the documentation for grantee/sub-grantee match funding. These protocols help to ensure that all grantees/sub-grantees maintain adequate match documentation.

### Screening of Grantees

Grants Management Specialists at both the Service Centers and headquarters must review the clearinghouse and check for A-133 issues before executing every award. The Corporation identifies those grantees that have weaknesses, records that information in eGrants, and works with the applicant organization to undertake appropriate corrective action before executing the award.

### Timely Grant Close-out

The Corporation established a method for identifying and tracking expired grants in FY 2001 and began a process to catch up on the backlog of expired grants at that time. Since then, the agency has closed over 90 percent of expired grants and decreased the backlog significantly. Close-out is often delayed because grantees must complete reconciliations before the Corporation can close the grants. Further improvements to timely grant close-out will require the Corporation to further simplify and automate the close-out process, and devote more staff time to follow-up with grantees on necessary reconciliations.

### Grantee Documentation

During FY 2004, the agency transmitted clear guidance to all grantees and sub-grantees regarding the requirement to conduct criminal background checks on potential members. In addition, the language included in each grant was amended to further clarify this requirement.

The Corporation's grant guidelines and agreements, as well as OMB circulars, incorporate requirements for the maintenance of timekeeping records for employees. However, some grantees and sub-grantees have not maintained adequate timekeeping records. Therefore, the Corporation will conduct a mandatory, comprehensive financial management training conference in late FY 2005 or early FY 2006 that will include timekeeping requirements training.

The Corporation plans to address the outstanding OIG recommendations as fully as possible within existing resource constraints in FY 2005. The agency's implementation of risk-based monitoring and its expanded use of technology (e.g., laptops for site visits, as planned over the next few years) are expected to result in operational cost savings over time that can be used to address some of these issues. In some cases, improvements will require additional funding to enable the Corporation to fully address the OIG's concerns.

Further information on the Corporation's grants management and monitoring is provided in the following sections: "Status of Grants Management Reportable Condition" and "Improved Financial Management."

## Financial Management

### National Service Trust

The Corporation has already implemented improvements to the agency's procedures and systems to improve the agency's management of the National Service Trust. The agency implemented a set of controls to ensure the availability of Trust resources for AmeriCorps grant approvals, including:

- Estimating total FTE and member slots available for the grant cycle and allocating them to programs;
- Requiring the CFO to certify the program and Trust costs of each proposed grant approval;
- Recording Trust obligations concurrent with the grant award process;
- Automating safeguards in the Web-Based Reporting System (the agency's grantee reporting system) to help prevent grantees from enrolling more members than they were allotted; and
- Continuously tracking Trust enrollments to allow for timely mid-course corrections, if necessary.

The Corporation also has taken steps to validate the member data in the Trust, particularly for incoming members. However, ongoing reconciliation efforts continue to be necessary to resolve outstanding discrepancies. With regard to the timely processing of member exit information, the agency has improved the WBRS functionality and grantee/sub-grantee training to support more accurate and timely tracking of member exits. The agency's education award payments are processed promptly following member requests and validation of expenses. The agency will review its education award payment process to ensure it is as efficient as possible, while maintaining adequate control over Federal expenditures.

### Controls on Use of Government Charge Cards

As noted by the OIG, the Corporation has reduced the number of employees identified as having mis-used Government charge cards for personal use substantially over the last few years to a very low level. The Corporation continues, however, to ensure that all employees with such cards are fully aware of the provisions limiting use to Corporation business by issuing reminder notifications periodically. Moreover, the agency continues to monitor charge card use for potential abuses, including reviewing a sample of charges each month.

## Internal Controls on Gift Fund Expenditures

The Corporation is revising its policies and procedures to strengthen internal controls on Gift Fund transactions.

## Timely Vendor Payments

Currently, the Corporation pays less than \$10,000 per year in interest and penalties due to late payments, representing about 0.001 percent of the agency's appropriation. Nonetheless, the Corporation will reexamine its procedure for verifying receipt of goods and services prior to payment to ensure adequate compliance with timeliness requirements.

## Human Capital

In FY 2003, our Inspector General and the Office of Personnel Management issued highly critical reports of the Corporation's human capital program. These reports, augmented by suggestions from Corporation employees, led us to reassess nearly all of our human capital programs and develop a blueprint for reform—reform that fully embraces the goals of the President's Management Agenda.

Although the Corporation only began its reform initiative early in FY 2004, dramatic progress has already occurred. Key to this progress has been the development of a preliminary Strategic Human Capital Plan, modeled on the Office of Personnel Management's (OPM's) *Human Capital Standards for Success*. Working against our preliminary Strategic Human Capital Plan, the agency implemented major human capital reforms in FY 2004.

FY 2004 reforms that specifically address the OIG's concerns include:

- Improved communication with employees by initiating a biweekly newsletter and holding regular "all-staff" meetings on important human capital issues;
- Modified the agency's Alternative Personnel System to ensure alignment with the Corporation's strategic objectives by:
  - Reforming the long-time practice of using term appointments for on-going positions to instead use permanent appointments, thus increasing the number of high-quality job applicants and significantly improving employee morale;
  - Tightening the criteria used to determine bonuses and

pay adjustments and implementing a rigorous new managerial appraisal system, thus more closely tying pay to performance;

- Created a new position, Chief Human Capital Officer, to focus the agency's human capital reform efforts;
- Clarified personnel policies and office roles in human resource decision-making by conducting training and informational sessions for executives, managers and employees;
- Initiated the development of an active diversity program by establishing a Diversity Advisory Council; and
- Implemented the Federal Human Capital Survey to help identify employee concerns, particularly with regard to equitable treatment of employees.

In addition, in FY 2004 the Corporation implemented a number of additional human capital improvements, including:

- Doubling the agency's investment in employee training;
- Promoting leadership development by encouraging all supervisors, managers and executives to participate in "360-degree" assessments and to use the results of these assessments to prepare Individual Development Plans;
- Reinforcing the centrality of our programs and strengthened program management by more strongly exercising the functions of the Chief Operating Officer to enhance and integrate all program operations;
- Developing initial operational, output, and outcome metrics to better assess the agency's progress and to support more informed decision-making; and
- Receiving the Excellence in Government Ethics award for our comprehensive and highly effective ethics program.

Although enormous progress was made in FY 2004, the Corporation recognizes that building a diverse, energized, high-performing workforce requires a long-term investment of time and resources. To ensure the Corporation's ongoing progress, the agency will update and refine its Strategic Human Capital Plan in FY 2005, reassessing our progress, strengthening the measures used to determine our success and identifying further steps to achieve a high-performing workforce. Among other initiatives, our new Strategic Plan will call for:

- Implementing a rigorous new appraisal system for non-supervisory employees in FY 2005;
- Developing and testing a Workforce Planning Model that eventually will be applied to all Corporation units and occupations;

- Implementing a strategic approach to the use of training resources to ensure that such resources help to address skills gaps and leadership succession; and
- Streamlining staffing processes to identify the right people for the right jobs more quickly and efficiently.

Based on the tremendous progress made in FY 2004 and the agency's commitment to meeting its human capital challenges, the Corporation hopes to become a "model" of human capital management over the coming years.

### **Information Security**

The Corporation has maintained an outstanding record of compliance with all applicable laws and regulations governing its systems, including the requirements of the Federal Financial Management Improvement Act (FFMIA) and the Federal Managers' Financial Integrity Act (FMFIA). As required by the Federal Information Security Management Act (FISMA), the Corporation performed a self-assessment of its major systems using the National Institute of Standards and Technology (NIST) ASSET tool in September 2003.

Additionally, the Corporation completed its 2004 testing and evaluation of its major systems using the NIST ASSET tool again in September and expects to complete new Certification and Accreditation reports for all of its major systems by January 31, 2005.

Two separate, recently completed audits identified no significant security vulnerability. In addition, the FY 2004 financial audit included significant security review that did not find any significant security weakness. The Corporation has a comprehensive security program that has been reviewed as part of this process with no significant changes recommended.

### **Grantee Performance Measurement**

The Corporation has made enormous progress toward more performance-based grants management. Following on the agency's requirements for grantees to report at least one outcome measure, one output measure and one efficiency measure, the Corporation plans to codify and strengthen these requirements through the AmeriCorps rulemaking process, with a final rule expected to be published in FY 2005.

However, the Corporation recognizes the need to incorporate performance measurement into the management of its grants more fully. To create a more performance-based grant-making process, the Corporation will work cooperatively with our grantees, sub-grantees, constituents, the Administration and the Congress to develop creative and effective solutions to both include grantee performance in the grants application and review process, and support promising new service organizations and approaches.

As a first step, in FY 2005 the Corporation will analyze grantee performance reporting and begin to identify common themes and approaches to effective performance measurement and management that might be used by other grantees. Based on these common approaches, the Corporation, working in consultation with the grantees and other constituents, will evaluate alternatives to enable more standardized reporting, while also enabling reporting of the unique results of many grantees.

In FY 2005 the Corporation will begin to analyze its grantee performance reporting in order to develop improved grantee and program performance measures that can be compared and combined in assessing grantee and program performance. A significant challenge in this development process will be to identify comparable measures to assess the exceptionally wide range of programs supported through the Corporation's programs. In addition, the Corporation will focus on the adequacy of current reporting requirements to accurately and fairly present the full range of grantee accomplishments. The Corporation also will assess the feasibility and usefulness of the data that would be generated from an expanded accomplishments reporting approach prior to imposing additional reporting requirements for grantees and sub-grantees.

Ongoing improvement to the eGrants system will help to address the need for improved grantee performance tracking under current reporting requirements. However, in FY 2005 the agency also will examine the eGrants system and the reporting requirements to ensure that comparable data is collected from grantees in all the Corporation's programs. This effort will require a review of data element and metric definition differences across programs and grantees and the development of more standardized definitions. Additional systems changes in FY 2006 will be dependent upon the improved performance reporting requirements to be developed by the Corporation over the next few years.