

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

**AUDIT OF
CORPORATION FOR NATIONAL & COMMUNITY SERVICE
GRANTS AWARDED TO
TUFTS UNIVERSITY/MASSACHUSETTS CAMPUS COMPACT**

OIG REPORT 15-05

Office of Inspector General

Corporation for
**NATIONAL &
COMMUNITY
SERVICE** 

Prepared by:

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This report was issued to Corporation management on May 14, 2015. 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 November 16, 2015, and complete its corrective actions by May 16, 2016. Consequently, the reported findings do not necessarily represent the final resolution of the issues presented.



May 14, 2015

TO: Kathy Young
Associate Director, Sponsored Programs Accounting
Tufts University/Massachusetts Campus Compact

Bill Basl
Director of AmeriCorps

Paul Monteiro
Director of AmeriCorps*VISTA

FROM: Stuart Axenfeld 
Assistant Inspector General for Audit

SUBJECT: Office of Inspector General (OIG) Final Report 15-05: *Audit of Corporation for National and Community Service Grants Awarded to Tufts University/Massachusetts Campus Compact*

Attached is the OIG Final Report 15-05: *Audit of Corporation for National and Community Service Grants Awarded to Tufts University/Massachusetts Campus Compact*. The audit was conducted by Castro & Company, LLC in accordance with standards established by the *Government Auditing Standards*, issued by the Comptroller General of the United States.

Under the Corporation's audit resolution policy, a final management decision on the findings and recommendations in this report is due by November 16, 2015. Notice of final action is due by May 16, 2016.

If you have questions pertaining to this report, please contact Thomas Chin, Audit Manager, at (202) 606-9362 or t.chin@cncsoig.gov; or me at (202) 606-9360 or s.axenfeld@cncsoig.gov.

Attachment

cc: Jeffrey Page, Chief Operating Officer
Kathryn Gillis, Director, Office of Accountability and Oversight
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**OFFICE OF INSPECTOR GENERAL
AUDIT OF
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EXECUTIVE SUMMARY

During the period 2011-2013, the Corporation awarded \$963,062 to the Massachusetts Campus Compact (MACC), a coalition of colleges and universities that encourage student involvement in organizations that assist low-income communities. VISTA provided 88.6 percent of the funds, with the remainder coming from AmeriCorps.

Our audit found:

- VISTA unknowingly renewed its grant to MACC one day after AmeriCorps terminated its grant for cause. The Corporation treats each grant in isolation and lacks systems or processes for sharing critical information about grantees between programs.
- MACC charged the VISTA grant for student labor that was unsupported and unvalidated by a responsible supervisor.
- Twelve MACC workers were paid \$115,976 from the VISTA grant without ever undergoing required criminal history background checks.
- MACC failed to oversee the sites and activities to which its 28 VISTA members were assigned.
- MACC overdrew the AmeriCorps grant for more members than it enrolled.

Overall, more than 13 percent of MACC's claimed costs were overcharges. It lacked effective internal controls to ensure that costs charged to grants were correct in amount and properly supported and verified. We recommend that the Corporation disallow and recover the questioned costs identified in our audit. Any further dealings with MACC should be conditioned on significant improvements in its financial management practices, recordkeeping and host site monitoring.

We also recommend that the Corporation develop systems and procedures for timely sharing of information across grants and programs and consider transitioning its monitoring and oversight from a grant-centered approach to a grantee-centered approach. There is no justification for unknowingly awarding a grant to a grantee terminated by a sister program because of its failure to remedy grant management deficiencies. Here, the lack of communication between the programs resulted in a missed opportunity for the Corporation to prevent further waste of Federal funds, as evidenced by the questioned costs identified in this audit report.

Finally, the Corporation should determine why the Massachusetts State Office, which conducted a site visit to MACC during the period covered by our audit, failed to uncover the problems identified by our auditors. It is particularly hard to understand how the complete absence of host site monitoring records escaped their notice.

INTRODUCTION

The Massachusetts Campus Compact (MACC) received grants under two Corporation programs, AmeriCorps State and National (AmeriCorps) and AmeriCorps VISTA (VISTA). A nonprofit coalition of 70 colleges and universities presidents committed to developing the civic engagement skills of students, building partnerships with the community, and integrating civic engagement with teaching and research. During the period covered by our audit, MACC was hosted by Tufts University.¹

MACC enjoyed a longstanding relationship as a sponsor of the VISTA program, dating from 1997 until the VISTA grant concluded on September 2014. VISTA members are assigned to anti-poverty programs to enhance their capacities to eradicate or mitigate poverty. Under MACC's aegis, VISTA members were assigned to work at local nonprofit organizations (host sites) to leverage the resources of higher educational institutions in projects to alleviate poverty. MACC also received one of a small number of VISTA grants, focused on bolstering K-12 and post-secondary school readiness in high-poverty communities.² The Corporation's oversight of the VISTA program is decentralized, and the Massachusetts State Office was responsible for monitoring MACC's VISTA program, with support as needed from the Field Financial Management Center (FFMC) in Philadelphia, PA. During the audit period from August 2011 to September 2013, 28 VISTA members served at MACC each year.

Between 2011 and 2013, AmeriCorps awarded Education Award Program (EAP) grants of \$54,883 annually to defray costs of recruiting and enrolling an expected 75 members into MACC's AmeriCorps Student Leaders in Service Program; members were to provide direct service to community organizations and assist them in building sustainable campus-community partnerships. EAP grants provide a modest per-capita amount to fund costs incurred by an organization in recruiting and enrolling AmeriCorps members.³ Each quarter, MACC was entitled to draw down an amount based on its then-enrollment. At grant closeout, the Corporation reconciles the amounts drawn against the total completed MSYs.

In August 2012, AmeriCorps conducted a site visit in connection with the EAP grant. That visit uncovered a number of irregularities, including member contracts that omitted key portions of the grievance process, failure to complete legally required criminal background checks and lack of signatures and dates on member timesheets. The AmeriCorps Program Office directed MACC to prepare a corrective action plan (CAP). MACC failed to comply and did not submit the CAP. After unsuccessful efforts to resolve the issues, the AmeriCorps Program Office terminated MACC's EAP grant on July 24, 2013.

One day after AmeriCorps terminated the EAP grant, VISTA renewed its grant. VISTA was unaware of the grant management problems that AmeriCorps encountered with MACC, MACC's lack of cooperation and the resulting termination of the EAP grant. Although the Massachusetts State Office conducted a monitoring visit in connection with the VISTA program in December 2012, the program officer knew nothing about AmeriCorps' findings a few months earlier. That

¹ It became an independent 501c3 organization as of January 1, 2014.

² VISTA provides stipends to support approximately 7,000 members annually who serve at sponsoring anti-poverty organizations. In addition, VISTA awards 10-20 grants per year to support the operation of capacity-building programs.

³ The grant depends on the number of full-time-equivalent members, known in AmeriCorps parlance as Member Service Years (or "MSYs") enrolled.

VISTA monitoring visit, which occurred in the midst of our audit period, did not detect the deficiencies found in our audit.

FINDINGS

Our audit uncovered violations of applicable grant terms, rules, and regulations, many of which resulted in overcharges. Our findings fall into six areas⁴:

- Finding No. 1 – Student-worker wages charged to the VISTA grant were unsupported and unconfirmed.
- Finding No. 2 – Some MACC staff did not undergo required background checks.
- Finding No. 3 – Disallowance of the direct costs questioned in this audit will render certain indirect costs unallowable.
- Finding No. 4 – MACC overstated its enrollment and overdrew the AmeriCorps grant.
- Finding No. 5 – MACC did not adequately monitor program sites.
- Finding No. 6 – Inadequate systems for sharing information led VISTA to award a grant immediately after AmeriCorps terminated its relationship with the same grantee.

The following table summarizes MACC’s grant awards, the costs claimed, and the questioned costs⁵ identified by the audit.

| Grants | Audit Period | Total Grant Funding | Total Costs Claimed | Questioned Costs | | Appendix ⁶ |
|-------------------------------|--|---------------------|---------------------|------------------|-----------------|-----------------------|
| | | | | Federal | Match | |
| VISTA Grant 06VSAMA006 | 08/14/2011 to 09/07/2013 | \$853,296 | \$836,519 | \$123,550 | \$46,190 | A |
| EAP Grant 10EDHMA001 | 07/01/2011 to 07/24/2013 ⁷ | \$109,766 | \$109,747 | \$5,393 | - | B |
| Totals | | \$963,062 | \$946,266 | \$128,943 | \$46,190 | |
| TOTAL QUESTIONED COSTS | | | | \$175,133 | | |

We discuss our findings in turn, highlighting the questioned costs associated with each.

⁴ The previous finding related to unallowable meal expenses in the draft report was removed in this final report. In the MACC’s and Corporation’s response to the draft report, which were included as Appendix C and D, their responses to Findings No. 4, 5, 6 and 7 are now referenced as Findings No. 3, 4, 5, and 6, respectively.

⁵ A questioned cost is: (1) an alleged violation of a provision of law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds; (2) a finding that at the time of testing, such costs were not supported by adequate documentation; or (3) a finding that the expenditure of funds for the intended purpose was unnecessary or unreasonable.

⁶ Separate schedules detailing the questioned costs are presented in Appendices A and B.

⁷ The EAP grant was terminated by the Corporation on July 24, 2013.

Finding No. 1 – Student-worker wages charged to the VISTA grant were unsupported and unconfirmed.

In addition to regular staff, MACC employed student-workers (non-VISTA members), whose wages were charged to the VISTA grant. Their labor charges did not undergo the same review and approval process used for regular staff. MACC's process for reviewing student-workers' hours did not provide sufficient after-the-fact confirmation of their labor charges.

Under applicable guidance in effect at the time, institutions of higher education were not required to maintain contemporaneous, supervisor-approved timesheets to document their labor charges for Federal grants. Instead, they were permitted to adopt systems in which responsible supervisory officials periodically provided after-the-fact confirmation that the hours were actually worked and properly charged to the grant. In accordance with this requirement, MACC confirmed the labor charges of its regular employees on a quarterly basis.

MACC used a different process to track and charge the hours of student-workers involved in the VISTA grant. A clerical employee gathered information about the hours they worked and input it into eServe@HR, MACC's human resources management system, which includes time and payroll information. No supervisor was required to confirm these hours. MACC told the auditors that the clerical employee either had personal knowledge of the student-workers' hours or inquired of the student-workers before inputting the information. The hours entered into eServe@HR do not specify the grant to which the work should be charged.

Per MACC's written procedures, MACC's VISTA Project Director (a MACC employee) reviewed the hours of the regular staff members charged to the VISTA grant on a quarterly basis and provided the requisite after-the-fact confirmation that their labor was properly charged to the VISTA grant. No one performed a similar review and confirmation of the labor charges of student-workers.

In its communications with auditors, MACC took the position that the student-workers' hours entered into eServe@HR are all chargeable to the VISTA grant, because the student-workers' eServe@HR profiles indicate that MACC hired these individuals to work on the VISTA grant. Had a student-worker devoted time to another project, MACC suggested, the hours would have been adjusted when they were entered into eServe@HR or re-allocated at a later time.

Neither the profiles nor the time records, however, demonstrate that the student-workers' time was properly chargeable to the VISTA grant. Recording the hours information provided by student-workers was essentially a ministerial task. The clerical employee simply relayed the information without critical scrutiny and did not believe that she was expected to validate the labor charges independently. The mere entry of worker-provided information into eServe@HR does not constitute confirmation that the hours charged were accurate or allocable to the VISTA grant. Likewise, the profiles indicate only that the student-workers were *expected to* work on the VISTA grant, not that they did only that. Individuals can easily be reassigned or asked to perform tasks not contemplated when they were hired. Here, the student-workers were not required to distinguish between time devoted to VISTA activities and other work, and no supervisor was tasked with certifying that 100 percent of their labor was properly charged to VISTA.

The supervisory certification requirement embodies the Federal government's unwillingness to rely solely on self-reporting by staff. MACC implemented such a requirement for its regular employees, but the labor charges of its student-workers were devoid of detail and essentially unverified. As a result, we have questioned \$7,504 in unsupported labor charges for the 67

transactions in our payroll sample charged by nine student-workers. For the same reason, we have questioned the \$7,574 charged to the grant during the audit period by the remaining student-workers. The questioned costs for this category therefore total \$15,078.

Criteria

Office of Management and Budget (OMB) Circular A-21, *Cost Principles of Education Institutions*, Section J.10.b.(2)(b) required confirmation of labor costs as follows:

The method must recognize the principle of after the fact confirmation or determination so that costs distributed represent actual costs, unless a mutually satisfactory alternative agreement is reached. Direct cost activities and F&A cost activities may be confirmed by responsible persons with suitable means of verification that the work was performed. Confirmation by the employee is not a requirement for either direct or F&A cost activities if other responsible persons make appropriate confirmations.

OMB Circular A-21, Section J.10.c.(1)(e) states:

At least annually a statement will be signed by the employee, principal investigator, or responsible official(s) using suitable means of verification that the work was performed, stating that salaries and wages charged to sponsored agreements as direct charges, and to residual, F&A cost or other categories are reasonable in relation to work performed.

Recommendations

We recommend that the Corporation:

- 1a. Disallow and recover the questioned costs totaling \$15,078; and
- 1b. Ensure that, if MACC applies for any new grant awards, it implements procedures to require an after-the-fact confirmation for student-workers' labor charges to grants.

MACC's Response

MACC disagreed with the finding as it believed that MACC was in full compliance with OMB Circular A-21. For the student-workers, MACC stated that their weekly timesheets were certified by the MACC's Office Manager who was responsible for collecting the student-workers' work hours. MACC further stated that the Office Manager was responsible for hiring and supervising the student-workers; therefore, the Office Manager was the appropriate individual for certifying the time worked by each student-worker. MACC stated that if the student-workers worked hours were not all associated with the VISTA grant, the Office Manager had the capabilities to charge the appropriate project(s) when entering their hours into eServe@HR.

In addition, MACC stated that the 67 salary transactions tested by the auditors were not for nine student-workers, rather they were for only five student-workers, three VISTA leaders, and two temporary workers. The three VISTA leaders' salaries were paid through semi-monthly payroll and the two temporary workers' salaries were paid through the weekly payroll.

Corporation's Response

The Corporation also disagreed that the 67 transactions were for the nine student-workers and claimed that only five of the nine were VISTA members and their living allowances were paid

through MACC. Therefore, the timekeeping requirements related to these VISTA members were not comparable to those required for student-workers, and their associated costs should not be questioned.

Auditor's Response

We continue to make the recommendations as stated above. MACC did not address the central issue regarding the student-workers' eServe@HR profiles and their timekeeping records did not show that their time was properly charged to the VISTA grant.

Regardless of whether there were nine student-workers, or if some of them were VISTA members, leaders, or temporary workers, documentation was not provided to demonstrate the personnel costs were appropriately charged to the VISTA grant. If some of the student-workers were VISTA leaders and paid through the semi-monthly payroll process, documentation should have been provided to demonstrate that their time was reviewed as part of the after-the-fact confirmation process for the labor charges. If some of the student-workers were temporary workers, their salaries should still be questioned because of the weaknesses related to MACC's weekly payroll process as we reported in this finding.

Additionally, the Corporation stated that five of the student-workers were actually VISTA members, the transactions we reviewed were not living allowance but personnel salaries.

Finding No. 2 – Some MACC staff did not undergo required background checks.

MACC did not conduct the National Service Criminal History Check or check the National Sex Offender Public Website (NSOPW) for nine student-workers and three employees who charged their time to the VISTA grant, resulting in questioned Federal costs of \$115,976. Of this amount, \$7,504 is also included in the costs questioned under Finding No. 1.

MACC told auditors that it believed that the Corporation completed the background checks for these 12 individuals. But the Corporation's online information for VISTA sponsors states clearly that VISTA grantees are responsible for conducting the necessary background checks for anyone paid from a VISTA grant.

Criteria

45 Code of Federal Regulations (CFR) §2540.201, *To whom must I apply eligibility criteria relating to criminal history?* states:

You must apply the National Service Criminal History Check eligibility criteria to individuals serving in covered positions. A covered position is a position in which the individual receives an education award or a Corporation grant-funded living allowance, stipend, or salary.

45 CFR §2540.204, *When must I conduct a National Service Criminal History Check on an individual in a covered position?* states:

(a) Timing of the National Service Criminal History Check Components. (1) You must conduct and review the results of the nationwide NSOPW check required under §2540.203 before an individual in a covered position begins work or starts service.

(2) You must initiate state registry or FBI criminal history checks required under §2540.203 before an individual in a covered position begins work or starts service. You may permit an individual in a covered position to begin work or start service pending the receipt of results from state registry or FBI criminal history checks as long as the individual is not permitted access to children age 17 years or younger, to individuals age 60 years or older, or to individuals with disabilities, without being in the physical presence of an appropriate individual, as described in §2540.205(g) of this chapter.

45 CFR §2540.206, *What documentation must I maintain regarding a National Service Criminal History Check for a covered position?* states:

You must:

(a) Document in writing that you verified the identity of the individual in a covered position by examining the individual's government-issued photo identification card, and that you conducted the required checks for the covered position; and

(b) Maintain the results, or a results summary issued by a State or Federal government body, of the NSOPW check and the other components of each National Service Criminal History Check, unless precluded from doing so by State or Federal law or regulation. You must also document in writing that an authorized grantee representative considered the results of the National Service Criminal History Check in selecting the individual.

42 United States Code (U.S.C.) § 12645g, Criminal History Checks, states:

In General Each entity selecting individuals to serve in a position in which the individuals receive a living allowance, stipend, national service educational award, or salary through a program receiving assistance under the national service laws, shall, subject to regulations and requirements established by the Corporation, conduct criminal history checks for such individuals.

(a) **Requirements** A criminal history check under subsection (a) Shall, except in cases approved for good cause by the Corporation, include:

- 1) A name-based search of the National Sex Offender Registry established under the Adam Walsh Child Protection and Safety Act of 2006 (42 U.S.C. 16901 et seq); and
- 2) (A) a search of the State criminal registry or repository in the State in which the program is operating and the State in which the individual resides at the time of application; or
(B) submitting fingerprints to the Federal Bureau of Investigation for a national criminal history background check.

(C) Eligibility prohibition

An individual shall be ineligible to serve in a position described under subsection (a) if such individual—

- (1) refuses to consent to the criminal history check described in subsection (b);
- (2) makes a false statement in connection with such criminal history check;

(3) is registered, or is required to be registered, on a State sex offender registry or the National Sex Offender Registry established under the Adam Walsh Child Protection and Safety Act of 2006 (42 U.S.C. 16901 et seq.); or

(4) has been convicted of murder, as described in section 1111 of title 18.

The Corporation's "Frequently Asked Questions - National Service Criminal History Checks" (the July 16, 2010 version) states, in part:

1.1. What programs are covered by the Corporation's requirements for criminal history checks?

[omitted] For the RSVP and VISTA programs, grantees are not required to conduct criminal history checks on their volunteers; however, RSVP and VISTA grantees are required to conduct criminal history checks on all employees who receive part or all of their salary from the respective program grant. The new requirements took effect on October 1, 2009. Beginning in April 2011, programs will also be required to conduct FBI background checks on covered individuals who will be working with vulnerable populations.

Recommendations

We recommend that the Corporation:

- 2a. Disallow and recover the questioned costs totaling \$108,472;
- 2b. Disallow and recover costs for any services provided by these 12 individuals outside the audit period;
- 2c. Determine whether background checks were conducted on student-workers outside the audit sample and, if so, disallow and recover those costs; and
- 2d. Ensure that if MACC applies for any new grant awards, MACC develops and implements procedures to ensure complete and timely criminal background checks, with proper documentation.

MACC's Response

MACC stated that questioned costs associated with five student-workers be reconsidered as none of the five student-workers' duties required working with vulnerable populations. Although MACC is now aware that the Corporation requires all individuals who are paid through a VISTA grant to undergo the National Service Criminal History Check or an NSOPW check, it believes the questioned costs should be reconsidered for the following reasons:

- There were no special terms or requirements in the VISTA Notice of Grant Awards, during the audit period, that required background checks be performed on any individuals who were paid from the VISTA grant;
- MACC complied with Tufts University policy in which background checks were only required for individuals who worked with children; and
- MACC did not consider the student-workers as grant staff per the Corporation's January 3, 2011 memorandum that student-workers were not considered as "employees" nor "salaried" workers.

For the remaining questioned costs, MACC stated that these costs were associated with three VISTA members, whose background checks were conducted by the Corporation.

Corporation's Response

Similar to Finding No. 1, the Corporation stated that five of these student-workers were VISTA members and their required background checks were conducted by the Corporation.

Auditor's Response

We continue to question the costs for these nine individuals. As MACC stated in its response, the Corporation requires all paid individuals through a VISTA grant to have a National Service Criminal History Check and the NSOPW completed; therefore, the questioned costs should remain.

As it relates to the nine student-workers, both MACC and the Corporation stated that these individuals were VISTA members and their background checks were conducted by the Corporation. We agree that VISTA members' background checks are typically conducted by the Corporation. However, the questioned costs remain because neither the Corporation nor MACC provided any documentation to confirm that any of the background checks were performed.

Finding No. 3 – Disallowance of the direct costs questioned in this audit will render certain indirect costs unallowable.

MACC applied its 36.5 percent approved indirect cost rate⁸ to all direct costs charged to the VISTA grants. Disallowance of the costs questioned in Finding Nos. 1 and 2 reduces the allowable indirect costs by \$46,190. These questioned costs were calculated as follows:

| | |
|------------------------------|------------------|
| Total Cost Claimed | \$836,519 |
| Questioned Costs: | |
| Finding No. 1 | (15,078) |
| Finding No. 2 | <u>(108,472)</u> |
| Total Allowable Cost Claimed | 712,969 |
| Indirect Cost Rate | <u>36.5%</u> |
| Allowable Indirect Costs | 260,234 |
| Indirect Costs Reported | <u>(306,424)</u> |
| Unallowable Indirect Costs | <u>\$46,190</u> |

Recommendation

3. We recommend that the Corporation disallow and recover the questioned cost totaling \$46,190.

MACC's Response

MACC did not concur with the finding and associated questioned costs as it did not concur the questioned costs reported from Findings No. 1 and 2.

⁸ For the period under audit, the responsible unit of the Department of Health and Human Services had approved an indirect cost rate of 36.5 percent for MACC.

Corporation Response

The Corporation did not provide a response to this finding.

Auditor's Response

We continue to make the recommendation as stated above because we believe the questioned costs associated with Findings No. 1 and No. 2 should remain.

Finding No. 4 – MACC overstated its enrollment and overdrew the AmeriCorps grant.

The EAP grant is a fixed amount grant which is funded based on the number of full-time-equivalent (FTE) members expected to enroll over the course of the program year. EAP grant recipients are permitted to draw down the funds quarterly based on the number of FTE enrolled AmeriCorps members. At the conclusion of the grant, the Corporation is supposed to reconcile the total drawn against the actual enrollment.

MACC overdrew the EAP grant by \$16,880, because it relied on internal enrollment figures that were out-of-date. The My AmeriCorps Portal, which contains real-time enrollment information, demonstrated that MACC actually enrolled 23.51 fewer FTE members than its internal records showed. In January 2014, MACC returned \$11,487 of this amount to the Corporation. MACC still owes the Corporation \$5,393 for the remaining excessive drawdowns.

The detailed calculations are shown in the following table:

| Program Year | MSY Per My AmeriCorps Portal | MSY Per MACC Records | MSY Difference | Member Rate⁹ | Excessive Draw Down |
|---------------------------------------|-------------------------------------|-----------------------------|-----------------------|--------------------------------|----------------------------|
| 2011 - 2012 | 75.05 | 76.44 | (1.39) | \$717.99 | \$ 998 |
| 2012 - 2013 | 54.32 | 76.44 | (22.12) | 717.99 | 15,882 |
| Total Excessive Drawdown | | | | | 16,880 |
| MACC Reimbursement to the Corporation | | | | | (11,487) |
| Remaining Excessive Drawdown Owed | | | | | \$ 5,393 |

Criteria

2012 AmeriCorps Grant Provisions, effective June 1, 2012, Section I. FIXED AMOUNT AWARDS, states:

Fixed Amount grants are not subject to the Federal Cost Principles. For Education Award (EAP) programs, the fixed federal assistance amount of the grant is based on the approved and awarded number of full-time (MSYs) members specified in the award. For full-cost and Professional Corps Fixed Amount grants the fixed federal assistance amount of the grant is based on the approved and awarded numbers of full-time members and their completion of their terms of service.

⁹ Member Rate is the agreed-upon rate that MACC was paid for each MSY under the EAP fixed amount grant award. This rate was determined by the Corporation.

For EAPs, the final amount of grant funds that the grantee may retain is dependent upon the grantee's notifying CNCS's National Service Trust of the members that it has selected (but not limited to the number of members allotted to the grantee as specified in the award). All such members must carry out activities to achieve the specific project objectives as approved by CNCS. At closeout, CNCS will calculate the final amount of the grant based on Trust documentation. CNCS will recover any amounts drawn down by the grantee in excess of the final grant amount allowed based on member selection documentation in the Trust.

Recommendations

We recommend that the Corporation:

- 4a. Disallow and recover the excessive drawn down amount of \$5,393;
- 4b. Ensure that, if MACC applies for any new grant awards, it implements internal controls and procedures to verify that all EAP members are properly reported in the My AmeriCorps Portal, including conducting periodic reconciliation of members reported in My AmeriCorps Portal with its internal records; and
- 4c. Ensure that, if MACC applies for any new grant awards, it implements internal controls and procedures to limit drawn down funds based on the proper number of enrolled EAP members reported in the My AmeriCorps Portal.

MACC's Response

MACC stated they can neither concur nor not concur with this finding. MACC stated that it conducted a reconciliation review with the Corporation on the member enrollment. As a result of this reconciliation review, MACC refunded \$11,487 to the Corporation. MACC stated that the audit finding was based on an AmeriCorps Portal roster as of August 29, 2013; however, the Corporation's reconciliation review was based on the member roster as of December 3, 2013. Since the Corporation had not confirmed with MACC on which member roster was used, MACC stated that it could neither concur nor not concur with this finding.

Corporation's Response

The Corporation stated that no additional funds were owed by MACC based on the member reconciliation performed by the Corporation during the grant closeout process.

Auditor's Response

We continue to make the recommendations as stated above because during the audit no documentation was provided to support member reconciliation between the AmeriCorps Portal member roster and the MACC member roster. As part of the audit resolution process, OIG will review the Corporation's final member reconciliation performed during the grant closeout to confirm the correct roster was used during the grant closeout.

Finding No. 5 – MACC did not adequately monitor program sites.

MACC operated the VISTA program at 28 host sites, but performed little, if any, oversight. It had no written procedures or formal process for host site monitoring. MACC personnel stated that they did not believe that formal procedures were required or necessary. And, although the

VISTA Program Director claimed that she worked with host sites to address concerns and issues, MACC could not produce any records to document its monitoring activities, the procedures it performed, issues/concerns noted or their resolution. Finally, our random sample of 15 host sites found that MACC had no written Memoranda of Understanding (MOUs) setting forth the parties' respective responsibilities with any of them.

The Corporation's Massachusetts State Office performed a monitoring visit at MACC in December 2012 but did not detect any of the deficiencies noted in this report. Instead, the program officer commended MACC, saying that it "continues to run an excellent program." Although the monitoring visit took place during the same period covered by this audit, the State Office reported no findings that would require corrective action. Given the complete absence of any records showing that MACC monitored its program activity sites, we are at a loss to explain how the program officer overlooked the fundamental problems noted by our auditors. The Corporation should revisit its VISTA monitoring policies and procedures and strengthen the quality of its grant monitoring.

Criteria

AmeriCorps VISTA Program Guidance for Current and Potential Project Sponsors, **III. Framework for VISTA Programming, Assessment of Project Applications**, states:

In choosing which project applications to support, the AmeriCorps VISTA program evaluates prospective and current VISTA projects and sponsors on their ability to manage and effectively apply VISTA resources to build long-term, sustainable solutions to poverty in their community. A VISTA project must:

- Possess sufficient management and technical capability to implement and oversee the project

AmeriCorps VISTA Program Guidance for Current and Potential Project Sponsors, **VI. Reporting, Monitoring, and Oversight**, states:

Sponsors must be engaged in continuous monitoring of projects.

Recommendations

We recommend that, if MACC applies for any new grant awards, the Corporation:

- 5a. Ensure MACC develops and implements risk-based monitoring procedures for all its VISTA host sites. These procedures should require a process for performing periodic reviews of all host sites and maintaining the documentation of these reviews, including the results and follow-up of the CAP;
- 5b. Ensure MACC obtains signed MOUs with all VISTA host sites.

We also recommend that:

- 5c. The Corporation review its VISTA monitoring practices and identify the cause of the undetected MACC findings in order to improve its VISTA grant oversight.

MACC's Response

MACC did not concur with the findings as it stated that it had an extensive management and supervision infrastructure that provided continuous monitoring and oversight of host sites. In addition, MACC stated that the Program Director was in constant contact with the host sites through formal meetings, site visits, and communication.

Lastly, though the MACC stated that MOUs are not required by the Corporation, they have implemented them with host sites.

Corporation's Response

The Corporation did not provide a response to this finding.

Auditor's Response

MACC did not produce policies and procedures that would represent a formal process for monitoring and oversee the host sites. Therefore, we continue to make the recommendation in 5a above that MACC develops and implements risk-based monitoring procedures. We also acknowledge that MACC now has MOUs with its host sites.

Finding No. 6 – Inadequate systems for sharing information led VISTA to award a grant immediately after AmeriCorps terminated its relationship with the same grantee.

VISTA and AmeriCorps, the two Corporation programs that awarded grants to MACC, did not share information about the grantee's unacceptable performance or compliance with applicable requirements. As a result, VISTA awarded a new grant to MACC within a day after AmeriCorps terminated the EAP grant for cause.

In August 2012, AmeriCorps program staff conducted a site visit to MACC in connection with its EAP grant. They identified a number of irregularities and directed MACC to submit a corrective action plan to remedy these deficiencies. MACC did not do so. Nearly one year later, on July 24, 2013, AmeriCorps terminated MACC's EAP grant.

The Corporation's Massachusetts State Office staff, who were responsible for overseeing the VISTA grant, were not aware of the management issues associated with the AmeriCorps EAP grant, including its termination. VISTA thus did not consider the grantee's lack of cooperation with the AmeriCorps program when it renewed the VISTA grant immediately after the EAP grant was terminated. Had such information been available to them, it may have influenced the VISTA staff's decision about renewing MACC's VISTA grant.

These events illustrate a fundamental disconnect in the Corporation's grantee monitoring. Although a grantee may have multiple grants, the grants are monitored individually. This is extremely inefficient. Moreover, each program operates in its own silo; different program and grant staff are responsible for monitoring the AmeriCorps program, on the one hand, and the VISTA and Senior Corps programs, on the other. The responsible AmeriCorps staff work from the Corporation's Washington, D.C., headquarters. By contrast, the program officers for VISTA and Senior Corps are decentralized, located in each state and territory, while their grants officers work from the FFMC office in Philadelphia, PA. There is no orderly process or mechanism for sharing information about a grantee across program lines.

Nor does eGrants¹⁰, the Corporation's grant management system, facilitate sharing of grantee monitoring information within or across programs. Instead of aggregating information about a grantee, it treats each grant in isolation. There is no link between multiple grants to the same grantee. Even when a grant becomes seriously troubled or terminated, the system does not notify staff responsible for overseeing other grants to the same grantee. Thus, despite its noncompliance and unresponsiveness on the EAP grant, MACC received a new grant from VISTA. Quite apart from the award decision, Massachusetts State Office staff had no opportunity to consider the AmeriCorps compliance issues as part of their monitoring of the VISTA grant.

Awarding an additional grant to a terminated grantee, which failed to practice proper grant management and failed to follow up on deficiencies uncovered in monitoring visits, placed the Corporation in a high-risk position. The lack of communication between the programs resulted in a missed opportunity for the Corporation to prevent further waste of Federal funds, as evidenced by the questioned costs identified in this audit report.

Criteria

OMB Circular A-123, *Management's Responsibility for Internal Control*, 4. Actions Required, states:

Agencies and individual Federal managers must take systematic and proactive measures to (i) develop and implement appropriate, cost-effective internal control for results-oriented management; (ii) assess the adequacy of internal control in Federal programs and operations; (iii) separately assess and document internal control over financial reporting consistent with the process defined in Appendix A (iv) identify needed improvements; (v) take corresponding corrective action; and (vi) report annually on internal control through management assurance statements.

Management must maintain an efficient balance between the magnitude of the risk and the burdens associated with mitigating it.

Government Accountability Office (GAO), *Standards for Internal Control in the Federal Government* (November 1999), Risk Assessment, states that "management needs to comprehensively identify risks and should consider all significant interactions between the entity and other parties as well as internal factors at both the entitywide and activity level."

Recommendations

We recommend that the Corporation:

- 6a. Establish customized monitoring assessments and procedures based on the nature of programmatic and financial risk in all of the Corporations programs; and
- 6b. Develop a notification system that communicates in a timely manner, significant and/or critical information across all Corporation program and grant offices.

¹⁰ eGrants is an interactive web-based tool that allows grantees to apply online and track the status of their grant from application to close-out. It also provides a central location for the Corporation to award, record, and monitor grantee compliance and performance.

MACC's Response

Although MACC acknowledged this finding was addressed to the Corporation, it submitted a ten-page corrective action plan to its AmeriCorps Program Officer on November 19, 2012 in response to the findings noted from the Corporation's August 2012 site visit.

Corporation's Response

The Corporation agreed that its grants system needs improvement to allow better sharing of grantee information across its programs. It is currently reviewing its grants monitoring process and considering changes to implement IT modernization efforts, including a dashboard capability to provide real time grant data for the Corporation's decision-making processes.

Auditor's Response

We agree with the Corporation's corrective action plan to address the recommendations.

OBJECTIVES, SCOPE, AND METHODOLOGY

Castro & Company, LLC (Castro), an independent accounting firm, was retained by the Corporation's Office of Inspector General (OIG) to audit the costs incurred by MACC under grants from the VISTA and AmeriCorps programs. Castro conducted a performance audit designed to determine whether MACC expended Corporation-funded Federal assistance in accordance with applicable requirements, and to report any resulting findings on questioned costs, internal controls, and compliance with laws and regulations. The audit covered a two-year period from 2011 to 2013, during which MACC received a total of \$853,296 under the VISTA grant and \$109,766 under the EAP grant. Of this amount, MACC reported \$836,519 as claimed costs on its FFRs. The EAP grant is considered a fixed amount grant and exempt from submitting the FFR to the Corporation.

The objectives of the audit were to determine whether Corporation-funded Federal assistance provided to MACC was expended in accordance with grant terms, provisions, laws, and regulations; and to assess the effectiveness of the Corporation's grant monitoring/oversight of MACC. Additionally, Castro was to report upon such compliance, controls, and questioned costs that may result from performing these audit procedures.

The audit procedures required Castro to obtain an understanding of MACC and its policies, procedures, and grants. They also included the review of documents at MACC's offices related to member eligibility, claimed costs, matching costs, and compliance with laws, regulations, and the terms of grant agreements. The audit procedures also included obtaining an understanding of the Corporation's monitoring of the MACC and the Corporation grants received by the MACC. The audit procedures included randomly selecting samples to test costs claimed by MACC for compliance with its Corporation grant agreements and other Federal requirements. The questioned costs detailed in this report are based on this limited sample; the total costs questioned might have been higher if we had tested all of the expenditures incurred during the audit period, and we have not projected or estimated the amounts that would have been questioned had all of the claimed costs been tested. We conducted our on-site fieldwork at the MACC offices in Somerville, Massachusetts, from January 13, 2014 to January 24, 2014, and conducted off-site fieldwork through May 2014.

This performance audit was conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

EXIT CONFERENCE

The exit conference was conducted on August 7, 2014. At the exit conference, we presented each of the findings set forth in this report. The MACC response was received on March 19, 2015 and is included in the appropriate sections of this report. The Corporation's response was received on March 19, 2015. Both sets of comments, in their entirety, are included in Appendices B and C, respectively.

Castro & Company, LLC

May 13, 2015

Alexandria, VA

APPENDICES

**TUFTS UNIVERSITY/MASSACHUSETTS CAMPUS COMPACT
SCHEDULE OF QUESTIONED COSTS
AWARD NO 06VSAMA006 (VISTA)**

| Issues | Questioned Costs | | Totals | Notes |
|--------------------------------------|------------------|------------------|------------------|-------|
| | Federal Costs | Match Costs | | |
| Inadequate Payroll Distribution Plan | \$ 15,078 | \$ - | \$15,078 | 1 |
| Lack of Background Checks | 108,472 | - | 108,472 | 2 |
| Indirect Costs | - | 46,190 | 46,190 | 3 |
| Totals | \$123,550 | \$ 46,190 | \$169,740 | |

NOTES:

1. MACC's payroll distribution plan did not allow for "after-the-fact" confirmations for student workers on grants. (See Finding No. 1)
2. MACC did not conduct the required National Service Criminal History and NSOPW Checks for student workers and some employees. (See Finding No. 2)
3. MACC over reported the indirect costs due to the questioned costs noted during the audit. (See Finding No. 3)

**TUFTS UNIVERSITY/MASSACHUSETTS CAMPUS COMPACT
SCHEDULE OF QUESTIONED COSTS
AWARD NO 10EDHMA001 (EAP)**

| Issue | Questioned Federal Costs | Total | Note |
|---|-------------------------------------|--------------|-------------|
| Inadequate Controls for Reporting Members in the My AmeriCorps Portal | \$5,393 | \$5,393 | 1 |

NOTE:

1. MACC did not properly report EAP members in the My AmeriCorps Portal resulting in excess draw downs. (See Finding No. 4)

APPENDIX C

**TUFTS UNIVERSITY/MASSACHUSETTS CAMPUS COMPACT
RESPONSE TO DRAFT REPORT**



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Finding No. 1 – Student-worker wages charged to the VISTA grant were unsupported and unconfirmed.

“In addition to regular staff, MACC employed student-workers (non-VISTA members), whose wages were charged to the VISTA grant. Their labor charges did not undergo the same review and approval process used for regular staff. MACC’s process for reviewing student-workers’ hours did not provide sufficient after-the-fact confirmation of their labor charges.

Under applicable guidance in effect at the time, institutions of higher education were not required to maintain contemporaneous, supervisor-approved timesheets to document their labor charges for Federal grants. Instead, they were permitted to adopt systems in which responsible supervisory officials periodically provided after-the-fact confirmation that the hours were actually worked and properly charged to the grant. In accordance with this requirement, MACC confirmed the labor charges of its regular employees on a quarterly basis.

MACC used a different process to track and charge the hours of student-workers involved in the VISTA grant. A clerical employee gathered information about the hours they worked and input it into eServe@HR, MACC’s human resources management system, which includes time and payroll information. No supervisor was required to confirm these hours. MACC told the auditors that the clerical employee either had personal knowledge of the student-workers’ hours or inquired of the student-workers before inputting the information. The hours entered into eServe@HR do not specify the grant to which the work should be charged. Per MACC’s written procedures, MACC’s VISTA Project Director (a MACC employee) reviewed the hours of the regular staff members charged to the VISTA grant on a quarterly basis and provided the requisite after-the-fact confirmation that their labor was properly charged to the VISTA grant. No one performed a similar review and confirmation of the labor charges of student-workers.

In its communications with auditors, MACC took the position that the student-workers’ hours entered into eServe@HR are all chargeable to the VISTA grant, because the student-workers’ eServe@HR profiles indicate that MACC hired these individuals to work on the VISTA grant. Had a student-worker devoted time to another project, MACC suggested, the hours would have been adjusted when they were entered into eServe@HR or re-allocated later. Neither the profiles nor the time records, however, demonstrate that the student-workers’ time was properly chargeable to the VISTA grant. Recording the hour information provided by student-workers was essentially a ministerial task. The clerical employee simply relayed the information without critical scrutiny and did not believe that she was expected to validate the labor charges independently. The mere entry of worker-provided information into eServe@HR does not constitute confirmation that the hours charged were accurate or allocable to the VISTA grant. Likewise, the profiles indicate only that the student-workers were *expected* to work on the VISTA grant, not that they did only that. Individuals can easily be reassigned or asked to perform tasks not contemplated when they were hired. Here, the student-workers were not required to distinguish between time devoted to VISTA activities and other work, and no supervisor was tasked with certifying that 100 percent of their labor was properly charged to VISTA.



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The supervisory certification requirement embodies the Federal government's unwillingness to rely solely on self-reporting by staff. MACC implemented such a requirement for its regular employees, but the labor charges of its student-workers were devoid of detail and essentially unverified. As a result, we have questioned \$7,504 in unsupported labor charges for the 67 transactions in our payroll sample charged by nine student-workers. For the same reason, we have questioned the \$7,574 charged to the grant during the audit period by the remaining student-workers. The questioned costs for this category therefore total \$15,078".

Tufts University and Massachusetts Campus Compact (MACC) do not concur with auditor's findings detailed above.

Corrections to the draft audit report

Over the course of the audit, the Tufts and MACC personnel discussed the day-to-day operations of the MACC office with the auditors in great detail. In addition, e-mail summaries were provided to the audit team, which further explain the weekly payroll process and Time Entry System (TES) at Tufts. These discussions and e-mail include and detail the responsibilities of the MACC Office Manager, whose responsibilities included supervising the weekly students, as well as tracking and inputting hours worked into the Time Entry System (TES) on a weekly basis. Tufts personnel also reiterated the fact that the labor distribution information associated with each student is included within the TES. In addition, Tufts provided the following supporting documentation in the form of screen prints or reports for **each** of the 60 weekly student salary selections which were part of the original 67 salary selections made by the audit firm:

1. Paycheck Date Panel (Paycheck Earnings tab)
2. Payroll Advice Register (Direct Deposit Register)
3. Payroll Register
4. Time Entry Panel
5. The Labor Distribution Panel.

Tufts also explained that the time entry panel enabled the individual inputting the hours to override the pre-planned distribution for that pay period in the event the weekly student worked on a different award or project so that the appropriate project was charged. The override section, located on the panel, was also visible on the screen print of the time entry panel provided. The Office Manager had the ability to proactively change the students' labor distribution in the eServe system whenever necessary as well.

The figures and number of overall student workers listed in the first paragraph of page 5 of the draft audit report were incorrect. The 67 salary selections were broken down as follows: 60 transactions were for five weekly students payrolls, 5 were for three VISTA Leaders semi-monthly payrolls, and 2 were for one temp worker's weekly payrolls.



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Tufts and MACC Response to Audit Finding No. 1

Tufts University and MACC personnel believe that Tufts is in compliance with the Federal regulations surrounding the confirmation and determination of Student Workers' effort charged to the VISTA award for the period under review.

As noted above, Tufts University has 2 payrolls, a semi-monthly and a weekly. Below is an overview of how an individual's time and effort is accounted for, tracked, and how and when the effort of each individual is certified.

For personnel paid through the semi-monthly payroll, Tufts has an after-the-fact verification process which includes Quarterly Effort Reports (QERs) that track an individual's effort. This electronic process also produces Non Covered Reports which track the effort of individuals whose effort is 100% allocated to non-sponsored funds (DeptIDs or department accounts). The quarterly effort/non-covered reports are generated for the quarters ending 9/30, 12/31, 3/31 and 6/30 for individuals paid via the semi-monthly payroll. These reports list the payroll amounts charged to grants/DeptIDs by month for the quarter and are based on actual salary charges. For individuals paid in total or in part by a grant, the PI or individual with suitable means is responsible for certifying the QER and returning it to Sponsored Programs Accounting. In the event any labor distribution change is noted on the certified QER a Sponsored Programs (SPA) staff member will process the change in the labor system upon receipt and review of the report. (Exempt personnel, faculty, graduate students and VISTAs are paid through this payroll)

For personnel paid via the weekly payroll, their time and effort is certified after their weekly hours have been entered and verified through the online Time Entry System (TES). In the event that the individual's effort has changed during that period, the individual entering the hours can make the necessary labor distribution changes prior to certifying the hours, using the override section of the time entry panel. (Non-exempt personnel, temp workers and weekly students are paid via the weekly payroll).

Each individual's employee record contains their pre-planned labor distribution information. Whenever necessary there are processes in place to change an individual's labor distribution:

- For individuals paid through the semi-monthly payroll, a Personnel Action Form (PAF) is completed noting the new distribution, and is approved and submitted to the Tufts Support Services (formerly call the Human Resources Payroll Department) or the Office of Sponsored Programs Accounting for processing.
- For individuals being paid on the weekly payroll, labor distribution changes are processed online via the eServe @ Tufts system.



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Oversight of Weekly Students

The MACC Office Manager was responsible for hiring and supervising student workers for the MACC office, oversight of the projects each student was assigned, and student payroll administration, which included time tracking and inputting time/hours into the Time Entry System on a weekly basis. Tufts and MACC have provided Please note that Tufts

The Office Manager certified the time and effort for each student when she approved the hours she submitted in the Time Entry eServe system. Please note that the following statement is included on the time/entry panel: *"I certify that this report correctly reflects all time worked for the period noted and that the salary distributions represent an accurate accounting of the effort expended including changes, if any, as noted in the space provided"*.

Recommendations listed in the draft audit report were as follows:

1a. Disallow and recover the questioned costs totaling \$15,078; and

Based on the additional information provided above, Tufts and MACC feel the \$15,079 (\$6,606 and \$8,473) in payroll expenses are allowable.

1b. Ensure that, if MACC applies for any new grant awards, it implements procedures to require an after-the-fact confirmation for student-workers' labor charges to grants.

Tufts and MACC personnel believe Tufts University is in full compliance with OMB Circular A-21 as it pertains to the review and certification of weekly student effort charged to federal awards. Based on the explanations provided above, the Time Entry System that is in place at the University, to the supporting documentation being provided under separate cover to the Audit Resolution Team. Tufts and MACC agree this finding should be removed from the final audit report.

Based on the comments, corrections and responses above, Tufts and MACC have provided the Audit Resolution Team with the following supporting documentation under separate cover: Please note that "C" is for corrections and "R" is for responses.

Finding_1_C1: A copy of an e-mail provided to the audit team explaining the day-to-day operations of the MACC office and the MACC Office Manager's responsibilities.

Finding_1_C2: Copies of 5 of the **original** salary selections (1 for each of the 5 weekly students who were allocated to the VISTA award), including a checklist and the supporting documentation provided for each selection.



Finding_1_C3: The Office of Sponsored Programs Accounting explained that Tufts University has 2 payrolls and described how each payroll works. In addition Tufts detailed how the individuals' effort on each payroll's was certified, in addition to explaining how labor distributions changes are processed via a Personnel Action Form (PAF) for employees and graduate students, or via the ePAF application (a component of the PeopleSoft Human Resource Payroll system) is used for weekly students. A copy of pages 26 and 33 of the *ePAF for Student Employees* section of the [eServe@HR Time Entry & ePAF Manual](#) has been provided for more information about this process.

Finding_1_C4: The auditors were provided with the SPA website address to the Effort Reporting section as well. A copy of the Effort Reporting page of the Tufts Sponsored Programs website will be provided. The link to this site is:
<http://viceprovost.tufts.edu/spa/effort-reporting/>

Finding_1_C5: Copies of pages 4 and 5 of the draft audit report noting Tufts changes

Finding_1_C6: A copy of the file containing the original 67 salary selections Tufts received from the auditors during the audit. The 7 non weekly student salary selections contained in this file have been highlighted in yellow. In addition, Tufts has shown how the \$6,605 and \$8,474 figures were determined. Please note that each of the selections is numbered 1-67.

Finding_1_R1: A copy of Finding No. 1, detailed listing of questioned weekly student salary costs that was provided by the audit firm to Tufts on August 11, 2014, 4 days after the Audit Exit Conference call that took place on August 7, 2014.

Finding_1_R2: A report that was requested and received from the Human Resources Service Center for Timekeep No. 874, which was the location number for the MACC Department at Tufts University. This report was run from the Human Resource TES system for the MACC department. The report contains the following:

- Pay Period End Dates for the weeks associated with the weekly student salaries under review
- The user Universal Tufts Login Name (UTLN) for the individual who entered the hours for that week (the UTLN listed on the report was the MACC Office Manager's)
- The time stamp of when the hours were certified into the Time Entry System
- A column labeled "Salary Selections Nos. 1-67 or Auditors Add' l Weekly Student Salaries in Findings 1 – Numbered 68-163" was added to this report so that each selection corresponds with the 154 weekly student salary items listed in the potential finding 1 file provided by the audit firm
- Please note that the 2 weekly salaries for the temp worker (Original Selection nos. 65 & 66), the semi-monthly payrolls listed for the VISTA Leaders' salaries (Original Selection nos. 29, 30, 33, 34 & 67) and the 2 salary selections that netted to zero (add' l weekly student audit Selections 110 and 111) also had been numbered but are not included on this report.
- Tufts created a crosswalk between the potential Finding No. 1 Report and the Time keep Location 874 Report. It demonstrates that in each case the MACC Office Manager, who was also the supervisor of the 5 weekly students, entered and certified these students' hours in TES. The



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Office Manager was a constant presence in the MACC office that saw and worked with each of the 5 students on a daily basis. In each instance, the Office Manager was the best person to verify hours and confirm the students' effort spent on the VISTA award.

Finding_1_R3: Copies of MACC Department Managers FY12 and FY13 Human Resources Employee Data panel showing the job code listed during the period under review. Memo from MACC Director regarding the job code listed and the job responsibilities.



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Finding No. 2 – Some MACC staff did not undergo required background checks.

“MACC did not conduct the National Service Criminal History Check or check the National Sex Offender Public Website (NSOPW) for nine student-workers and three employees who charged their time to the VISTA grant, resulting in questioned Federal costs of \$115,976. Of this amount, \$7,504 is also included in the costs questioned under Finding No. 1. MACC told auditors that it believed that the Corporation completed the background checks for these 12 individuals. But the Corporation’s online information for VISTA sponsors states clearly that VISTA grantees are responsible for conducting the necessary background checks for anyone paid from a VISTA grant”.

Tufts University and Massachusetts Campus Compact (MACC) partially concur with the auditor’s finding detailed above.

Corrections to the draft audit report

Tufts and MACC have noted the correct number of student workers and VISTA members that make up the questioned costs listed in this finding. In addition, Tufts has noted and corrected misstatements and questioned costs amounts in the response. The necessary corrections were also noted on pages 5 and 7. The VISTA members should not have been included in this section at all.

Tufts and MACC Response to Audit Finding No. 2

Tufts and MACC will be providing responses to this finding under the following two categories: Weekly Students and VISTA members.

Weekly Students:

The 5 weekly students whose salaries are under review were hired by the MACC office based on their skill set, knowledge, and hours available. These students were experienced with Social Media sites, have research skills and developed searchable web-sites and a blog for the VISTA program. These student workers only worked in the MACC office located on the Tufts Medford Campus and were never working with minors or vulnerable populations.

These 5 weekly students also had defined project focuses and specific deliverables. During the time period under review, these students were tasked with the development and implementation of the Education Pipeline Resource Center to be embedded in the MACC’s website. These students developed, designed and created graphics for the Center, were able to collect and compile external resources to link to the site, developed a social media strategy to support the site and the MACC VISTA program, conducted out reach for soliciting, collecting and writing program descriptions, and created a blog for posting ideas. This project was instrumental and provided a platform that helped higher education, staff and VISTAs to share best practices to assist the needs of populations served.



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Please note the following: During the audited time period there were no special terms or requirements listed in either of the two VISTA Notice of Grant Awards regarding the need for background checks on individuals who were sponsor employees receiving salaries from a VISTA grant in total or in part, regardless of whether or not they were working with vulnerable populations.

Per University policy, based on the work these five students were hired to do and the fact they were not working with a vulnerable population, MACC was not required to have background checks performed on these five students. Below are the Tufts University's practices and procedures surrounding background checks for student workers:

Tufts University has a Policy in place to Protect Children and Prevent Abuse in the work place. As part of this policy, Tufts' child safety framework does include a university- wide screen and background check process which includes student volunteers working with children. In addition, Tufts University has a Code of Conduct Involving Interactions with Minors. Since the students involved with the VISTA program were never working with minors, Tufts did not require a screening, training and/or background checks to be done.

MACC received the Memorandum dated January 3, 2011 via e-mail from the Corporation for National & Community Service discussing "Criminal History Checks for Certain VISTA Sponsor Staff". MACC responded immediately and did the required check on the Project Director in order to be in compliance with this new regulation. Due to their interpretation described below, MACC did not share this communication about this change with other department at Tufts.

In terms of the student workers in the MACC office, neither "employees" nor "salaried" workers applied to these 5 individuals. In this unique university setting, students were simply not considered to be in the same category as grant staff, based on the memo that was received at the time. University weekly students are not benefit eligible and do not receive vacation or sick time. Taking into account the work they were hired to do MACC had not considered them as part of the population described in the memo as needing to have background checks done.

Tufts and MACC are now aware of the following CNCS requirement: Anyone (including those not working with a vulnerable population) who is receiving compensation from a VISTA award is also required to have an NSOPR search and or either a State criminal registry or repository search done in the state where the individual resides or submit fingerprints to the FBI for a national criminal background check to be done.

Tufts, currently has *neither* any active VISTA awards at the University nor a Memorandum of Understanding (MOU) in place with an organization similar to MACC. MACC had been part of Tufts for 19 years and officially separated from Tufts University as of June 30, 2014 and the VISTA Program Director's employment at Tufts ended on July 31, 2014. The VISTA Program Director had stayed on in order to close the award that had an official end date of September 20, 2014. Tufts filed the final FFR for this project via the CNCS eGrants System on October 15, 2014. On January 1, 2014 Massachusetts



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Campus Compact Inc. (formerly MACC) was incorporated and became an independent 501c3 organization.

In the future, should Tufts enter into a Memorandum of Understanding (MOU) agreement and host another MACC group, Tufts is aware of this requirement. Tufts would discuss and review all the CNCS requirements with the group prior to any MOU being signed to ensure they had established policies and procedures in place to ensure any non-VISTA members had the required background checks done. In addition, the University would notify the correct offices within Tufts and request these background checks be performed prior to any individual beginning work in their office.

Lastly, please take into consideration that CNCS provided VISTA Sponsors (i.e. MACC) with additional guidance and clarification pertaining to this background requirement for individuals not working with vulnerable populations and that there was an assessment period to have these background checks completed, all of which were outside the time period of this audit.

Based on the above, Tufts feels CNCS should consider removing the \$6,606 finding from the audit report.

VISTA Members

Tufts and MACC have always known that is the responsibility of the Corporation for National and Community Service to have all required background checks done for any VISTAs associated with this award. After receiving the file containing the detailed list of the questioned costs from the auditors (4 days after the Exit Conference) we saw that the \$108,472 was associated with payroll for 3 VISTA members. Tufts contacted the CNCS Program Officer for the VISA award on August 22, 2014 to officially request copies of the report(s) showing that background had been performed in preparation of pending release of the Draft Audit report that should have been released in early September 2014. The Program Officer hand delivered copies (to Tufts on 9/8/14) of the VISTA Legal Clearance Report showing that CNCS **had** conducted the required background checks on these 3 VISTA members.

Recommendations listed in the draft audit report were as follows:

2a. Disallow and recover the questioned costs totaling \$115,976;

Tufts would like to address this recommendation in 2 parts as follows:

1. **Weekly students** make up a total of \$6,606 of these questioned costs. Tufts concurs that background checks were not done on these 5 students. However, based on the additional information provide above along with the supporting documentation that was sent under separate cover to the Audit Resolution Team, Tufts is hoping that all the circumstances will be taken into consideration before a final decision is rendered on this finding.



2. **VISTA members** make up a total of \$108,472 of these questioned costs. Tufts does not concur with this recommendation. Based on the additional information provided under separate cover to the Audit Resolution Team showing that the CNCS did perform the required background checks on these # VISTA members, Tufts feels this finding should be removed from the final audit report.

2b. Disallow and recover costs for any services provided by these 12 individuals outside the audit period;

Tufts partially concurs with this recommendation. As stated above, Tufts does not concur with the audit recommendation regarding the potential finding of \$108,472 that is associated with the 3 VISTA members. Tufts partially concurs with \$6,606 potential finding that is associated with the 5 weekly student's payrolls. However, as stated above, Tufts and MACC are hoping that this potential finding will also be removed after all the circumstances are taken into consideration.

2c. Determine whether background checks were conducted on student-workers outside the audit sample and, if so, disallow and recover those costs; and

MACC confirms that no background checks were performed on the 5 weekly students as a result of the circumstances listed in the response above.

2d. Ensure that if MACC applies for any new grant awards, MACC develops and implements procedures to ensure complete and timely criminal background checks, with proper documentation.

MACC went through the National Service Criminal History Check self-assessment process during in the Fall 2014 and has policies and procedures in place to ensure compliance with the regulations. These are available upon request.

Based on the comments, corrections and responses above, Tufts and MACC has provided the Audit Resolution Team with the following supporting documentation under separate cover: Please note that "C" is for corrections and "R" is for responses.

Finding_2_C1: Copies of pages 5 and 7 from the draft audit report noting corrections and misstatements.

Finding_2_R1: A copy of the file for findings 2 listing the 3 VISTA member's stipends that total \$108,472.20 that Tufts received from the audit firm on 8/11/14. Please see Finding_1_C6 for the list of the 60 weekly payrolls for the 5 students which total \$6,605.63 (original request for 67 included 7 non weekly student payments).

Finding_2_R2: Copies of the pertinent pages (1, 2, 7, 8, 9, 13, 14 & 15) from the Tufts University Policy to Protect Children and Prevent Abuse Executive Summary.



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Finding_2_R3: A copy of Tufts' e-mail request to CNCS and copies of the VISTA Legal Clearance Report showing the 3 VISTA members had the necessary background checks performed.



Finding No. 4 – Disallowance of the direct costs questioned in this audit will render certain indirect costs unallowable.

“MACC applied its 36.5 percent approved indirect cost rate⁷ to all direct costs charged to the VISTA grants. Disallowance of the costs questioned in Finding Nos. 1 and 2 reduces the allowable indirect costs by \$46,190. These questioned costs were calculated as follows”:

| | |
|------------------------------|------------|
| Total Cost Claimed | \$ 836,519 |
| Questioned Costs: | |
| Finding No. 1 | (15,078) |
| Finding No. 2 | (108,472) |
| Total Allowable Cost Claimed | 712,969 |
| Indirect Cost Rate | 36.5% |
| Allowable Indirect Costs | 260,234 |
| Indirect Costs Reported | (306,424) |
| Unallowable Indirect Costs | \$ 46,190 |

Tufts University and Massachusetts Campus Compact (MACC) do not concur with the auditor’s findings detailed above.

Corrections to the draft audit report

Footnote 7: As a result of MACC having a Memorandum of Understanding with Tufts in place (for 19 years), MACC has been able to use the 36.5 percent indirect cost rate in effect during the audit period under review. This indirect cost rate was negotiated for Tufts in their proposal. This rate was also used to calculate the unrecovered F&A based on the direct expenses incurred on the VISTA award (as approved by CNCS) as part of their match contribution.

Based on the additional information Tufts provided to the Audit Resolution Team under separate cover, Tufts was able to demonstrate that the weekly students’ supervisor, who was also the MACC Office Manager, entered and certified the hours into the Tufts Time Entry System (TES) for the 5 weekly students for the 154 weekly payrolls listed in Finding No. 1. As a result, Tufts feels Finding No. 4 should be removed from the final audit report.

Tufts also provided additional support to the Audit Resolution Team under separate cover that was provided by the CNCS from the Massachusetts State Office showing that background checks were performed for the three VISTA members.

Tufts would also like to mention that the University incurred and reported expenses in cost share in excess of the required amount noted on the FFR in the e-Grants system by \$22,793 on the final financial report for the VISTA award that ended on 9/20/14. Please note that final year of the VISTA award at Tufts’ award was underspent by \$37,838. Tufts does not believe the required cost share amount listed



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in eGrants at the close of this grant reflects a decrease in cost share based on the remaining balance at the end of project.

Tufts will also provide the Audit Resolution Team with a copy of page 9 showing the misstatements in the calculations.

Recommendations listed in the draft audit report were as follows:

4. We recommend that the Corporation disallow and recover the questioned cost totaling \$46,190.

The total questioned cost is dependent on the final determination made by CNCS regarding the weekly student payrolls. As noted above, Tufts has exceeded the amount of cost share required by \$22,793. In the event the decision is not in Tufts and MACC's favor, based on the calculation provided below, a reduction of **\$5,503.84** in indirect costs would result.

$15,079 \times 36.5\% = \$5,503.84$ in unrecovered indirect costs

As a result, Tufts and MACC feel that Finding No. 4 should be removed from the final audit report.

Tufts is confident the \$108,472 listed under Finding No. 2 will be eliminated from the final audit report.

Based on the comments, corrections and responses listed above, Tufts and MACC have provided the Audit Resolution Team with the following supporting documentation under separate cover.

Finding_4_C1: A copy of page 9 showing all the inaccuracies in the calculations provided by the audit team that prepared the draft report.

Please reference: Finding_2_R3: A copy of Tufts' e-mail request to CNCS and copies of the VISTA Legal Clearance Report showing the 3 VISTAs had the necessary background checks performed.

Finding_4_R1: A copy of the final FFR for the VISTA award with tapes showing the required
Based on the above statements, Tufts feels this finding should be eliminated from the final audit report.



Finding No. 5 – MACC overstated its enrollment and overdraw the AmeriCorps grant.

“The EAP grant is a fixed amount grant which is funded based on the number of full-time equivalent (FTE) members expected to enroll over the course of the program year. EAP grant recipients are permitted to draw down the funds quarterly based on the number of FTE enrolled AmeriCorps members. At the conclusion of the grant, the Corporation is supposed to reconcile the total drawn against the actual enrollment.

MACC overdraw the EAP grant by \$16,880, because it relied on internal enrollment figures that were out-of-date. The My AmeriCorps Portal, which contains real-time enrollment information, demonstrated that MACC actually enrolled 23.51 fewer FTE members than its internal records showed. In January 2014, MACC returned \$11,487 of this amount to the Corporation. MACC still owes the Corporation \$5,393 for the remaining excessive drawdowns. The detailed calculations are shown in the following table:”

| Program Year | MSY Per My AmeriCorps Portal | MSY Per MACC Records | MSY Difference | Member Rate ⁸ | Excessive Draw Down |
|---------------------------------------|------------------------------|----------------------|----------------|--------------------------|---------------------|
| 2011 - 2012 | 75.05 | 76.44 | (1.39) | \$717.99 | \$ 998 |
| 2012 - 2013 | 54.32 | 76.44 | (22.12) | 717.99 | 15,882 |
| Total Excessive Drawdown | | | | | 16,880 |
| MACC Reimbursement to the Corporation | | | | | (11,487) |
| Remaining Excessive Drawdown Owed | | | | | \$ 5,393 |

Tufts University and Massachusetts Campus Compact (MACC) can neither concur nor not concur with the auditor’s findings detailed above.

Corrections to the draft audit report:

Based on the Notices of Grant Award (NGA) for the EAP years under audit, the MSY per my AmeriCorps Portal amounts listed above for program years 2011 – 2102 and 2012 – 2013 should reflect 76.44 each period.

Tufts received an e-mail from CNCS on December 3, 2013 stating that based on enrollments associated with the EAP program, Tufts drew a total of \$11,486.88 in excess funds. Tufts worked with CNCS and The Division of Payment Management (DPM) to have the EAP award re-opened in their system to allow Tufts to return the funds. Tufts successfully wired the funds to the DPM on January 17, 2014.

Tufts will be unable to determine whether or not additional funds will need to be returned for the Education Award Program (EAP), until CNCS can confirm which of the roster “Based on forms received by” dates should be used for the final reconciliation and calculations for this award. The audit firm provided Tufts with rosters that had a received by date of 8/29/13 and CNCS based their calculations on



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roster received by 12/3/13. Tufts has made numerous requests, but has not yet been notified if either of these sets of rosters should be used. The MACC Director received extension approvals from the CNCS EAP Program Officer through 12/9/13 to close out each member file in the AmeriCorps Portal. Since this AmeriCorps EAP was ending, all member files were double and triple checked when entered in to the AmeriCorps portal.

Tufts would like to note that the \$5,393 amount was arrived at by Tufts using the rates noted on the NGA and using the rosters that the auditor provided with an 8/29/13 received by date. Tufts also completed a reconciliation between the audit and CNCS rosters and noted the following difference on 3/4/14 via e-mail.

Descriptions of Membership types is as follows:

HT-Half Time

MT- Minimum Time

QT – Quarter Time

RH – Reduced Half Time

CNCS had an additional 32 members listed on their rosters (HT-1, MT-29 and QT- 2). Both CNCS and the auditor's rosters had 4 individuals listed twice in their totals. (MT-3 and RH-1)

Recommendations listed in the draft audit report were as follows:

5a. Disallow and recover the excessive drawn down amount of \$5,393;

As noted above Tufts will not be able to determine whether or not additional funds will need to be returned until CNCS can confirm the correct “based on forms received by date” should be used, or if new rosters will need to be run in order to complete the final reconciliation and closeout of this award.

5b. Ensure that, if MACC applies for any new grant awards, it implements internal controls and procedures to verify that all EAP members are properly reported in the My AmeriCorps Portal, including conducting periodic reconciliation of members reported in My AmeriCorps Portal with its internal records;

In the event that MACC applies and receives any new EAP awards they will ensure that all, members are updated in the AmeriCorps Portal on a timely basis. MACC will set up a bi-weekly timesheet eGrant procedure on each active Education Award member. On alternate weeks, MACC will conduct reconciliation of Education Member folders to check on all required timesheet signatures and running totals of completed hours of service. Tufts would also require



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the department to submit quarterly reconciliations to the Office of Sponsored Programs Accounting to demonstrate these reviews have been performed.

5c. Ensure that, if MACC applies for any new grant awards, it implements internal controls and procedures to only limit drawn down funds based on the proper number of enrolled EAP members reported in the My AmeriCorps Portal.

In the event that MACC applies for and receives any new awards they would work closely with CNCS, MACC's internal finance team and request that either semi or annual enrollment reviews are done in order to verify that the amounts being drawn down are accurate.

Should Tufts ever receive another EAP award from CNCS they would implement the same procedures as referenced above.

Based on the comments, corrections and responses above, Tufts and MACC have provided the Audit Resolution Team with the following supporting documentation under separate cover: Please note that "C" is for corrections and "R" is for responses.

Finding_5_C1: Copies of the EAP Notice of Grant Awards for the years under review showing the amount per MSY and Member Rates awarded

Finding_5_C2: E-mail from CNCS dated 12/3/13 which provided the amount of excess funds drawn-down on the EAP award based on enrollments.

Finding_5_C3: Copy of 1/17/14 e-mail confirming that the excess funds had been returned to CNCS via the Division of Payment Management.

Finding_5_C4: A copy of one of the rosters the auditors provided to Tufts which show the "Based on forms received by" date of 8/29/13.

Finding_5_C5: A copy of the 3/11/14 e-mail from CNCS confirming the roster "Based on forms received by" date of 12/3/13.

Finding_5_C6: Copies of e-mails between the CNCS Program Officer and the EAP Program Director granting extension approvals to enter enter/exiting information. (Please note that these were sent as an attachment to the 4/4/14 e-mail referenced below.

Finding_5_C7: A copy of 4/4/14 e-mail to auditor requesting verification as to what rosters should be used.

Finding_5_C8: A copy of the roster reconciliation Tufts performed between the CNCS and auditors rosters.



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Finding_5_C9: Copy of 3/11/14 e-mail and the MACC EAP Draw-Down calculation showing how the \$5,393 amount was determined that is listed in the grid for finding No. 5.



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Finding No. 6 – MACC did not adequately monitor program sites.

“MACC operated the VISTA program at 28 host sites, but performed little, if any, oversight. It had no written procedures or formal process for host site monitoring. MACC personnel stated that they did not believe that formal procedures were required or necessary. And, although the VISTA Program Director claimed that she worked with host sites to address concerns and issues, MACC could not produce any records to document its monitoring activities, the procedures it performed, issues/concerns noted or their resolution. Finally, our random sample of 15 host sites found that MACC had no written Memoranda of Understanding (MOUs) setting forth the parties’ respective responsibilities with any of them.

The Corporation’s Massachusetts State Office performed a monitoring visit at MACC in December 2012 but did not detect any of the deficiencies noted in this report. Instead, the program officer commended MACC, saying that it “continues to run an excellent program.” Although the monitoring visit took place during the same period covered by this audit, the State Office reported no findings that would require corrective action. Given the complete absence of any records showing that MACC monitored its program activity sites, we are at a loss to explain how the program officer overlooked the fundamental problems noted by our auditors. The Corporation should revisit its VISTA monitoring policies and procedures and strengthen the quality of its grant monitoring.

Criteria

AmeriCorps VISTA Program Guidance for Current and Potential Project Sponsors, III.

Framework for VISTA Programming, Assessment of Project Applications, states:

In choosing which project applications to support, the AmeriCorps VISTA program evaluates prospective and current VISTA projects and sponsors on their ability to manage and effectively apply VISTA resources to build long-term, sustainable solutions to poverty in their community. A VISTA project must: Possess sufficient management and technical capability to implement and oversee the project.

AmeriCorps VISTA Program Guidance for Current and Potential Project Sponsors, VI.

Reporting, Monitoring, and Oversight, states: Sponsors must be engaged in continuous monitoring of projects.”

Tufts University and Massachusetts Campus Compact (MACC) do not concur with the auditors finding listed above.



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Corrections to the draft audit report:

MACC and Tufts **did** provide supporting documentation in regards to oversight, management and monitoring of the host sites. In addition, Tufts and MACC volunteered to meet with the auditors to review the program model and our monitoring processes. MACC and Tufts also answered specific questions both verbally and in writing. MACC recognizes that Memorandums of Agreement are a best practice for host sites, however they are not required by CNCS.

Tufts and MACC Response to Audit Finding No. 6

MACC has an extensive management and supervision infrastructure that provides continuous monitoring and oversight to our host sites. Our host sites are institutions of higher education that have a commitment to the improvement and expansion of civic engagement initiatives that will result in more college students serving impact fully and effectively in their local communities on anti poverty initiatives. Our oversight process includes elements that are formal and informal and is designed to ensure success in terms of the individual placement and the short and long term outcomes of the assigned projects.

Key components of the host site oversight process are listed below:

- Creation and submission of a work plan/volunteer action description (VAD) that is a working document for the year
- Creation and submission of an orientation plan for the start of the service year
- Attendance at a summer supervisor orientation/meeting
- Participation at a mid year grantee meeting
- Submission of a mid year and year end data collection survey by assigned MACC AmeriCorps*VISTA member
- Availability for a site visit

The large meetings are critical to our oversight process and designed to a) cover information and policies important to hosting an AmeriCorps*VISTA member; b) to advance the work of the AmeriCorps*VISTA member c) identify any sites that need follow up; and d) share best practices. During the time period under review, a total of eight formal meetings were held. Our assigned CNCS Program Officer was invited to these meetings and attended whenever possible.

Dates of these meetings:

6/27/11 and 6/28/11: Host Site Supervisors orientation meetings
11/8/11 and 11/10/11: MACC AmeriCorps*VISTA Focus Groups on measuring community impact
2/16/12: MACC AmeriCorps*VISTA Mid Year Grantee meeting
7/17/12: MACC AmeriCorps*VISTA New Host site supervisor orientation
8/28/12: MACC AmeriCorps*VISTA Grantee Meeting
2/15/13: MACC AmeriCorps*VISTA Mid Year Grantee meeting



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Communication is critical to our oversight. The Program Director and MACC AmeriCorps*VISTA Leaders are in constant communication with and about members, sites and partners and regularly meet to discuss which sites need to be checked in with, and what follow up may be necessary on site to resolve any issues that may come up. The Program Director communicates with the assigned CNCS Program Officer regularly and seeks support and guidance as needed. Throughout the year numerous actions and activities are performed in terms of resolving host site/VISTA challenges. Phone calls, emails, and/or in person meetings are part of the process. During the time period under audit, the Project Director worked directly with host supervisors and members at 10 sites to improve work plans, communication and or performance. These are handled on an individual basis and in most cases, a coaching strategy will be employed until resolution or improvement is evident. Evidence of improvement includes: clearer communication; understanding the meeting of mutually agreed upon performance improvement goals; approved changes to work plans; and data based evidence of project success via reporting.

Over the time period under review, MACC conducted site visits. A majority of these visits were conducted early in the service year by MACC AmeriCorps*VISTA Leaders and can include supervisors in addition to members. These site visits are designed to be a time where each VISTA checks in with their VISTA Leaders in terms of how their VISTA service year is going, troubleshoot any issues, and provide continual support to each individual Corps member as well as to promote networking and collaboration with other MACC AmeriCorps*VISTAs. Towards the end of the year a second round of visits covers sustainability strategies.

Recommendations listed in the draft audit report were as follows:

We recommend that, if MACC applies for any new grant awards, the Corporation:

6a. Ensure MACC develops and implements risk-based monitoring procedures for all its VISTA host sites. These procedures should require a process for performing periodic reviews of all host sites and maintaining the documentation of these reviews, including the results and follow-up of the CAP;

As stated above, MACC has an extensive monitoring process in place, and now uses an electronic platform for sharing resources and documentation.

6b. Ensure MACC obtains signed MOUs with all VISTA host sites.

After consultation with the MA State Office in regards to best practices, MACC has implemented an MOUA with host sites.

As a result of the explanation above, Tufts and MACC feel that Finding No. 6 should be removed from the final audit report.



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6c. The Corporation review its VISTA monitoring practices and identify the cause of the undetected MACC findings in order to improve its VISTA grant oversight.

Please note that CNCS will be addressing this recommendation.

Based on the comments, corrections and responses above, Tufts and MACC have provided the Audit Resolution Team with the following supporting documentation under separate cover. Please note that “C” is for corrections and “R” is for responses.

Finding_6_C1: Copies of e-mails and other documentation previously sent to auditors in regards to host-site monitoring

Finding_6_R2.1: Copies of Host Site Supervisors orientation meeting agenda and materials held on 6/27/11 and 6/28/11.

Finding_6_R2.2: Copies of MACC AmeriCorps*VISTA Focus Group on measuring community impact held on 11/8/11 and 11/10/11 agenda and materials.

Finding_6_R2.3: A copy of MACC AmeriCorps*VISTA Mid-Year Grantee agenda and materials for meeting held on 2/16/12.

Finding_6_R2.4: A copy of MACC AmeriCorps*VISTA New Host site supervisor orientation agenda for meeting held on 7/17/12.

Finding_6_R2.5: A copy of MACC AmeriCorps*VISTA Grantee Meeting agenda and materials for meeting held on 8/28/12.

Finding_6_R2.6: A copy of MACC AmeriCorps*VISTA Mid-Year Grantee agenda and material for meeting held on 2/15/13.

Finding_6_R3: A list of MACC AmeriCorps*VISTA Site visits including dates and questions discussed around sustainability.



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Finding No. 7 – Inadequate systems for sharing information led VISTA to award a grant immediately after AmeriCorps terminated its relationship with the same grantee.

“VISTA and AmeriCorps, the two Corporation programs that awarded grants to MACC, did not share information about the grantee’s unacceptable performance or compliance with applicable requirements. As a result, VISTA awarded a new grant to MACC within a day after AmeriCorps terminated the EAP grant for cause.

In August 2012, AmeriCorps program staff conducted a site visit to MACC in connection with its EAP grant. They identified a number of irregularities and directed MACC to submit a corrective action plan to remedy these deficiencies. MACC did not do so. Nearly one year later, on July 24, 2013, AmeriCorps terminated MACC’s EAP grant.

The Corporation’s Massachusetts State Office staffs, which were responsible for overseeing the VISTA grant, were not aware of the management issues associated with the AmeriCorps EAP grant, including its termination. VISTA thus did not consider the grantee’s lack of cooperation with the AmeriCorps program when it renewed the VISTA grant immediately after the EAP grant was terminated. Had such information been available to them, it may have influenced the VISTA staff’s decision about renewing MACC’s VISTA grant.

These events illustrate a fundamental disconnect in the Corporation’s grantee monitoring. Although a grantee may have multiple grants, the grants are monitored individually. This is extremely inefficient. Moreover, each program operates in its own silo; different program and grant staff are responsible for monitoring the AmeriCorps program, on the one hand, and the VISTA and Senior Corps programs, on the other. The responsible AmeriCorps staff work from the Corporation’s Washington, D.C., headquarters. By contrast, the program officers for VISTA and Senior Corps are decentralized, located in each state and territory, while their grants officers work from the FFMC office in Philadelphia, PA. There is no orderly process or mechanism for sharing information about a grantee across program lines. Nor does eGrants9, the Corporation’s grant management system, facilitate sharing of grantee monitoring information within or across programs. Instead of aggregating information about a grantee, it treats each grant in isolation. There is no link between multiple grants to the same grantee. Even when a grant becomes seriously troubled or terminated, the system does not notify staff responsible for overseeing other grants to the same grantee. Thus, despite its noncompliance and unresponsiveness on the EAP grant, MACC received a new grant from VISTA. Quite apart from the award decision, Massachusetts State Office staff had no opportunity to consider the AmeriCorps compliance issues as part of their monitoring of the VISTA grant. Awarding an additional grant to a terminated grantee, which failed to practice proper grant management and failed to follow up on deficiencies uncovered in monitoring visits, placed the Corporation in a high-risk position. The lack of communication between the programs resulted in a missed opportunity for the Corporation to prevent further waste of Federal funds, as evidenced by the questioned costs identified in this audit report.”



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Corrections to the draft audit report

Although this finding is addressing the auditors concerns with the Corporation for National and Community Service communications systems, Tufts and MACC want to clarify the misstatement noted above in the finding itself which is bolded. Please note that MACC submitted a 10 page Corrective Action Plan (CAP) to their AmeriCorps Program Officer on November 19, 2012. This was done in response to the CNCS AmeriCorps Program Officers October 18, 2012 letter to the MACC Program Coordinator concerning the findings from the site visit that was held on August 27-29, 2012 for the EAP grant.

Based on the comments above, Tufts and MACC have provided the Audit Resolution Team with the following supporting documentation. Please note that the "C" is for correction.

C_7_C1: Copy of the December 19, 2013 e-mail Tufts and MACC submitted to the auditors that included the following 2 attachments: Compliance letter from the Fall of 2012, Responses to the ASLIS Monitoring visit

APPENDIX D

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

Corporation for
**NATIONAL &
COMMUNITY
SERVICE** 

To: Stuart Axenfeld, Assistant Inspector General for Audit

From: Bill Bas , Director, AmeriCorps State and National
Eileen Conoboy , Deputy Director, AmeriCorps VISTA

Date: March 19, 2015

Subject: Response to OIG Draft report on Audit of Corporation for National and Community Service Grants Awarded Tufts University/Massachusetts Campus Compact

Thank you for the opportunity to review the Office of the Inspector General's draft report on the audit of grants awarded to Tufts University/Massachusetts Campus Compact (MACC). Given the limited timeframe to respond to the draft report, we have not had sufficient time to review documentation provided by MACC nor do we have access to the audit work papers. Therefore, we cannot address all the findings at this time. We will respond to all findings and recommendations in our management decision when OIG provides the audit working papers and issues the final audit. Our response to some specific findings follow.

Finding 1: Student Worker Timekeeping. The audit report identified nine individuals as student workers paid through the grant. However, five of those were not student workers, but rather VISTA members. There were only four individuals whose timekeeping procedures should have been questioned as insufficient. VISTA members were paid their living allowance stipends through MACC, but their timekeeping requirements are not comparable to those required for student workers.

Finding 2: Criminal History Checks. The audit report also questioned the salaries of the same nine individuals identified as student workers as well as three staff members because MACC did not conduct National Service Criminal History Checks on the staff or student workers as required under the grant. As noted under Finding 1, five individuals were VISTA members whose criminal history checks were conducted by the Corporation, not the MACC grantee. MACC was responsible for conducting checks on any staff included on the budget as well as any student workers whose salaries were claimed under the grant. The VISTA members should not have been included in this finding. OIG should re-calculate the questioned costs in its report.

Finding 3: Meals charged to the grant. CNCS agrees that match costs claimed for meals is not generally an allowable cost under a grant. However, there is no required match for the VISTA grant. A VISTA sponsor will enter items in the eGrants budget in the section for match to demonstrate its commitment to the program and to assist in the development of its own internal budgets, but unlike the AmeriCorps State and National program, those costs are not

required as match under the award and CNCS staff does not monitor those recipient costs. A VISTA sponsor will also set up its accounting system to track all costs associated with the program and separate those costs between those it will claim on its FFR as Federal expenditures and other costs it incurs and pays for with other non-CNCS resources. Costs not allocated as Federal share are not considered match and not subject to the Cost Principles in this case.

Finding 5: MACC overstated its enrollment. CNCS worked with MACC during the closeout process to reconcile enrollments to drawdowns under its Education Award Program grant. Based on data in the My AmeriCorps Portal, CNCS determined the total amount MACC could draw down over the course of the three-year grant was \$152,341. MACC drew down \$163,817; \$11,476 over the maximum it was allowed based on enrollments. As noted in the audit report, MACC returned \$11,487 to CNCS in January 2014. No additional funds are owed to CNCS.

Finding 7: CNCS awarded a VISTA grant to MACC immediately after terminating another grant. CNCS agrees that its grants system needs improvement to allow better sharing of grantee information across programs and agrees with the OIG's recommendations. CNCS is currently reviewing its grants monitoring process and considering changes necessary to effectively implement IT modernization efforts. CNCS' current systems do not provide transparent data to inform programs and grant offices. Through IT modernization efforts, CNCS is seeking dashboard capability to provide real time data that is critical to decision making. These efforts will likely alter the way CNCS does monitoring in the future.