

Office of Inspector General Corporation for National and Community Service

AGREED-UPON PROCEDURES REVIEW OF CORPORATION FOR NATIONAL AND COMMUNITY SERVICE EDUCATION AWARD PROGRAM GRANTS TO THE COLLEGE OF NEW JERSEY

OIG REPORT NUMBER 09-10



Corporation for
**NATIONAL &
COMMUNITY
SERVICE** 

Prepared by:

Mayer Hoffman McCann P.C.
3 Bethesda Metro Center
Suite 600
Bethesda, MD 20814

This report was issued to Corporation management on May 13, 2009. 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 13, 2009, and complete its corrective actions by May 13, 2010. Consequently, the reported findings do not necessarily represent the final resolution of the issues presented.



OFFICE OF INSPECTOR GENERAL

May 13, 2009

TO: Lois Nembhard
Acting Director, AmeriCorps*State and National

Margaret Rosenberry
Director, Office of Grants Management

FROM: Stuart Axenfeld /s/
Assistant Inspector General for Audit

SUBJECT: *OIG Report 09-10, Agreed-Upon Procedures Review of Corporation for National and Community Service Education Award Program Grants to The College of New Jersey*

Attached is the final report for the above-noted agreed-upon procedures review. We contracted with the independent certified public accounting firm of Mayer Hoffman McCann P.C. (MHM) to perform the procedures. The contract required MHM to conduct its review in accordance with generally accepted government auditing standards.

MHM is responsible for the attached report, dated May 12, 2009, and the conclusions expressed therein. We do not express opinions on the Schedule of Questioned Education Awards, conclusions on the effectiveness of internal controls, or the grantee's compliance with laws, regulations, and grant provisions.

Under the Corporation's audit resolution policy, a final management decision on the findings in this report is due by November 13, 2009. Notice of final action is due by May 13, 2010.

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

Attachment

cc: Dr. Carol Bresnahan, Provost, The College of New Jersey
Christen Foell, Program Director, Bonner Center, TCNJ
William Anderson, Acting Chief Financial Officer, CNCS
Rocco Gaudio, Deputy Chief Financial Officer, Grants & Field Financial Management, CNCS
Sherry Blue, Audit Resolution Coordinator, CNCS
Randy Vellocido, Partner/Shareholder, Mayer Hoffman McCann P.C.



1201 New York Avenue, NW ★ Suite 830, Washington, DC 20525
202-606-9390 ★ Hotline: 800-452-8210 ★ www.cncsoig.gov

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**AGREED-UPON PROCEDURES REVIEW OF
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE
EDUCATION AWARD PROGRAM GRANTS TO
THE COLLEGE OF NEW JERSEY**

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EXECUTIVE SUMMARY

The Office of Inspector General (OIG), Corporation for National and Community Service (Corporation), contracted with Mayer Hoffman McCann P.C. (MHM) to perform agreed-upon procedures (AUP) for Education Award Program (EAP) grants provided to The College of New Jersey (TCNJ).

Results

As a result of applying our procedures, we questioned education awards of \$3,362. A questioned education award is an alleged violation of provision of law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the eligibility of education awards; or a finding that, at the time of testing, such award was not supported by adequate documentation. The results of our procedures are summarized in Exhibit A, Schedule of Questioned Education Awards.

<u>Award Number</u>	<u>Program</u>	<u>Questioned Education Awards</u>
04EDH NJ001	Education Award	<u>\$ 3,362</u>
	Totals	<u>\$ 3,362</u>

AmeriCorps members who successfully complete terms of service are eligible for education awards and accrued interest awards funded by the National Service Trust. These awards are not funded by Corporation grants and the associated costs are, therefore, not claimed by TCNJ. However, we determined the effect of our findings on the allowability of these awards.

Details related to these questioned education awards appear in the *Independent Accountants' Report on Applying Agreed-Upon Procedures* that follows. The detailed results of our procedures revealed instances of non-compliance with grant provisions or regulations, as more fully described in the Compliance and Internal Control section of this report. Issues identified include:

- Lack of adequate procedures and controls to ensure members' criminal background checks are performed;
- Lack of adequate procedures and controls to ensure service hours are recorded only after members' contracts are signed;
- Service hours were recorded prior to members' enrollment date;
- Late submission of member enrollment, exit, and change-of-status forms;
- Lack of adequate procedures and controls to ensure that members attend orientation prior to starting service; and
- Lack of procedures and controls to ensure end-of-term evaluations are performed.

Agreed-Upon-Procedures Scope

We performed our AUP at the grantee's location during the period November 3 through December 19, 2008. The procedures covered TCNJ's compliance with terms and provisions for the following grants:

<u>Program</u>	<u>Award Number</u>	<u>Award Period</u>	<u>Testing Period</u>
Education Award	04EDH NJ001	11/10/04 to 12/08/09	09/14/05 to 10/13/08
Education Award	07EDH NJ001	09/01/07 to 08/31/10	09/01/07 to 10/13/08

The procedures are based on the OIG's AUP program dated September 2008, and are included in the *Independent Accountants' Report on Applying Agreed-Upon Procedures* section of this report.

Background

The Corporation, under the authority of the National Community Service Trust Act of 1993, as amended, awards grants and cooperative agreements to non profit organizations, such as TCNJ and other entities, to assist in the creation of full-time and part-time national and community service programs.

TCNJ's Education Award Program is administered by the Corella and Bertram F. Bonner Foundation (Foundation). The non profit Foundation, located in Princeton, New Jersey, has a staff of 10 people, five of whom are employed by TCNJ. The remaining five are employed by the Foundation. The purpose of the Foundation is to help those who, like its founders, grew up in underprivileged areas. In 1989, the Foundation began working with colleges and universities to provide scholarships to students who could not afford to attend college, and to encourage students at institutions of higher learning to perform service in their communities.

The Foundation receives two types of Corporation grants: the education award program grant, and a subgrant from the New Jersey Commission on National and Community Service. The focus of this review was on the education award program only.

Exit Conference

The contents of this report were discussed with representatives from TCNJ and the Corporation at an exit conference on February 24, 2009. A draft of this report was provided to officials of TCNJ and the Corporation for their comments on April 3, 2009. TCNJ and the Corporation generally agreed with all but one finding. TCNJ disagreed with the finding that members did not attend the AmeriCorps orientation, and stated that their attendance was documented by member and campus coordinators' signatures in its Enrollment Workbook. The Corporation stated it would not deduct otherwise legitimate member hours served before the member signs a contract or is officially enrolled in WBRS from the member's total hours of service. Responses from TCNJ and the Corporation are included verbatim as Appendices A and B, respectively, and are summarized in each finding.



Mayer Hoffman McCann P.C.

An Independent CPA Firm

3 Bethesda Metro Center, Suite 600

Bethesda, MD 20814-6332

301-951-3636

301-951-0425

www.mhm-pc.com

Inspector General
Corporation for National and Community Service

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

We performed the procedures described below for TCNJ's education award program grants for the period September 14, 2005, to October 13, 2008. The procedures were agreed to by the OIG solely to assist it in compliance testing of Corporation-funded Federal assistance provided to TCNJ for the awards and periods listed below, with a combined award period of November 10, 2004, to August 31, 2010. This engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and generally accepted government auditing standards. The sufficiency of these procedures is solely the responsibility of the OIG. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or any other purpose.

<u>Program</u>	<u>Award Number</u>	<u>Award Period</u>	<u>Testing Period</u>
Education Award	04EDHJ001	11/10/04 to 12/08/09	09/14/05 to 10/13/08
Education Award	07EDHJ001	09/01/07 to 08/31/10	09/01/07 to 10/13/08

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

The procedures that we performed included obtaining an understanding of TCNJ's policies and procedures, and testing compliance with selected grant provisions and award terms and conditions.

We performed the following procedures to verify that:

- Hours recorded on members' timesheets supported their eligibility to earn education awards;
- Timesheets, forms, and contracts were in members' files and were signed, dated, and did not contain discrepancies;
- Service hours reported in the Corporation's Web-Based Reporting System (WBRS) agreed with hours recorded on timesheets;

- Members were U.S. citizens, nationals, or lawful permanent residents and had obtained high-school diplomas or equivalency certificates;
- Criminal background checks were conducted for members who had substantial recurring contact with children or other vulnerable individuals;
- Contracts were signed by members and included required AmeriCorps stipulations;
- End-of-term member performance evaluations were performed and documented;
- Members who received a prorated education award were released for compelling personal circumstances;
- Enrollment, exit, and change-of status-forms were completed and approved in WBRS within 30 days of members starting and ending service or changing their status;
- Members attended pre-service orientation sessions;
- TCNJ certified to the National Service Trust that members were eligible to receive education awards; and
- No more than 20 percent of the aggregate of all AmeriCorps members' service hours was spent in training and educational activities.

Results – Education Awards

Our testing results are summarized in Exhibit A on the following page. These awards are funded by the National Service Trust, not the Corporation grant. TCNJ received grant funds of \$400 during program years (PYs) 2005-2006 and 2006-2007 for each member in the program, and \$600 during PY 2007-2008. As part of our AUP, we determined the effect of member program hours and eligibility on these education awards.

**Schedule of Questioned Education Awards
The College of New Jersey (TCNJ)**

Awards 04EDHNJ001 and 07EDHNJ001

			<u>Reference</u>
Number of Members			
04EDHNJ001 2004 Education Award Grant		1,618	
07EDHNJ001 2007 Education Award Grant		<u>697</u>	
		2,315	Note 1
Sample of Members Tested			
04EDHNJ001 2004 Education Award Grant		92	
07EDHNJ001 2007 Education Award Grant		<u>24</u>	
		116	Note 2
Questioned Education Awards:			
Service Hours Prior to Enrollment Date		<u>\$ 3,362</u>	Note 3

Notes

1. The amount shown represents the total number of members during PYs 2005-2006, 2006-2007 and 2007-2008.
2. The amount shown represents the total number of members tested during our audit.
3. Two members started their service prior to their enrollment date (see Finding 3).

Results - Compliance and Internal Control

We found instances of non-compliance with grant provisions or regulations, as shown below:

Finding No. 1 – Lack of Adequate Procedures and Controls to Ensure Members' Criminal Background Checks are Performed

Of the 116 member files tested, 53 had substantial recurring contact with children or vulnerable individuals but did not have a criminal background check performed. The total included 39 members in PY 2005-2006, 13 members in PY 2006-2007, and one member in PY 2007-2008.

This condition was recognized by TCNJ during its site monitoring visits. Prior to January 2008, TCNJ's policy required that the background checks be performed where members were serving, that is, by either the affiliated campus or the community partner. Because responsibility for the background checks was shared by one of these two parties, TCNJ believes the checks were not being completed because each party expected it to be completed by the other party. Therefore, in January 2008, TCNJ revised its policy to require background checks be completed by TCNJ. All 53 exceptions in this finding occurred before implementation of the Corporation's revised criminal background check policy, which became effective November 23, 2007.

Criteria

2005 AmeriCorps Education Award Program (EAP) Special Provisions, Section IV.C. Member Enrollment, Paragraph 7, Criminal Background Checks, states in part:

Programs with members (18 and over) or grant-funded employees who, on a recurring basis, have access to children (usually defined under state or local law as un-emancipated minors under the age of 18) or to individuals considered vulnerable by the program (i.e. the elderly or individuals who are either physically or mentally disabled), shall, to the extent permitted by state and local law, conduct criminal background checks on these members or employees as part of the overall screening process.

The grantee must ensure, to the extent permitted by state or local law, that it maintains background check documentation for members and employees covered by this provision in the member or employee's file or other appropriate file. The documentation must demonstrate that, in selecting or placing an individual, the grantee or the grantee's designee (such as a site sponsor) reviewed and considered the background check results.

Recommendations

We recommend that the Corporation:

- 1a. Ensure that TCNJ complies with its program requirements and provisions with regard to performing and documenting criminal background checks on members when required.
- 1b. Verify implementation of the background check procedures.

TCNJ's Response

TCNJ concurs with this finding. The grantee took several steps prior to the audit to rectify this issue when it became apparent during site monitoring. During program year 2007-2008, TCNJ significantly modified its policy on performing and documenting criminal background checks. In January 2008, TCNJ instituted a new enrollment policy whereby all AmeriCorps members are subject to a criminal background check prior to enrollment. The Member Enrollment Workbook now contains a criminal background check process. Program staff at the National Office now performs all criminal background checks, and results of the criminal background check are maintained in the member file.

Corporation's Response

The Corporation stated that it reviewed the revised policy and confirmed that it addresses the recommendation. Additionally, the Corporation stated that it will follow up with TCNJ to confirm implementation.

Auditor's Comment

The Corporation should consider the actions taken by TCNJ and follow up to ensure that criminal background check policies and procedures are implemented and effective.

Finding No. 2 – Lack of Adequate Procedures and Controls to Ensure Service Hours are Recorded Only After Members' Contracts are Signed

Thirteen of the 116 members tested did not sign their member service agreement prior to beginning their term of service. The total included eight members in PY 2005-2006, four members in PY 2006-2007, and one member in PY 2007-2008.

Program sites are required to submit a complete and accurate member enrollment package to TCNJ so the information can be entered into the Corporation's Web-based Reporting System (WBRS). TCNJ stated that the sites were including unsigned member service agreements with their member enrollment packages. Due to a shortage of staff, TCNJ was not properly reviewing the packages and entered new members into WBRS who did not have signed member service agreements.

Criteria

2005 AmeriCorps EAP Special Provisions, Section IV.C. Member Enrollment, Paragraph 1, Member Enrollment Procedures, states in part:

- a. An individual is enrolled as an AmeriCorps member when all of the following have occurred:
 - i. He or she has signed a member contract;

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

2005 AmeriCorps EAP Special Provisions, Section IV.F. Terms of Service, Paragraph 1, Program Requirements, states in part:

Each Program must, at the start of the term of service, establish the guidelines and definitions for the successful completion of the program year, ensuring that these Program requirements meet the Corporation's service hour requirements as defined below:

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

Recommendation

2. We recommend that the Corporation ensure that TCNJ strengthens controls to ensure that member contracts are signed before service hours are recorded.

TCNJ's Response

TCNJ concurs with this finding and has implemented policies and procedures to ensure compliance with Corporation requirements. In August 2008, TCNJ hired an Enrollment Manager whose responsibilities include verifying that every member contract is signed prior to or on the first day of service. Program staff enrolls members based on the signature date on the member contract. In the event that the signature date is different from the requested start date in the member contract, program staff enrolls the member based on the day he/she signed the member contract. The member is notified of the change in start date and is required to confirm his/her acceptance of the change via an email notification.

Corporation's Response

The Corporation does not agree that otherwise legitimate hours served before a member signs a contract or is officially enrolled in WBRS should be deducted from total hours of service. Therefore, the Corporation considers any education awards questioned based on

this finding alone to be properly certified and allowed. However, the Corporation stated that it considers this requirement an important compliance issue and that it required TCNJ to take corrective action. The Corporation will confirm that the procedures have been implemented effectively.

Auditor's Comment

The actions described, if implemented by the grantee and verified by the Corporation, should resolve the finding.

Finding No. 3 – Service Hours Recorded Prior to Members' Enrollment Date

Two of the 116 members tested started their service prior to their enrollment date, as shown in WBRS. One member was enrolled as a minimum-time member and received an education award of \$1,000. The other person was enrolled as a half-time member and received an education award of \$2,362. TCNJ stated that this condition was caused by a shortage of staff needed to enter large amounts of data into WBRS.

We deducted hours served prior to the enrollment date from each member's total hours. After deducting these hours, the members did not meet the required minimum hours to receive an education award. Therefore, we questioned education awards of \$3,362.

Criteria

2005 AmeriCorps EAP Special Provisions Education Award, Section IV.F. Terms of Service, Paragraph 2, Program Requirements, states in part:

Each Program must, at the start of the term of service, establish the guidelines and definitions for the successful completion of the PY, ensuring that these Program requirements meet the Corporation's service hour requirements as defined below:

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

Recommendation

3. We recommend that the Corporation recover questioned education awards of \$3,362 from the grantee, and ensure that TCNJ adheres to program requirements and

provisions to prevent service hours from being recorded prior to the member's enrollment date.

TCNJ's Response

TCNJ acknowledges that a clerical error resulted in two members receiving an education award although they did not complete the required number of hours. TCNJ has implemented a corrective action plan to ensure that this type of error does not occur again. TCNJ's timekeeping system is programmed to include only those hours on or after the member's official start date on his/her first month's time sheet. TCNJ has also implemented an exit certification checklist that is completed before a member is exited from the AmeriCorps Program. The checklist includes verification that all hours were completed between the official start date and the required completion date.

Corporation's Response

The Corporation required TCNJ to take corrective action, and will confirm that the procedures have been implemented effectively.

Auditor's Comment

TCNJ's corrective actions are responsive to the finding.

Finding No. 4 – Late Submission of Member Enrollment, Exit, and Change-of-Status Forms

Enrollment Forms

Enrollment forms were not submitted in a timely manner for 32 of the 116 members tested. Enrollment forms were submitted more than 30 days after the members' start of service date for 28 members in PY 2005-2006 and four members in PY 2006-2007. TCNJ stated that enrollment forms were submitted late due to a shortage of staff.

Exit Forms

Exit forms were not submitted in a timely manner for 44 of the 116 members tested. Exit forms were submitted more than 30 days after the members completed service for 20 members in PY 2005-2006, 23 members in PY 2006-2007, and 1 member in PY 2007-2008. TCNJ stated it was their understanding it had 30 days from the expected last day of service, instead of 30 days from the actual last day of service, to submit exit forms.

Change-of-Status Forms

Change-of-status forms were not submitted in a timely manner for one member who served during PY 2006-2007. TCNJ stated that an incorrect status change date was entered into WBRS. This was based on a decision by the former program director who is no longer employed by the grantee.

Criteria

2005 AmeriCorps EAP Special Provisions Education Award, Section IV.0.3. AmeriCorps Member-Related Forms, states:

The grantee is required to submit the following documents to the National Service Trust at the Corporation on forms provided by the Corporation. Grantees and sub-grantees may use WBRS to submit these forms electronically. Programs using WBRS must also maintain hard copies of the forms.

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

Recommendation

4. We recommend that the Corporation direct TCNJ to develop effective control procedures to ensure member enrollment, exit, and change-of-status forms are completed and submitted in a timely manner.

TCNJ's Response

TCNJ concurs with this finding. Program staff continues to work with campus coordinators to ensure that enrollment, exit and change-of-status materials reach the National office within 20 days of the effective date. The Enrollment Manager and program associates are responsible for completing the enrollment, exit and change-of-status forms in WBRS within the 30-day timeframe. For exit forms, the timekeeping system sends an automatic notification to both the member and the campus supervisor when the member is approaching his/her exit date and the member has logged the required number of hours in the system. The automatic notification instructs the member and campus Program staff to submit any outstanding time sheets and the required exit paperwork.

Corporation's Response

The Corporation stated that it agrees with the auditor's recommendation and that the actions proposed by TCNJ address the recommendation. The Corporation will confirm implementation during the audit resolution period.

Auditor's Comment

The corrective actions cited are responsive to the finding.

Finding No. 5 – Lack of Adequate Procedures and Controls to Ensure that Members Attend Orientation Prior to Starting Service

Thirty-four of the 116 members tested did not attend orientation prior to their start of service. Documentation was not found to verify that 10 members in PY 2005-2006, 15 members in PY 2006-2007, and 9 members in PY 2007-2008 attended pre-service orientation. TCNJ did not know the cause of this condition.

Criteria

2005 AmeriCorps EAP Special Provisions, Section IV.E. Training, Supervision and Support, Paragraph 3, states in part:

Consistent with the approved budget, the grantee must provide members with the training, skills, knowledge and supervision necessary to perform the tasks required in their assigned project positions, including specific training in a particular field and background information on the community served.

The grantee must conduct an orientation for members and comply with any pre-service orientation or training required by the Corporation. This orientation should be designed to enhance member security and sensitivity to the community. Orientation should cover member rights and responsibilities, including the Program's code of conduct, prohibited activities (including those specified in the regulations), requirements under the Drug-Free Workplace Act (41 U.S.C. 701 et seq.), suspension and termination from service, grievance procedures, sexual harassment, other non-discrimination issues, and other topics as necessary.

Recommendation

5. We recommend that the Corporation ensure that TCNJ develop control procedures to ensure that all new members attend pre-service orientation, and that TCNJ maintain documentation to support members' attendance.

TCNJ's Response

TCNJ does not agree with this finding. TCNJ's previous policy stipulated that signatures of the member and the campus coordinator in its Enrollment Workbook served as a certification that the member received an AmeriCorps orientation. The contract outlines member rights and responsibilities, member code of conduct, prohibited activities, drug free workplace policy, suspension and termination policies, grievance procedures and nondiscrimination policies. TCNJ implemented new policies and procedures related to the AmeriCorps orientation in 2008. The new Enrollment Workbook contains a separate section in which the member and the campus coordinator certify that the member received orientation in compliance with AmeriCorps regulations. In addition, members are instructed to log the orientation session as the first entry on their first time sheet to document attendance.

Corporation's Response

The Corporation will follow up with TCNJ to confirm implementation.

Auditor's Comment

The Corporation should consider the actions taken by TCNJ and follow up to ensure the actions are implemented and effective. However, we maintain our position that orientation documentation should be maintained for all members. We believe the signing of the Enrollment Workbook by the member does not suffice as orientation. We were not provided with evidence that orientation was conducted for the 34 members in question. Additionally, as mentioned in its response to the draft report, TCNJ implemented new policies and procedures as a direct response to our finding.

Finding No. 6 – Lack of Adequate Procedures and Controls to Ensure End-of-Term Evaluations are Performed

End-of-term evaluations were not performed for 93 members tested. That total included 46 members in PY 2005-2006; 46 members in PY 2006-2007; and one member in PY 2006-2007. TCNJ's evaluation process required that self-evaluations or peer-to-peer evaluations be performed at the end of a member's term. However, this procedure is not in accordance with AmeriCorps Provisions, which require evaluations to be performed by supervisors.

The TCNJ grants that we reviewed were awarded before 2008. Therefore, we did not question costs for members serving a second term without an end-of-term evaluation for the previous term. Starting in 2008, grant provisions for awards required end-of-term evaluations to determine a member's eligibility to serve a second term.

Criteria

2005 AmeriCorps EAP Special Provisions, Section IV.E. Training, Supervision and Support, Paragraph 6, Performance Reviews, states in part:

The grantee must conduct and keep a record of at least a midterm and end-of-term written evaluation of each member's performance for Full and Half-Time members and an end-of-term written evaluation for less than Half-time members. The evaluation should focus on such factors as:

- a. Whether the member has completed the required number of hours;
- b. Whether the member has satisfactorily completed assignments; and
- c. Whether the member has met other performance criteria that were clearly communicated at the beginning of the term of service.

45 C.F.R. § 2522.220(c), *Eligibility for a second term*, states in part:

A participant will only be eligible to serve a second or additional term of service if that individual has received satisfactory performance review(s) for any previous term(s) of service.

Recommendation

6. We recommend that the Corporation direct TCNJ to develop and implement control procedures to ensure required end-of-term evaluations are completed and submitted to program officials in a timely manner.

TCNJ's Response

TCNJ acknowledges this finding. Prior to the audit, TCNJ's evaluation process included both self-evaluations and peer-to-peer evaluations. TCNJ is now in the process of implementing end-of-term evaluations that include information outlined in the AmeriCorps Provisions. TCNJ will integrate the evaluations into its timekeeping system by June 1, 2009.

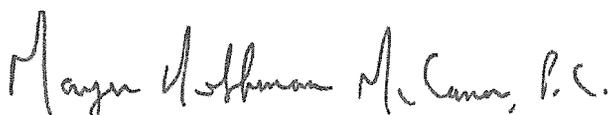
Corporation's Response

The Corporation stated that it will follow up with TCNJ to confirm implementation.

Auditor's Comment

The Corporation should consider the actions proposed by TCNJ and follow up to ensure the actions are implemented and effective.

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



Bethesda, Maryland
May 12, 2009

APPENDIX A

**THE COLLEGE OF NEW JERSEY'S
RESPONSE TO THE DRAFT REPORT**



The College of New Jersey

29 April 2009

**Office of Academic Affairs
Vice Provost**

PO Box 7718
Ewing, NJ 08628-0718

Mr. Stuart Axenfeld
Assistant Inspector General for Audit
Corporation for National and Community Service
1201 New York Avenue NW, Suite 830
Washington, DC 20525

p) 609.771.2515
f) 609.637.5161
e) pasch@tcnj.edu
w) www.tcnj.edu

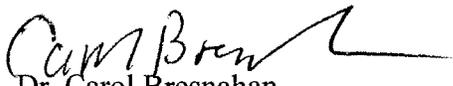
Dear Mr. Axenfeld:

Enclosed please find The College of New Jersey's response to the draft report on the *Agreed Upon Procedures for Corporation for National and Community Service Grants Awarded to The College of New Jersey*.

Thank you for providing us with the opportunity for continuous program improvement through the Office of Inspector General audit process. We look forward to working with the Corporation to resolve the findings identified in the report.

Please do not hesitate to contact me with any further questions.

Sincerely,


Dr. Carol Bresnahan
Provost
The College of New Jersey

The College of New Jersey Response to Inspector General Audit Report

Finding 1: Lack of Adequate Procedures and Controls to Ensure Members' Criminal Background Checks are Performed

The College of New Jersey concurs with this finding. The College took several steps prior to the audit to rectify this issue when it became apparent during site monitoring. During the 2007-2008 grant year, The College of New Jersey significantly modified its policy on performing and documenting criminal background checks. In January 2008, the College instituted a new policy whereby all AmeriCorps members are subject to a criminal background check prior to enrollment. The Member Enrollment Workbook now contains a criminal background check authorization form. In addition, the College centralized the criminal background check process. Program staff at the National Office in Princeton, New Jersey now perform all criminal background checks. Results of the criminal background check are maintained in the member file. The updated criminal background check policy is documented in the College's Bonner AmeriCorps Policy and Procedures Manual. The College is confident that its current policies and procedures will ensure that criminal background checks are performed and maintained in compliance with CNCS regulations.

Finding 2: Lack of Adequate Procedures and Controls to Ensure Service Hours are Recorded Only After Members' Contracts are Signed

The College of New Jersey agrees with this finding and has implemented policies and procedures to ensure compliance with CNCS requirements. In August 2008, The College hired an Enrollment Manager whose responsibilities include verifying that every member contract is signed prior to or on the first day of service. Program staff enroll members based on the signature date on the member contract. In the event that the signature date is different from the requested start date in the member contract, program staff enroll the member based upon the day he/she signed the member contract. The member is notified of the change in start date and is required to confirm his/her acceptance of the change via an email notification. This policy is documented in the College's Bonner AmeriCorps Policy and Procedures Manual.

Finding 3: Service Hours Record Prior to Members' Enrollment Date

The College of New Jersey acknowledges that a clerical error resulted in two members receiving an education award even though they did not complete the required number of hours. The College has implemented a corrective action plan to ensure that this type of error does not occur again. The College's Bonner Web-Based Reporting System is now programmed to include only those hours on or after the member's official start date on his/her first month's timesheet. The College has also implemented an exit certification checklist that is completed before a member is exited from the AmeriCorps Program. The checklist includes verification that all hours were completed between the official start date and the required completion date.

The College respectfully requests that the questioned education award costs of \$3,362.00 be prorated to reflect the monetary equivalent of the discrepancy between the number of hours required for an education award and the number of hours served for each identified member. The 300 hour member in question served 294.5 hours. The 900 hour member in question served 893 hours. The College will provide the Corporation with copies of the members' files to document the total number of hours served.

The College believes the changes made to its Bonner Web-Based Reporting System and the internal controls implemented will make certain this error does not occur again.

Finding 4: Late Submission of Member Enrollment, Exit, and Change-of-Status Forms

The College of New Jersey concurs with this finding. Over the last two grant years, program staff have made significant progress towards adhering to the 30-day rule for member enrollment, exit and change-of-status forms. Program staff continue to work with campus coordinators to ensure that enrollment, exit and change-of-status materials reach the National office within 20 days of the effective date. The Enrollment Manager and Program Associates are then responsible for completing the enrollment, exit and change-of-status forms in WBRS within the 30-day timeframe.

Enrollment: In the event that member enrollment materials do not reach the National office within the 30-day timeframe, the member's start date is adjusted to fit within the 30-day time period. The member is notified of the change and must acknowledge the adjustment via an email notification to National Program staff. This policy is documented in the College's Bonner AmeriCorps Policy and Procedures Manual.

Exit: The College's Bonner Web-based Reporting System now sends an automatic notification to both the member and the campus supervisor when a) the member is approaching his or her exit date and b) the member has logged the required number of hours in the system. The automatic notification instructs the member and campus supervisor to submit any outstanding time sheets and the required exit paperwork. Program staff also run a query at the beginning of each month to determine which members are required to exit that month. Program staff then contact the appropriate campus directors to ensure they are aware of the members due to exit. This policy is documented in the College's Bonner AmeriCorps Policy and Procedures Manual.

Change of Status: In the event that change-of-status materials do not reach the National office within the 30-day timeframe, the date is adjusted to fit with the 30-day time period. The member is notified of the change and must acknowledge the adjustment via an email notification. This policy is documented in the College's Bonner AmeriCorps Policy and Procedures Manual.

Finding 5: Lack of Adequate Procedures and Controls to Ensure that Members Attend Orientation Prior to Starting Service

The College of New Jersey does not agree with this finding. The College's policy at the time stipulated that the signature of the member and the campus coordinator in the Enrollment Workbook served as a certification that the member received an AmeriCorps Orientation per a review of the Member Contract with his/her campus coordinator. The contract outlines member rights and responsibilities, member code of conduct, prohibited activities, drug free workplace policy, suspension and termination policies, grievance procedures and nondiscrimination policies. In order to clarify this, the College implemented new policies and procedures related to the AmeriCorps Orientation in 2008. The new Enrollment Workbook contains a separate section in which the member and the campus coordinator certify that the member received an AmeriCorps Orientation in compliance with the stipulations outlined in the AmeriCorps regulations. In addition, members are instructed to log the AmeriCorps Orientation as the first entry on their first time sheet to document attendance. This policy is documented in the College's Bonner AmeriCorps Policy and Procedures Manual.

Finding 6: Lack of Adequate Procedures and Controls to Ensure End-of-Term Evaluations are Performed

The College of New Jersey acknowledges this finding. Prior to the audit period, the College's evaluation process included both self-evaluations and peer-to-peer evaluations. The College is now in the process of implementing end-of-term evaluations per the requirements of the AmeriCorps Provisions. Program staff have developed the end-of-term evaluation to include the information outlined in the AmeriCorps Provisions. The evaluation will be integrated into the College's Bonner Web-based Reporting System by June 1, 2009. When a member reaches the end of his/her term of service, the campus coordinator will receive an electronic notification requesting the completion of the evaluation. Members will have an opportunity to review and ask questions concerning his/her evaluation during scheduled meetings with the campus coordinator. This policy is documented in the College's Bonner AmeriCorps Policy and Procedures Manual.

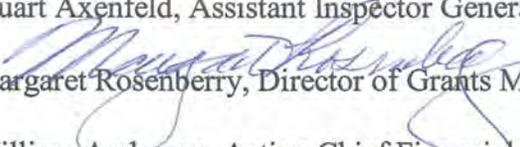
The College is confident that the new on-line evaluation system will enable us to rectify this issue in a timely manner.

APPENDIX B

**CORPORATION FOR NATIONAL AND COMMUNITY SERVICE'S
RESPONSE TO THE DRAFT REPORT**

Corporation for
**NATIONAL &
COMMUNITY
SERVICE** 

To: Stuart Axenfeld, Assistant Inspector General for Audit

From: 
Margaret Rosenberry, Director of Grants Management

Cc: William Anderson, Acting Chief Financial Officer
Lois Nembhard, Deputy Director for AmeriCorps National
Frank Trinity, General Counsel
Sherry Blue, Audit Resolution Coordinator

Date: April 30, 2009

Subj: Response to OIG Draft of Agreed-Upon Procedures Review of Education
Award Program Grants Awarded to the College of New Jersey

Thank you for the opportunity to review the draft Agreed-Upon Procedures review of the Corporation's Education Award Program grants awarded to the College of New Jersey. We are addressing all findings at this time.

As noted by the auditors in Finding #1, lack of background checks, the College of New Jersey had also identified the issue on its site monitoring visits in 2008 and was revising its policies to ensure all background checks are completed. The Corporation reviewed the revised policy and confirmed it addresses the recommendation. We will follow up with the college to confirm implementation.

Findings #2 and #3 are both related to whether service hours earned before a member signs a contract or is formally enrolled in the WBRS system can be counted toward the education award. As we have noted in other recent audits, the Corporation does not agree that otherwise legitimate hours served before a member signs a contract or is officially enrolled in WBRS should be deducted from total hours of service. The audit report does not provide any evidence that the members engaged in inappropriate service activities or that they served outside of the period of performance of the grant. The only issue raised by the audit report in Findings #2 and #3 is whether service hours may be recorded prior to an individual signing a member contract or officially enrolling. Therefore, the Corporation shall consider any education awards questioned based on these findings alone to be properly certified and allowed. However, these requirements are important compliance issues and the Corporation required the College of New Jersey to take corrective action. The college has hired a staff member who will be responsible for implementing procedures to ensure member contracts are signed prior to or on the first day of service. The college also enhanced its own web-based reporting system to

establish a control on enrollment dates. As recommended in the report, the Corporation will confirm that the procedures have been implemented effectively.

Finding #4 noted that required enrollment, exit and change of status forms were not always entered into the WBRS system within the required 30 days. We agree with the auditor's recommendation to ensure that the college develops effective control procedures to ensure the forms are submitted on time. The college has added a staff position responsible for tracking and ensuring timely form submissions and has added automatic notifications in its web-based reporting system of impending due dates. These actions adequately address the recommendation and the Corporation will confirm implementation during the audit resolution period.

The college did not agree with Finding #5 which indicated a lack of procedures to ensure members attended orientation. Procedures at the time of the audit stipulated that member and supervisor signatures on the enrollment workbook served as documentation because the enrollment workbook contained the orientation materials. However, the college revised its policies and, beginning in 2008, added a certification section in the workbook that makes it clear the member received the orientation. In addition, members now log the orientation as the first entry on their timesheets. As recommended in the audit, the Corporation will follow-up to confirm effective implementation during the audit resolution period.

Finally, the college agrees with Finding #6, related to evaluations. They are revising their policies to require evaluations by supervisors, instead of their current peer and self evaluation processes. The program anticipates implementation in its web-based reporting system by June 1, 2009. As recommended in the audit, the Corporation will follow-up to confirm effective implementation during the audit resolution period. We should also note that the Corporation was not clear during this same period covered by the OIG review that evaluations were required under the fixed-price education award grants. We have now combined the EAP Provisions with the AmeriCorps Provisions and clarified the requirement for evaluations with the Education Award Programs.