

Office of Inspector General Corporation for National and Community Service

AGREED-UPON PROCEDURES FOR
CORPORATION FOR NATIONAL AND COMMUNITY
SERVICE EDUCATION AWARD PROGRAM GRANTS
AWARDED TO THE RESEARCH FOUNDATION OF THE
CITY UNIVERSITY OF NEW YORK

OIG REPORT 09-11



Corporation for
**NATIONAL &
COMMUNITY
SERVICE** 

Prepared by:

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This report was issued to Corporation management on June 4, 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 December 4, 2009 and complete its corrective actions by June 4, 2010. Consequently, the reported findings do not necessarily represent the final resolution of the issues presented.



OFFICE OF INSPECTOR GENERAL

June 4, 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: Report 09-11, *Agreed-Upon Procedures for Corporation for National and Community Service Education Award Program Grants Awarded to The Research Foundation for The City University of New York (RFCUNY)*

We contracted with the independent certified public accounting firm of Cotton & Company LLP (Cotton) to perform agreed-upon procedures in its review of Corporation Education Award grants awarded to RFCUNY. The contract required Cotton to conduct the engagement in accordance with generally accepted government auditing standards.

Cotton is responsible for the attached report, dated February 3, 2009, and the conclusions expressed therein. We do not express opinions on the Consolidated Schedule of Claimed and Questioned Costs, supporting schedules, and conclusions on the effectiveness of internal controls; or compliance with laws, regulations, and grant provisions.

Under the Corporation's audit resolution policy, a final management decision, by the Corporation, on the findings in this report is due by December 4, 2009. Notice of final action is due by June 4, 2010.

During the course of the engagement, information came to the attention of the Office of the Inspector General that caused it to directly perform a separate evaluation, the results of which will be issued as Report 09-11A.

If you have questions pertaining to this report, please call me at (202) 606-9360 or Jim Elmore at (202) 606-9354.

Attachment

cc: Matthew Goldstein, Chancellor of The City University of New York and
Chairperson of the Board of Directors of RFCUNY
Jane Ashdown, University Dean for Academic Affairs, The City
University of New York
Kristin McSwain, Chief of Program Operations
William Anderson, Acting Chief Financial Officer
Rocco Gaudio, Deputy Chief Financial Officer, for GFFM
Sherry Blue, Audit Resolution Coordinator
Sam Hadley, Partner, Cotton & Company LLP



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**OFFICE OF INSPECTOR GENERAL
AGREED-UPON PROCEDURES FOR
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE
EDUCATION AWARD PROGRAM GRANTS AWARDED TO
THE RESEARCH FOUNDATION OF THE CITY UNIVERSITY OF NEW YORK**

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EXECUTIVE SUMMARY

The Office of Inspector General (OIG), Corporation for National and Community Service (Corporation), contracted with Cotton & Company LLP to perform agreed-upon procedures to assist the OIG in grant cost and compliance testing of Corporation-funded Federal assistance provided to The Research Foundation of the City University of New York (RFCUNY). The Corporation awarded two Education Award Program grants to RFCUNY that were categorized as Professional Model grants.

SUMMARY OF RESULTS

As a result of applying our procedures, we questioned education awards of \$16,152,414 and draw downs of \$773,254. In general, we questioned the education awards for members whose eligibility was not established in accordance with grant requirements for criminal background checks. Draw downs were questioned mostly for fixed fees related to members whose eligibility we questioned and also for drawing down in excess of fees earned. In addition, our compliance findings when taken as a whole indicate pervasive problems of eligibility, timekeeping, and documentation. A questioned cost is an alleged violation of a provision of law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds or a finding that, at the time of testing, includes costs not supported by adequate documentation. Detailed results of our agreed-upon procedures on claimed costs are presented in Exhibit A.

Participants who successfully complete terms of service under AmeriCorps grants are eligible for education awards and, in some cases, accrued interest awards funded by the Corporation's National Service Trust. These award amounts are not funded by Corporation grants and thus are not included in claimed grant costs. But at the time that a grant is awarded, and due to the grant award, these amounts become immediate obligations of the National Service Trust. Therefore, as part of our agreed-upon procedures, and using the same criteria used for the grantee's claimed costs, we determined the effect of our findings on AmeriCorps members' entitlement to education and accrued interest awards.

The following is a summary of grant compliance testing results. These results, along with applicable recommendations, are discussed in Exhibit B.

1. RFCUNY drew down more funds than it was due.
2. RFCUNY did not follow certain AmeriCorps Provisions.
3. The supervisory signature on members' timesheets was not the members' supervisor, or that of someone with direct knowledge of hours served by the members.
4. Members did not always record actual service hours on their timesheets.
5. Some members' timesheet hours were not accurately recorded in the Corporation's Web-Based Reporting System.
6. RFCUNY did not require its members to timely submit their member contracts, forms, and timesheets.

7. RFCUNY used preprinted member documentation and did not ensure that all member documentation was completed, signed, and dated.
8. RFCUNY did not maintain documentation to demonstrate that each member's evaluation complied with AmeriCorps Regulations and the Member Agreement.
9. RFCUNY did not maintain documentation to demonstrate that members received criminal background checks and that any background checks conducted complied with AmeriCorps Provisions.
10. RFCUNY entered incorrect member start dates in Corporation systems and in member contracts.
11. Some members worked beyond their contract-end date.

AGREED-UPON PROCEDURES SCOPE

We performed the agreed-upon procedures detailed in the OIG's Agreed-Upon Procedures (AUP) Program for Corporation Education Awards Program Grants to Grantees (including Subgrantees or Sites), dated September 2008, and supplemented on December 1, 2008. Our procedures covered testing of the following grants:

Award Number	Award	Award Period	Total Award	AUP Period	Amount Awarded During AUP Period
04EDHNY003	New York City Teaching Fellows Program	09/01/04-04/01/08	\$2,408,000	09/01/06-04/01/08	\$804,000
07EDHNY002	New York City Teaching Fellows Program	08/01/07-07/31/10	\$1,800,000	08/01/07-07/31/08	\$900,000

The OIG's agreed-upon procedures program included:

- Obtaining an understanding of RFCUNY.
- Verifying that the amount of funds the grantee drew down agrees with the amount due.
- Testing grantee member files to verify that records supported eligibility to serve and education awards.
- Testing compliance of RFCUNY on selected AmeriCorps Provisions, and award terms and conditions.

We performed testing of the Education Award Program (EAP) at RFCUNY from October 2008 through January 2009.

BACKGROUND

The Corporation

The Corporation supports a range of national and community service programs that provide an opportunity for individuals (members) to serve full- or part-time. The Corporation funds opportunities for Americans to engage in service that fosters civic responsibility and strengthens communities. It also provides educational opportunities for those who have made a substantial commitment to service.

The Corporation has three major service initiatives: National Senior Service Corps, AmeriCorps, and Service-Learning (Learn and Serve America). The AmeriCorps Program, the largest of the initiatives, is funded in two ways: grants through the State Commissions, and direct funding to applicants, including funding under the National Direct Program. The Corporation distributes most of the balance of its funding directly to multi-State and national organizations such as RFCUNY through a competitive grant process. Unlike the majority of AmeriCorps grants, EAP grantees, such as RFCUNY, receive only a fixed fee for each member that they enroll. Most other types of AmeriCorps grants fund member living allowances and other benefits.

The Research Foundation of The City University of New York

RFCUNY is a non-profit educational corporation located in New York, NY, that manages private and government-sponsored programs at The City University of New York (CUNY). RFCUNY supports CUNY faculty and staff in identifying and obtaining awards for programs from government and private sponsors, and is responsible for the post-award administration of all such funded programs. While RFCUNY is the grantee, and is ultimately responsible for the management of the awards, the financial and programmatic components of the award are performed by both RFCUNY and CUNY. RFCUNY operates its AmeriCorps grant through the New York City (NYC) Department of Education's (DOE) Teaching Fellows Program (Fellows). RFCUNY performs draw downs while CUNY operates the program and ensures compliance with award requirements. The Fellows program office within DOE assists CUNY in the operation of the AmeriCorps portion of the program.

The RFCUNY AmeriCorps Program uses a Professional Corps program model. Professional Corps programs place members as teachers, health care providers, police officers, childhood development staff, engineers, or other professionals to meet unmet needs in communities with an inadequate number of such professionals. Grantees receive Corporation funding to support program costs, and use their own or other resources to pay the members' living allowance and additional member costs. Unlike other AmeriCorps models, the Professional Corps model has no cap on how much a member may earn while serving.

EXIT CONFERENCE

The contents of this report were discussed with representatives from RFCUNY, DOE, and the Corporation on January 28, 2009. We have summarized RFCUNY's comments in the appropriate sections of this report and have included its complete comments in Appendix A.

The Corporation's response, in Appendix B, noted that it is not commenting on the findings at this time.

OTHER MATTERS

As part of our procedures, we were required to interview 10 members and 10 supervisors. Despite several attempts to conduct the interviews, only six members and five supervisors responded to our repeated requests for interview via telephone. Comments from members and supervisors are included, where applicable in this report. Had we been able to conduct all interviews, additional information could have been provided that might have impacted this report (see Compliance Finding No. 3 for related recommendation).



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February 3, 2009

Office of Inspector General
Corporation for National and Community Service

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

Cotton & Company LLP performed the procedures detailed in the *OIG's Agreed-Upon Procedures (AUP) Program for Corporation Education Awards Program Grants to Grantees (including Subgrantees or Sites)*, dated September 2008, and supplemented on December 1, 2008. These procedures were agreed to by the OIG, solely to assist it in grant cost and compliance testing of Corporation-funded Federal assistance, provided to RFCUNY, for the awards detailed below.

This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants (AICPA) 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, either for the purpose for which this report has been requested or any other purpose.

Our procedures covered testing of the following awards:

Award Number	Award	Award Period	Total Award	AUP Period	Amount Awarded During AUP Period
04EDHNY003	New York City Teaching Fellows Program	09/01/04-04/01/08	\$2,408,000	09/01/06-04/01/08	\$804,000
07EDHNY002	New York City Teaching Fellows Program	08/01/07-07/31/10	\$1,800,000	08/01/07-07/31/08	\$900,000

We also tested certain grant compliance requirements by sampling 311 members. We performed all applicable testing procedures in the AUP Program for each sampled member.

Program Year	Total Members	Sampled Members
2006-2007	2,543	127
2007-2008	3,674	184

RESULTS OF AGREED-UPON PROCEDURES

We questioned draw downs of \$773,254. A questioned cost is an alleged violation of a provision of law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds or a finding that, at the time of testing, includes costs not supported by adequate documentation.

We also questioned Education Awards of \$16,152,414. Grant participants who successfully complete terms of service under AmeriCorps grants are eligible for education awards and repayment of student loan interest accrued during the term of service from the National Service Trust. These award amounts are not funded by Corporation grants and thus are not included in claimed grant costs. But at the time that a grant is awarded, and due to the grant award, these amounts become immediate obligations of the National Service Trust. Education awards totaling \$11,340,000 in Program Year (PY) 2006-2007 and \$17,010,000 in PY 2007-2008 were available to CUNY for award to potential members. As part of our agreed-upon procedures and using the same criteria as claimed costs, we determined the effect of our findings on AmeriCorps members' entitlement to education and accrued interest awards.

Detailed results of testing grant compliance are summarized in Exhibit B. We were not engaged to, and did not perform an examination, the objective of which would be expression of an opinion on the subject matter. 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.

This report is intended solely for the information and use of the OIG, the Corporation, The Research Foundation of The City University of New York, and the U.S. Congress and is not intended to be and should not be used by anyone other than these specified parties.

COTTON & COMPANY LLP



Sam Hadley, CPA, CGFM
Partner

**THE RESEARCH FOUNDATION OF THE CITY UNIVERSITY OF NEW YORK
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE AWARDS
CONSOLIDATED SCHEDULE OF CLAIMED AND QUESTIONED COSTS**

Award No.	Fixed Awards			Education Awards
	Awarded	Claimed	Questioned	Questioned
04EDHNY003	\$2,408,000	\$2,408,000	\$104,042	\$715,839
07EDHNY002	<u>\$1,800,000</u>	<u>\$669,212</u>	<u>\$669,212</u> ¹	<u>\$15,436,575</u>
	<u>\$4,208,000</u>	<u>\$3,077,212</u>	<u>\$773,254</u>	<u>\$16,152,414</u>

RFCUNY drew down more funds than it was due for Award No. 04EDHNY003. The resulting questioned costs of \$43,732 are further discussed in Compliance Finding No. 1. In addition, RFCUNY did not maintain documentation to demonstrate that members had undergone criminal background checks or that the background check for each member complied with AmeriCorps regulations. The resulting questioned costs of \$729,522 and questioned education awards of \$16,152,414 are further discussed in Compliance Finding No. 9.

¹ RFCUNY had drawn down this amount, as of September 2008. Had RFCUNY drawn down the entire PY 2007-2008 award of \$900,000, the entire award would have been questioned.

**THE RESEARCH FOUNDATION OF THE CITY UNIVERSITY OF NEW YORK
COMPLIANCE RESULTS**

The results of our agreed upon procedures identified the following compliance findings:

Finding 1. RFCUNY drew down more funds than it was due.

As discussed in Exhibit A, RFCUNY drew down excess fees of \$43,732 on Award No. 04EDHNY003. RFCUNY performed the draw downs based on actual expenses recorded on its books instead of the actual number of members enrolled in the AmeriCorps program.

AmeriCorps Education Award Program Grant Provisions (2005-2006), Section V.K. *Fixed Amount Award*, states:

Education Award Program Awards are for fixed amounts and are not subject to the Federal Cost Principles. The fixed amount is based on the approved number of members and is funded at the amount per full-time equivalent member specified in the awards. This award is dependent upon the grantee's performance under the terms and conditions of the award. These include properly enrolling the number of members as specified in the award to carry out the activities and to achieve the specific project objectives as approved by the Corporation. Failure to enroll the number of members approved in the grant award may result in the reduction of the amount of the grant.

As detailed below, we calculated \$43,732 of questioned draw downs.

Program Year	(A)* Members Enrolled	(B) Full Time Equivalent	(C) Fixed Amount Per Member ²	(A x B x C) Allowable Amount	Amount Drawn Down	Excess Amount Drawn
2004-2005	2,692 FT	1.0	\$296.30	\$797,640	\$800,000	\$2,360
2005-2006	2,186 FT 292 HT	1.0 0.5	\$335.00 \$335.00	\$732,310 <u>48,910</u> \$781,220	\$804,000	\$22,780
2006-2007	2,146 FT 397 HT	1.0 0.5	\$335.00 \$335.00	\$718,910 <u>66,498</u> \$785,408	\$804,000	\$18,592

* FT = Full Time; HT = Half Time

² Fixed amount per member was calculated by dividing the grant award amount by the number of available member slots in that year (\$800,000/2,700 in Program Year (PY) 2004-2005 and \$804,000/2,400 in PY 2005-2006 and PY 2006-2007).

Recommendations:

We recommend that the Corporation:

- 1a. Require RFCUNY to strengthen procedures to ensure that it complies with AmeriCorps Fixed Amount Award requirements;
- 1b. Verify implementation of strengthened draw down procedures; and
- 1c. Recover the excess fees drawn down.

RFCUNY's Response:

- 1a. RFCUNY believes that the amount drawn down and its draw down process, were reasonable given its program design, which provide for making draw downs based on expenses.
- 1b. RFCUNY will await a decision by the Corporation before making any changes in its existing draw down procedures.
- 1c. If the Corporation decides against the RFCUNY draw down position, the funds in question will be returned.

Accountants' Comments: RFCUNY did not return the excess funds, develop revised procedures, or provide criteria supporting its position. The grant does not reimburse for expenses, and is a fixed-rate grant. Therefore, its comments are not responsive to the recommendations.

Finding 2. RFCUNY did not follow certain AmeriCorps Provisions.

RFCUNY did not follow AmeriCorps Provisions related to member timesheets, orientation training, training limitations, and fundraising limitations, as follows:

Member Timesheets

None of the sampled member timesheets reviewed, for PY 2006-2007 and PY 2007-2008, were dated, as required by AmeriCorps provisions. AmeriCorps Education Awards Program Special Provisions (2005-2006), Section IV.C.2. *AmeriCorps Members*, requires that grantees keep time-and-attendance records for all AmeriCorps members to document their eligibility for in-service and post-service benefits. Timesheets must be signed and dated both by the member and by an individual with oversight responsibilities for the member. RFCUNY representatives were not aware that AmeriCorps provisions required members to date timesheets themselves but were aware of the need for a dated timesheet. As a result, member timesheets RFCUNY provided did not contain a space for the date. Without dated timesheets, the potential exists for members to complete the member timesheets before performing the required service hours. In addition, the grantee and the Corporation cannot use their automated systems to track actual service times and dates.

Orientation Training

RFCUNY did not provide documentation to demonstrate that members in either program year received AmeriCorps Program orientation before starting service. AmeriCorps Education Award Program Special Provisions (2005-2006), Section IV.E.3. *Training, Supervision, and Support*, states that grantees must conduct an orientation for members and comply with any pre-service orientation or training required by the Corporation. In addition, grantees are required to provide members with training, skills, knowledge, and supervision necessary to perform tasks required in their assigned project positions, including specific training in a particular field and background information on the community served. RFCUNY representatives stated that it conducted its orientation sessions during its eight-week training program held prior to the start of members' service, but did not have the sign-in sheet available. However, three of six members interviewed stated they did not recall attending an AmeriCorps Program orientation. Without proper orientation, members may not be knowledgeable on how to properly fulfill program requirements.

Training Limitations

RFCUNY did not have procedures to ensure that no more than 20 percent of the aggregate of all AmeriCorps member service hours in each program year were spent on training and education activities. According to 45 Code of Federal Regulations (CFR) § 2520.50, *How much time may AmeriCorps members in my program spend in education and training activities?*, no more than 20 percent of the aggregate of all AmeriCorps member service hours may be spent in education and training activities. RFCUNY representatives were unaware of the requirement and were not sure how to demonstrate their compliance with this requirement. Without tracking member-training hours, members may exceed the maximum allowable hours permitted for training.

Fundraising Limitations

RFCUNY did not have procedures to ensure that no more than 10 percent of member service hours were spent on fundraising activities. According to 45 CFR § 2520.45, *How much time may an AmeriCorps member spend fundraising?*, an AmeriCorps member may spend no more than ten percent of their service performing fundraising activities. RFCUNY representatives stated that they did not have a procedure in place to monitor fundraising hours because members did not perform fundraising activities at school and because members spend a significant amount of time outside of the classroom creating lesson plans and attending graduate school. Two of the six members interviewed stated that they participated in fundraising activities. One member stated he sent forms home for a few of his students who participated in a candy sale. Another member stated that she participated in fundraising while she was an AmeriCorps member, but only during weekends. Without procedures for tracking member fundraising hours, members may exceed the maximum allowable hours permitted for performing fundraising activities.

Recommendations:

We recommend that the Corporation:

- 2a. Provide guidance to RFCUNY on proper timekeeping procedures to ensure it complies with AmeriCorps requirements;
- 2b. Provide guidance to RFCUNY on procedures to ensure that its program conducts, maintains, and retains documentation to support member attendance at orientation;
- 2c. Require RFCUNY to implement procedures to track member training and fundraising to ensure members do not exceed the maximum percentage of hours allowed for those activities; and
- 2d. Verify RFCUNY's implementation of compliant timekeeping, orientation, training, and fundraising procedures.

RFCUNY's Response:

- 2a. RFCUNY has amended its member timesheets. The amended timesheets include a space marked 'Date' where members must date timesheets.
- 2b. RFCUNY provided prospective members with an orientation packet at the beginning of their service in the summer. The packet included a Handbook that provides answers to frequently asked questions about AmeriCorps Education Awards and AmeriCorps procedures. In the future, RFCUNY will obtain signatures from participants to document their attendance at AmeriCorps orientation.
- 2c. RFCUNY does not believe that members could spend excessive time on fundraising activities due to their existing workload. However, it will inform members (starting with the amended timesheet in the next program year) that they should not include fundraising in their service hours. The amended AmeriCorps member handbook and timesheets will note that fundraising is prohibited. The amended timesheet will also reflect the prohibition on indirect service beyond 20 percent of service hours. This will be emphasized in the AmeriCorps orientations.
- 2d. RFCUNY's amended timesheets and AmeriCorps orientation sign-in lists will be available for the Corporation to review upon request.

Accountants' Comments: The Corporation requires its grantees to track all member service hours and to differentiate hours for fundraising and training. It is the grantee's choice to subject each member to the 20-percent-training limitation, but the AmeriCorps requirement is apply the limitation to the aggregate of all members' time. Additionally, RFCUNY did not address how it will monitor the indirect service hour limit. Simply noting the limitation on the timesheet will not ensure that limits are not exceeded.

Finding 3. The supervisory signature on members' timesheets was not the members' supervisor, or that of someone with direct knowledge of hours served by the members.

The Program Manager and staff for RFCUNY signed member timesheets for all sampled members in both program years. However, the Program Manager and staff do not have first-hand knowledge of member activities. Members record both direct and indirect service hours on timesheets. Direct hours include teaching hours, lesson planning, grading papers, faculty meetings, and parent conferences. Members also earn direct service hours for participating in extracurricular activities, such as coaching. Indirect hours include time to attend graduate courses and homework, professional development days/workshops, and training. Because of these varied types of activities that CUNY allows as service hours, a member may need an alternative to having a single "supervisor" verify each type of time served.

AmeriCorps Education Awards Program Special Provisions (2005-2006), Section IV.C.2. *AmeriCorps Members*, requires that grantees keep time-and-attendance records for all AmeriCorps members to document their eligibility for in-service and post-service benefits. Time and attendance records must be signed and dated both by the member and by an individual with oversight responsibilities for the member.

Without procedures to verify member activities or timesheet accuracy, the potential exists for members to perform prohibited activities, report incorrect hours, and receive education awards to which they are not entitled.

As stated on page 4 under the caption, Other Matters, we were unable to contact and interview four of ten members and five of ten supervisors we had selected for interviews. We are concerned that these members did not return our phone calls, even after RFCUNY had assisted us in attempting to contact them.

Recommendations:

We recommend that the Corporation:

- 3a. Provide guidance to RFCUNY on proper member timekeeping procedures to ensure that it complies with AmeriCorps requirements; and
- 3b. Verify RFCUNY's implementation of the revised timekeeping procedures that ensure timesheets are signed by a supervisor having direct knowledge of the members' activities.
- 3c. Verify the existence of the members who did not respond to our repeated requests to interview them.

RFCUNY's Response:

- 3a. RFCUNY will seek relief from duplicative timekeeping requirements by requesting that its program be granted permission to use an alternative system.
- 3b. RFCUNY stated that, "amended timesheets will be available upon request".
- 3c. RFCUNY noted that all members selected for interviews are shown as "active" in the DOE database.

Accountants' Comments: RFCUNY noted that it will seek approval of an alternative timekeeping system. We have no objections to an alternative timekeeping system however, we note that the school's system is unlikely to capture anything other than actual hours worked in the school and would not include graduate classroom effort and extracurricular activities. Finally, RFCUNY did not provide any further documentation from members that would not respond to our interview requests to verify existence of those members.

Finding 4. Members did not always record actual service hours on their timesheets.

RFCUNY provided members with preprinted sample timesheets showing the total number of hours by week and by month that an average member could complete over the course of the service term (ten months for full time members and five months for part-time members). Fifty of 127 sampled members in PY 2006-2007, and 59 of the 184 sampled members in PY 2007-2008 reported hours identical to those provided on the sample timesheets. Further, the sample timesheets included mathematical errors, which were also copied by members to their timesheets.

RFCUNY representatives believed that the preprinted samples they were providing were only an example for members to use as a guide. However, members were copying the preprinted information regardless of their activity. For instance, one member used the preprinted information to report service hours; however, his onsite supervisor noted that the member had been absent several days during the school year.

Recommendations:

We recommend that the Corporation:

- 4a. Require RFCUNY to either remove the sample template timesheet or provide members with proper guidance concerning completing timesheets accurately; and
- 4b. Verify RFCUNY's implementation of revised timesheet procedures to ensure that member timesheets contain actual hours served.

RFCUNY's Response:

- 4a. Going forward from the May 2009 timesheet, the sample of recorded hours has been removed. We will also communicate with our members to reinforce the need to complete timesheets carefully and accurately.
- 4b. The revised timesheets and orientation agenda will be made available to the Corporation upon request.

Accountants' Comments: RFCUNY's actions are responsive to the recommendations.

Finding 5. Some members' timesheet hours were not accurately recorded in the Corporation's Web-Based Reporting System.

Timesheet hours for some members were not accurately recorded in the Web-Based Reporting System (WBRS). Timesheets did not support hours recorded in WBRS for 10 of 127 sampled members in PY 2006-2007 and 12 of 184 sampled members in PY 2007-2008. The hours on timesheets for two PY 2006-2007 members did not support WBRS hours used to calculate their partial education awards (the partial education awards were due to compelling personal circumstances).

RFCUNY representatives stated that the differences were due to mathematical errors. AmeriCorps has chosen to avoid requiring specific timesheet procedures that may not be applicable to every program. It is, however, good business practice to check the accuracy of hours recorded on timesheets. Without procedures to verify member activities or timesheet accuracy, the potential exists for members to perform prohibited activities or receive education awards to which they are not entitled.

Recommendations:

We recommend that the Corporation:

- 5a. Ensure RFCUNY strengthens internal controls over timesheet review and reporting hours to the Corporation; and
- 5b. Verify implementation of timekeeping procedures to strengthen internal controls to ensure that hours reported to the Corporation are accurate.

RFCUNY's Response:

- 5a. Beginning with May 2009 timesheets, office personnel of the NYC Teaching Fellows program will review all timesheets entered into WBRS. RFCUNY staff members will also conduct random tests of timesheets and hours recorded to validate entries into WBRS.
- 5b. The Corporation may review the new timesheet procedures as desired.

Accountants' Comments: RFCUNY's actions are responsive to the recommendations. The Corporation should review the revised timekeeping processes and procedures.

Finding 6. RFCUNY did not require its members to timely submit their member contracts, forms, and timesheets.

Member Contracts and Forms

We reviewed member contracts, enrollment forms, change of status forms, and exit forms for sampled members. Members did not sign member contracts and enrollment forms, and RFCUNY did not enter member enrollment, change of status, and exit forms into WBRS within 30 days after the members started or ended their service. This chart indicates that members were submitting required information, in some instances, long after the 303-day service period had been completed.

The number of late instances for each situation are noted below:

Form	PY 2006-2007	PY 2007-2008	Days Late
Enrollment Form (Approved in WBRS)	30	136	32-369
Enrollment Form (Signed by Member)	30	104	32-369
Change of Status (Approved in WBRS)	4	0	138-513
Exit From (Approved in WBRS)	72	127	31-159
Contract (Signed by Member)	<u>31</u>	<u>104</u>	32-369
Total	<u>167</u>	<u>471</u>	

AmeriCorps Education Awards Program Special Provisions (2005-2006) Section IV.C.1.a.i. *Member Enrollment Procedures*, states that an individual is enrolled as an AmeriCorps member when he or she has signed a member contract. Further, AmeriCorps Education Award Program Special Provisions (2005-2006), Section IV.F.2. *Notice to the Corporation's National Service Trust*, states that the grantee must notify the Corporation's National Service Trust within 30 days upon entering into a commitment with an individual to serve; a member's enrollment in WBRS; and completion of, lengthy or indefinite suspension from, or release from, a term of service.

RFCUNY representatives stated that they have a large program with over 3,000 members and 30 days is often an insufficient or unrealistic time frame for a program of their size. Without timely completion and submission of member contracts and enrollment, exit, and change of status forms, the Corporation cannot maintain accurate member records.

Member Status

As of November 2008, nine PY 2007-2008 sampled members were still classified as "Active" in WBRS; even though the PY 2007-2008 program year ended at the close of the school year in June 2008. RFCUNY representatives stated that these members were still "Active" because the members had not turned in all of their timesheets and exit forms. RFCUNY gives members approximately three months after the end of the program year to turn in timesheets. RFCUNY did not have any written policies and procedures concerning this practice.

AmeriCorps Education Awards Program Special Provisions (2005-2006), Section IV.O.3.c. *Exit/End-of-Term-of-Service Forms*, stipulates that 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.

Eligibility

RFCUNY required members to complete, sign, and date a "Member Eligibility Verification Form." On these forms, members marked the type of documentation that they were providing to support citizenship or legal resident status. The forms for 31 of 127 sampled members in PY 2006-2007 and 115 of 184 sampled members in PY 2007-2008 were dated after the members' start dates. The range of days it took citizenship to be verified was 5-97 days in PY 2006-2007 and 2-369 days in PY 2007-2008.

According to 45 CFR § 2522.200, *What are the eligibility requirements for an AmeriCorps participant?*, every AmeriCorps participant is required to be a citizen, national, or lawful permanent resident alien of the United States. Further, AmeriCorps Education Award Program Special Provisions (2005-2006) IV.C.1.a.ii. *Member Enrollment Procedures*, states that an individual is enrolled as an AmeriCorps member when the program has verified the member's eligibility to serve.

Recommendations:

We recommend that the Corporation:

- 6a. Provide guidance to RFCUNY on proper completion of member enrollment, exit, and change of status forms. Such training must be sufficient to ensure actions with regard to such forms be taken within 30 days;
- 6b. Verify that member forms at RFCUNY are properly completed and submitted in accordance with grant requirements;
- 6c. Require RFCUNY to strengthen its member contract procedures to ensure that member contracts are signed prior to the start of service; and
- 6d. Verify that member contracts are signed prior to the start of service subsequent to RFCUNY implementing a revised program.

RFCUNY's Response:

- 6a. RFCUNY will work with the Corporation on developing the appropriate training to ensure completion of member forms in a timely manner.
- 6b. RFCUNY will improve its procedures to ensure prompt and timely member submission of contracts, forms, and timesheets. Members will not be allowed to sign contracts after the start date of their service, and any late materials could lead to the loss of their education awards.

- 6c. The AmeriCorps calendar, previously part of the member handbook, has now been separated and distributed with the timesheets. In addition, the cover letters for its enrollment materials, time sheets, and exit materials stress the need to meet all deadlines. This information will also be emphasized at future AmeriCorps orientations.
- 6d. The AmeriCorps handbook is available upon request for verification purposes.

Accountants' Comments: RFCUNY 's actions appear responsive to the recommendations; however, the Corporation needs to obtain and review documentation to determine if appropriate training was developed, and verify that all necessary steps are taken by RFCUNY to ensure that information is entered and updated in a timely manner.

Finding 7. RFCUNY used preprinted member documentation and did not ensure that all member documentation was completed, signed, and dated.

Standard Documentation

As detailed below, RFCUNY used standard documentation with preprinted signatures.

- The RFCUNY Program Manager did not sign or complete Part 2 of the AmeriCorps Exit Form for members. Part 2 of the Exit Form documents the member's completion of the program, number of hours served, and the member's eligibility for an education award. Instead of completing each Exit Form, RFCUNY Program Manager or Program Assistant attached a photocopy of Part 2 of the member Exit Form, which reported total service hours of 1700 regardless of actual service hours for the member. The form also included the Program Manager's signature and date, which certifies that the member successfully completed service.
- The RFCUNY Program Manager did not sign the Member Agreements for all members sampled in both program years. Instead, RFCUNY attached a photocopy of the Program Manager's signature and date to each Member Agreement.

The RFCUNY representatives stated that the size of their program and the tight deadlines preclude them from completing forms for each member. Without member specific data on original forms, RFCUNY cannot maintain accurate member records, increasing the possibility that inaccurate information may be entered into WBRS, or that members may receive awards to which they are not entitled.

Member Eligibility Documentation

- Twelve of 127 sampled members in PY 2006-2007 did not complete the self-certification at the bottom of the enrollment form. While these members did not self-certify that they had met the high school education requirement, the

members indicated elsewhere on the enrollment form that they had completed at least a high school education.

AmeriCorps Education Award Program Special Provisions (2005-2006) Section IV.M.2. *Verification*, states that to verify that a member meets the requirement relating to high-school education, the grantee must obtain from the member, and maintain in the member's file, a written declaration under penalty of law that the member meets the provision requirement relating to high-school education.

- Three of 184 sampled members in PY 2007-2008 did not complete and sign "Member Eligibility Verification Forms" and four of 184 sampled members in PY 2007-2008 did not date their Member Eligibility Verification forms. The education awards for these members were not questioned because documentation to support citizenship or legal resident status was provided for these members.

According to 45 CFR § 2522.200, *What are the eligibility requirements for an AmeriCorps participant?*, every AmeriCorps participant is required to be a citizen, national, or lawful permanent resident alien of the United States. Further, AmeriCorps Education Award Program Special Provisions (2005-2006) IV.C.1.a.ii. *Member Enrollment Procedures*, states that an individual is enrolled as an AmeriCorps member when the program has verified the individual's eligibility to serve.

RFCUNY did not require members to date all documentation submitted to RFCUNY or resubmit incomplete documents or documents with missing signatures. AmeriCorps requirements do not specifically address procedures for preparing member forms. It is, however, good business practice to sign, date, and complete forms.

Recommendations:

We recommend that the Corporation:

- 7a. Require RFCUNY to discontinue the use of preprinted signatures and service hours on AmeriCorps documentation, including Exit Forms;
- 7b. Require RFCUNY to strengthen eligibility procedures; and
- 7c. Verify that the use of preprinted signatures and service hours has been discontinued on Exit Forms and that eligibility procedures are strengthened.

RFCUNY's Response:

- 7a. Beginning with its mid-year Teaching Fellows cohort, RFCUNY has discontinued the use of preprinted signatures, and service hours on AmeriCorps documentation, including Exit Forms.
- 7b. RFCUNY is confident that all Teaching Fellows meet the high school education requirement for eligibility because the Teaching Fellows program

and the New York State Department of Education require that every Teaching Fellow have a Bachelor's degree prior to entry into the program and to submit transcripts as part of the application process. At the orientation for prospective members, RFCUNY will emphasize the necessity of completing this part of the application form or risk becoming ineligible for the education award.

- 7c. As indicated above, RFCUNY has discontinued the use of pre-printed signatures and service hours on AmeriCorps documentation, including exit forms.

Accountants' Comments: RFCUNY's actions are responsive to the recommendations.

Finding 8. RFCUNY did not maintain documentation to demonstrate that each member's evaluation complied with AmeriCorps Regulations and the Member Agreement.

RFCUNY did not have member evaluations for any of its members that complied with its PY 2006-2007 and PY 2007-2008 Member Agreements and Corporation regulations. RFCUNY stated it currently evaluates its members in two areas:

- Members receive ratings from their school administrators. This information is fed to DOE. If a member receives an unsatisfactory rating, DOE notifies RFCUNY, which then terminates the member.
- Members must maintain a grade point average of 3.0 to remain in the program. If the member's grade point average falls below 3.0, the CUNY campuses notify RFCUNY and the member is terminated.

RFCUNY did not participate in the evaluation process and did not have procedures in place to ensure that the process was operating properly. Instead, RFCUNY received evaluation feedback from the DOE only when a member was not performing satisfactorily.

Section III. of the RFCUNY Member Agreement states the following:

The Member understands in order to be eligible for serving a second term of service, the Member must receive satisfactory performance reviews for any previous term of service. The Member's eligibility for a second term of service with this program will be based at least on the end-of-term evaluation of the Member's performance focusing on factors such as whether the Member has:

- Completed the required number of hours;
- Completed assignments, tasks or projects in a satisfactory manner;
- and

- Completed any other assignments that were clearly communicated both orally and in writing at the beginning of the term of service.

Grantees must comply with their Member Agreement requirements for member performance reviews. While the AmeriCorps requirement for member performance reviews had been waived for Education Award Programs by the Corporation, the requirement in the CFR is applicable for PY 2008-2009. As of November 2008, RFCUNY still had not revised its evaluation procedures, even though PY 2008-2009 started in August 2008.

According to 45 CFR § 2522.220(d), *Participant performance review*, a participant is not eligible for a second or additional term of service and/or for an AmeriCorps education award without mid-term and final evaluations.

The end-of-term performance evaluation will assess the following:

- Whether the participant has completed the required number of hours in order to be eligible for the education award;
- Whether the participant has satisfactorily completed assignments, tasks, or projects; and
- Whether the participant has met any other performance criteria, which has been clearly communicated both orally and in writing at the beginning of the term of service.

Recommendations:

We recommend that the Corporation:

- 8a. Require RFCUNY to revise its member evaluation procedures in order to comply with the Regulations and member agreement; and
- 8b. Verify the revision of RFCUNY's procedures for member evaluations.

RFCUNY's Response:

- 8a. RFCUNY will ensure that it receives verification of the members' direct service evaluations from the NYC DOE and the NYC Teaching Fellows program managers. RFCUNY will also receive verification of indirect service evaluation from the New York City Teaching Fellows Coordinators at each participating Institution of Higher Learning. These evaluations will be placed in the member files and appropriate action will be taken if any members receive unsatisfactory evaluations.
- 8b. The Corporation may verify these new procedures as desired.

Accountants' Comments: RFCUNY's actions are not fully responsive to the recommendations. Although, RFCUNY provided for alternative evaluations, it has not described how its actions provide for compliance with 45 CFR § 2522.220(d).

Finding 9. RFCUNY did not maintain documentation to demonstrate that members received criminal background checks, and that any background checks conducted complied with AmeriCorps Provisions.

RFCUNY did not maintain documentation to demonstrate that members had background checks or that the background check for each member complied with AmeriCorps regulations.

According to 45 CFR § 2540.205 *What documentation must I maintain regarding a National Service Criminal History Check for a covered position?*, grantees must document the following in writing:

- The identify of the individual in a covered position was verified by examining the individual's government-issued photo identification card;
- Required checks for the covered position were conducted;
- The results of the National Service Criminal History Check were maintained, unless precluded by State law; and
- The results were considered in selecting the individual

RFCUNY had no documentation in its program files to support that background checks were conducted on all members prior to entering school grounds. RFCUNY relied on DOE to ensure background checks were completed on each member. DOE conducts a background check on each member at the State and Federal levels and reviews results prior to the start of the members' enrollment in the AmeriCorps program. Subsequent to our identification of this issue, RFCUNY submitted a request to the Corporation for an 'alternate screening protocol' to rely on efforts of DOE; the request was pending as of January 2009.

A stated in 45 CFR § 2540.202 *What two search components of the National Service Criminal History Check must I satisfy to determine an individual's ability to serve in a covered position?:*

Unless the Corporation approves an alternative screening protocol, in determining an individual's **suitability to serve in a covered position**, you are responsible for conducting and documenting a National Service Criminal History Check, which consists of two search components.

- (a) *State criminal registry search.* A search (by name or fingerprint) of the State criminal registry for the State in which your program operates and the State in which the individual resides at the time of the application; and
- (b) *National Sex Offender Public Registry.* A name-based search of the Department of Justice (DOJ) National Sex Offender Public Registry (NSOPR) [**emphasis added**]:.

Further, 45 CFR § 2540.203 *When must I conduct a State criminal registry check and NSORP check on an individual in a covered position?*, required the State criminal registry check to be conducted on an individual who enrolled or was hired by the program after November 23, 2007. The NSOPR check was required to be performed on an individual who was serving or applied to serve in a covered position on or after November 23, 2007.

Because RFCUNY did not have any written documentation to support that the background checks were conducted and complied with AmeriCorps regulations, we questioned the education awards and related fixed fees for those members who were serving on or applied to serve in a covered position after November 23, 2007. That is, we questioned the costs for those members whose suitability to serve in a covered position was not established in accordance with 45 CFR § 2540.202 that we quoted previously.

Award No.	PY	Members	Fixed Fees Questioned	Education Awards Questioned ³
04EDHNY003	2006-2007	190	\$60,310	\$715,839
07EDHNY002	2007-2008	<u>3,674</u>	<u>\$669,212⁴</u>	<u>\$15,436,575</u>
		<u>3,864</u>	<u>\$729,522</u>	<u>\$16,152,414</u>

Recommendations:

We recommend that the Corporation:

- 9a. Determine if RFCUNY’s current background check process is acceptable, and if not, provide guidance on procedures that ensure RFCUNY’s programs conduct, maintain, and retain documentation to support member background checks are in compliance with AmeriCorps Provisions; and
- 9b. Verify implementation of the background check procedures.
- 9c. Disallow and, if already used, recover education awards and accrued interest awards made to members with questioned education awards. In addition, recover fixed grant fees for any member whose education award was disallowed for reasons of eligibility.

RFCUNY’s Response:

- 9a. RFCUNY believes that its current background check policy meets the requirements, and further notes that a background check using fingerprints is more accurate than a background check using names. However, RFCUNY

³ Members may also earn accrued interest awards. Information on accrued interest awards was not available at the conclusion of our fieldwork. If the members’ education award is questioned, accrued interest awards for those members should also be questioned.

⁴ RFCUNY had drawn down this amount, as of September 2008. Had RFCUNY drawn down the entire PY 2007-2008 award of \$900,000, the entire award would have been questioned.

accepts the Corporation's decision on this issue.

- 9b. RFCUNY will wait for a decision from the Corporation's Senior Grants Officer for Policy Administration on the background check process it describes in 9a.
- 9c. RFCUNY noted that the Teaching Fellows can only become employed after they successfully complete the background check, and can only become eligible for the AmeriCorps program after they become a Teaching Fellow.

Accountants' Comments: RFCUNY's comments are not responsive to the recommendations. The Corporation replied directly to RFCUNY, with regard to a request for a waiver, in a letter dated January 30, 2009, and again on April 29, 2009. Those letters both state that RFCUNY's procedures did not meet the Corporation requirements as detailed above, specifically for a name-based search of the NSOPR. RFCUNY was made aware that its procedures were not acceptable to the Corporation; however, it has not revised its procedures to comply with the requirements.

Finding 10. RFCUNY entered incorrect member start dates in Corporation systems and in member contracts.

For each program year, all members began on the same date. However, the start date shown on the member contract, as well as the start date in WBRS, was not the actual date members started performing service. RFCUNY changed the start date on the member contract to define groups of members (cohorts) for its internal management purposes.

AmeriCorps Education Awards Program Special Provisions (2005-2006), Section IV.C.1.b. *Member Enrollment Procedures*, stipulates that prior to enrolling a member, AmeriCorps programs are required to sign a member contract with an individual or otherwise enter a legally enforceable commitment as defined by state law.

Recommendations:

We recommend that the Corporation:

- 10a. Provide guidance to RFCUNY on proper member contract procedures to ensure that they comply with AmeriCorps requirements;
- 10b. Require RFCUNY to enter proper dates into WBRS; and
- 10c. Verify implementation of proper member contract procedures and input of proper dates into WBRS.

RFCUNY's Response:

- 10a. RFCUNY will meet with appropriate staff from the Corporation for guidance on proper member contract procedures.

- 10b. RFCUNY has ceased its practice of modifying start dates to identify different teaching groups.
- 10c. With the cessation of identification through dates, RFCUNY is in the process of creating a new way of identifying cohorts in WBRS that will be in compliance with the regulations. RFCUNY will seek advice from the Corporation on how to accomplish this using WBRS.

Accountants' Comments: RFCUNY's comments are responsive to the recommendations.

Finding 11. Some members worked beyond their contract-end date.

Twelve part-time members of the 127 sampled members during PY 2006-2007 completed service hours beyond the end date specified by the Member Agreement. The member agreement, as well as the member handbook, listed a completion date of December 31, 2006. However, the member agreement was titled "2006 Fall 5 Month Service Learning" and members continued service until January 31, 2007.

The hours members worked beyond their end date are, as follows:

Member	Total Hours From Timesheets	Total Hours Beyond End Date	Net Hours Earned
1 ⁵	1042	200	842
2	1182	250	932
3	1188	256	932
4	1170	250	920
5	1170	250	920
6	1170	250	920
7	1170	250	920
8	1171	250	921
9	1170	250	920
10	1170	250	920
11	1170	250	920
12	1182	255	927

If hours worked beyond the service completion date in their contract were disallowed, one member would not have enough service hours to earn their education award.

Recommendations:

We recommend that the Corporation:

- 11a. Require RFCUNY to amend member contracts to ensure that members do not work beyond the specified end date;

⁵ Member would not have obtained the required number of service hours if excess hours are disallowed.

11b. Determine if excess service hours are eligible, if not, disallow excess hours and, if already used, recover education awards to members who did not serve the minimum required service hours; and

11c. Verify the amendment of the member contract.

RFCUNY's Response:

11a. RFCUNY noted that this issue was due to a typographical error in its member contract for the part-time, service-learning program that it no longer operates.

11b. Because the date in the contract was simply an error, there were no excess hours worked.

11c. The auditors noted that the issue related to a misprinted date.

Accountants' Comments: RFCUNY's comments are responsive to the recommendations.

APPENDIX A

**THE RESEARCH FOUNDATION OF THE CITY UNIVERSITY OF NEW YORK'S
RESPONSE TO AGREED-UPON PROCEDURES REPORT**



The Office of Academic Affairs, 535 East 80th Street, New York, NY 10075

April 30th, 2009

Mr. Gerald Walpin
Inspector General
Corporation for National and Community service
1201 New York Avenue
Suite 830
Washington, DC 20525

Dear Mr. Walpin:

Please find enclosed the RFCUNY Response to the Agreed-Upon Procedural Review prepared by Cotton and Company LLP.

A response to this document was requested by Mr. Stuart Axenfeld from your office in a letter addressed to Mr. Eric Newman of RFCUNY, dated April 2nd, 2009.

Very Truly Yours

A handwritten signature in black ink, appearing to read 'Jane Ashdown', is written over a white background.

Jane Ashdown, Ph.D.
University Dean for Academic Affairs

Cc: Mr. Stuart Axenfeld, Assistant Inspector General for Audit
Julia Wrigley, Interim Associate University Provost, CUNY

**RFCUNY Response to the Agreed-Upon Procedural Review
Prepared by Cotton & Company LLP**

April 30, 2009

In this document, we first state the findings and recommendations from the report prepared by Cotton & Company and then give our responses.

Finding 1. RFCUNY drew more funds than it was due.

RFCUNY drew down excess fees of \$43,732 on Award no. 04EDHNY003. RFCUNY performed the draw down based on actual expenses recorded on its books instead of the actual number of members enrolled in the AmeriCorps Program.

Recommendations:

We recommend that the Corporation:

- 1a. Require RFCUNY to strengthen procedures to ensure that it complies with AmeriCorps Fixed Amount Award requirements;

RFCUNY's Response: RFCUNY believes that the draw down was reasonable given the circumstances of our program. Our recruitment and selection of Teaching Fellows entails a lengthy and time-consuming evaluation process to make sure that candidates have the character, commitment, and academic skills required to teach in high-needs schools. Prospective Teaching Fellows do not actually join AmeriCorps until after they have not only survived the initial selection process, but have successfully completed a seven-week summer pre-service program. They must also take and pass two New York State tests required of all teachers. This demanding regimen insures that only the most qualified applicants enter the schools. They are also the recruits who join AmeriCorps. By the time they join, however, RFCUNY has already invested a great deal in their evaluation and training. Those who drop out along the way, or who fail to successfully complete the pre-service training, have still entailed substantial expenditure on RFCUNY's part. Thus, we believe that the structure of our program makes draw down based on expenses, as opposed to being based strictly on enrollment, a reasonable option.

- 1b. Verify implementation of strengthened draw down procedures; and

RFCUNY's Response: We will await decision by CNCS before making any changes in the existing draw down procedure.

- 1c. Recover the excess fees drawn down.

RFCUNY's Response: If CNCS decides against the RFCUNY draw down position, the funds in question for past grant years and for the current grant year will be returned.

Corporation's Response:

Accountants' Comments:

Finding 2. RFCUNY did not follow certain AmeriCorps Provisions.

RFCUNY did not follow AmeriCorps Provisions related to member timesheets, orientation training, training limitations, and fundraising limitations, as follows:

Recommendations:

We recommend that the Corporation:

- 2a. Provide guidance to RFCUNY on proper timekeeping procedures to ensure that it complies with AmeriCorps requirements;

RFCUNY's Response: RFCUNY has recognized the need to improve our time sheets and they have been amended. The amended time sheets include a space marked 'Date' where members must date their time sheets.

- 2b. Provide guidance to RFCUNY on procedures to ensure that its program conducts, maintains, and retains documentation to support member attendance at orientation;

RFCUNY's Response: RFCUNY provided prospective members with extensive pre-service training over seven weeks to provide them with the skills, knowledge and supervision necessary to perform the service and teaching responsibilities they would assume in the fall. The members received specific training in their fields and learned about the demographics, culture, and community life of New York City. RFCUNY has documentation of prospective members' participation in this summer pre-service program. RFCUNY also gave each prospective member an orientation packet at the beginning of their service in the summer; among other materials, this packet contains a Handbook that provides answers to frequently asked questions about AmeriCorps Education Awards and AmeriCorps procedures.

In the future we will also obtain signatures from all participants in a specific orientation to AmeriCorps.

- 2c. Require RFCUNY to implement procedures to track member training and fundraising to ensure members do not exceed the maximum percentage of hours allowed for those activities; and

RFCUNY'S Response: Our members work full-time as teachers during the school year. They also take graduate classes in the evenings and participate in seven weeks of full-time pre-service training in the summer before they start teaching. They more than fulfill the 1,700 hours of service required to earn Education Awards. Members have no reason to include any time spent fundraising in their service hours. Given the demanding nature of their responsibilities, it would be almost impossible for any member to reach 170 hours of fundraising; this would correspond to roughly a month of full-time work. Even if a member were able to invest this many hours in fundraising, it would come on top of the required service hours; thus, such fundraising would not be a substitute for service in other forms, but an addition. Given these factors, we do not think that excessive time spent fundraising is a problem in our program. We will, however, inform members starting with the

amended time sheet in the next program year that they should not include fundraising in their service hours. Fundraising will be prohibited and the amended AmeriCorps member handbook and amended time sheets will reflect this. The amended timesheet reflects the prohibition on indirect service beyond 20% of service hours and this will also be emphasized in the AmeriCorps orientations.

- 2d. Verify RFCUNY's implementation of compliant timekeeping, orientation, training, and fundraising procedures.

RFCUNY's Response: Our amended time sheets and AmeriCorps orientation sign-in lists will be available for CNCS review upon request.

Finding 3. The supervisory signature on members' timesheets was not the members' supervisor, or that of someone with direct knowledge of hours served by the members.

Recommendations:

We recommend that the Corporation:

- 3a. Provide guidance to RFCUNY on proper member timekeeping procedures to ensure that it complies with AmeriCorps requirements; and

RFCUNY's Response: We acknowledge the need to improve aspects of our time sheet procedures. We are confident, however, that members' service hours are closely tracked by the institutions in which they work and study. Members work as full-time teachers in the New York City schools. The NYC Department of Education monitors teacher attendance through its own timekeeping and tracking system. Supervision is provided by members' school principals. The colleges in which Teaching Fellows are doing graduate work also maintain their own attendance policies. Teaching Fellows are engaged in institutions that provide their own control systems and that have strong incentives to track service hours, as noted in RFCUNY's 2007 proposal.

We also note that AmeriCorps accepted the designation of RFCUNY personnel located at Department of Education offices as official Site Supervisors. This was memorialized in a Site Agreement in 2006-07. The agreement states that one duty of Site Supervisors is to sign members' time sheets on a quarterly basis. Given that members' hours were being monitored by the institutions in which they worked and pursued their graduate degrees, Site Supervisors accepted the signatory responsibility with confidence.

Further, AmeriCorps Provisions state that time sheets "must be signed and dated both by the member and by an individual with oversight responsibilities for the member." We see "oversight" as being different from "direct supervision." It would be extremely burdensome if signatures were required from multiple parties for each time sheet for direct and indirect service.

Going forward, we will seek relief from duplicative time keeping requirements by requesting that RFCUNY's program be granted permission to use an alternative

professional timekeeping system, as provided in CNCS's 2007 policy document ASN 07-003. This document describes CNCS's adoption of a policy designed to provide Professional Corps programs with relief from administratively burdensome time keeping procedures in cases (such as RFCUNY's program) where their members exceed service hour requirements and also are subject to attendance monitoring and record keeping by the institutions in which they serve.

We will also, however, improve our own time sheet procedures. We have already changed our time sheets to better conform with Corporation provisions. Specifically, we have inserted a space for dating the time sheets and we have removed the sample hours. In addition, we have strengthened our guidance regarding prohibited activities, time spent in indirect service, and in fundraising.

- 3b. Verify RFCUNY's implementation of the revised timekeeping procedures that ensure timesheets are signed by a supervisor having direct knowledge of the members' activities.

RFCUNY's Response: Amended time sheets will be available upon request.

- 3c. Verify the existence of the members who did not respond to our repeated requests to interview them.

RFCUNY's Response: We are confident that all members selected for interviews exist and are active as Teaching Fellows in the New York City schools. A search for members selected for interviews was conducted using members' Social Security numbers against the FellowTrack database (the Department of Education database that monitors the teaching status of each New York City Teaching Fellow). All those selected for interviews were accounted for as active in status. This status means that they are teaching. We note that Cotton & Company staff members first started trying to contact members in mid- to -late December, 2008. They might have encountered particular difficulty due to the distraction and increased demands of the holiday period.

Corporation's Response:

Accountants' Comments:

Finding 4. Members did not always record actual service hours on their time sheets.

Recommendations:

We recommend that the Corporation:

- 4a. Require RFCUNY to either remove the sample template time sheet or provide members with proper guidance concerning completing time sheets accurately.

RFCUNY's Response: Going forward from the May 2009 time sheet, the sample of recorded hours has been removed. We also will communicate with our members to reinforce the need to complete time sheets carefully and accurately.

- 4b. Verify RFCUNY's implementation of revised timesheet procedures to ensure that member timesheets contain actual hours served.

RFCUNY's Response: The revised time sheets and orientation agenda will be made available to CNCS upon request.

Corporation's Response:

Accountants Comments:

Finding 5. Some members' timesheet hours were not accurately recorded in the Corporation's Web-Based Reporting System.

Recommendations:

We recommend that the Corporation:

- 5a. Ensure RFCUNY strengthens internal controls over time sheet review and reporting hours to the Corporation; and

RFCUNY's Response: Beginning with the May, 2009 time sheets, office personnel of the NYC Teaching Fellows program will review all time sheets entered into the Web-Based Reporting System. RFCUNY staff members will also conduct random tests of time sheets and hours recorded to validate entries into WBRS.

- 5b. Verify implementation of time keeping procedures to strengthen internal controls to ensure that hours reported to the Corporation are accurate.

RFCUNY's Response: CNCS may review the new time sheet procedures of the NYC Teaching Fellows Program as desired.

Corporation's Response:

Accountants' Comments:

Finding 6. RFCUNY did not require its members to timely submit their member contracts, forms, and timesheets.

Recommendations:

We recommend that the Corporation:

- 6a. Provide guidance to RFCUNY on proper completion of member enrollment, exit, and change of status forms. Such training must be sufficient to ensure actions with regard to such forms be taken within 30 days;

RFCUNY's Response: We will work with the Corporation on developing the appropriate training to ensure completion of member forms in a timely manner.

- 6b. Verify that member forms at RFCUNY are properly completed and submitted in accordance with grant requirements;

RFCUNY's Response: We will improve our procedures to insure prompt and timely member submission of contracts, forms, and time sheets. We have informed members that the 30-day rule for submission of required documentation is non-negotiable and that any late materials may lead to forfeiture of their awards. This will also apply to Member Exit and End-of-term forms. Members will not be allowed to sign their contracts after the start of their service date.

- 6c. Require RFCUNY to strengthen its member contract procedures to ensure that member contracts are signed prior to the start of service; and

RFCUNY's Response: The AmeriCorps calendar, previously part of our member handbook, has now been separated and distributed with the time sheets. In addition, the cover letters of our enrollment materials, time sheets, and exit materials stress the need to meet all deadlines. We will also emphasize this at our future AmeriCorps orientations.

- 6d. Verify that member contracts are signed prior to the start of service subsequent to RFCUNY implementing a revised program.

RFCUNY's Response: The handbook is available upon request for verification purposes.

Corporation's Response:

Accountants' Comments:

Finding 7. RFCUNY used preprinted member documentation and did not ensure that all member documentation was completed, signed, and dated.

Recommendations:

We recommend that the Corporation:

- 7a. Require RFCUNY to discontinue the use of preprinted signatures and service hours on AmeriCorps documentation, including Exit Forms;

RFCUNY's Response: Beginning with our mid-year Teaching Fellows cohort, we have discontinued the use of preprinted signatures and service hours on AmeriCorps documentation, including Exit Forms.

- 7b. Require RFCUNY to strengthen eligibility procedures; and

RFCUNY's Response: We are confident that all Teaching Fellows meet the high school education requirement for eligibility because the Teaching Fellows program and the New York State Department of Education require that every Teaching Fellow have a Bachelor's degree prior to entry into the program. Applicants for the Teaching Fellows Program must submit undergraduate transcripts as part of the application process. However, in order to better address the high school completion self-certification requirement, at the orientation for prospective members we will emphasize the necessity of completing this part of the application form or risk being ineligible for an award.

- 7c. Verify that the use of preprinted signatures and service hours has been discontinued on Exit Forms and that eligibility procedures are strengthened.

RFCUNY's Response: As indicated in our response to finding 7a, we have discontinued the use of pre-printed signatures and service hours on AmeriCorps documentation, including Exit forms.

Corporation's Comments:

Accountants' Comments:

Finding 8. RFCUNY did not maintain documentation to demonstrate that each member's evaluation complied with AmeriCorps Regulations and the Member Agreement.

Recommendations:

We recommend that the Corporation:

- 8a. Require RFCUNY to revise its member evaluation procedures in order to comply with the Regulations and member agreement;

RFCUNY's Response: We will insure that we receive verification of the Teaching Fellows' direct service evaluations from the New York City Department of Education and the New York City Teaching Fellows program managers. We will also receive verification of indirect service evaluation from the New York City Teaching Fellows Coordinators at each participating Institution of Higher Education. These evaluations will be placed in member files and appropriate action will be taken if any members receive unsatisfactory evaluations.

- 8b. Verify the revision of RFCUNY's procedures for member evaluations.

RFCUNY's Response: The Corporation may verify these new procedures as desired. Current member files are available at the AmeriCorps office at the New York City Department of Education, 65 Court Street, Brooklyn.

Corporation's Response:

Accountants' Comments:

Finding 9. RFCUNY did not maintain documentation to demonstrate that members received criminal background checks, and that any background checks conducted complied with AmeriCorps Provisions.

Recommendations:

We recommend that the Corporation:

- 9a. Determine if RFCUNY's current background check process is acceptable, and if not, provide guidance on procedures that ensure RFCUNY's programs conduct, maintain, and retain documentation to support member background checks are in compliance with AmeriCorps Provisions; and

RFCUNY's Response: On April 29, 2009 RFCUNY received a letter from the Corporation stating that the New York City Department of Education's background check, although thorough, did not meet the Corporation requirement that a name-based check be conducted to search the NSOPR database for registered sex offenders.

RFCUNY is disappointed that the Corporation has reached this decision. It is true that the New York City Department of Education's criminal background check is not name based, instead involving a fingerprint search. However, the New York City Department of Education (DOE) requires rigorous and comprehensive criminal background checks of all teachers before they are allowed to begin their service as teachers. In the DOE procedure, the fingerprints of all candidates are searched against the FBI's Integrated Automated Fingerprint Identification System (IAFIS) database. According to a January 30, 2009 letter we received from the Corporation for National and Community Service's Office of Grants Management, the DOE criminal history search meets the regulatory standard required for AmeriCorps members.

We further note that we have determined that the National Sex Offender Public Registry populates registration information into the National Crime Information Center's Sexual Offender Registry File, which in turn notifies the IAFIS of any matches. As described above, the DOE background check involves a search against this FBI IAFIS database. The weight of evidence regarding the thoroughness of these checks was the basis for our request to the CNCS to waive the required name-based check of the National Sex Offender Public Registry. CUNY Counsel has advised us that the DOE procedure both meets and exceeds the CNCS name-based check.

We accept the Corporation decision on this issue, but from our perspective a fingerprint search involves a higher level of certainty than a name-based one; names are not unique identifiers, in contrast to fingerprints. The web site that we are directed to use, the National Sex Offender Public Registry site, makes this point clearly. A disclaimer on its web site states that: no guarantee can be offered that the records obtained relate to the person about whom information is sought. It continues, "Searches based on names, dates of birth and other alphanumeric identifiers are not always accurate. The only way to positively link someone to a criminal record is through fingerprint verification."

9b. Verify implementation of the background check procedures.

RFCUNY'S Response: We await a decision on the background check process described in response to finding 9a from Douglas Godesky, Senior Grants Officer for Policy Administration, Office of Grants Management, Corporation for National & Community Service, as to whether the waiver will be granted.

9c. Disallow and, if already used, recover education awards and accrued interest awards made to members with questioned education awards. In addition, recover fixed grant fees for any member whose education award was disallowed for reasons of eligibility.

RFCUNY's Response: According to the counsel of the New York City Department of Education Human Resources office, Teaching Fellows can only become employed if they have successfully completed the DOE criminal background check. Teaching Fellows only become eligible for AmeriCorps membership once the background check and other requirements of the pre-service summer program have been met. Anyone failing the background check would have been identified and removed during the pre-service summer program.

Corporation's Response:

Accountants' Comments:

Finding 10. RFCUNY entered incorrect member start dates in Corporation systems and in member contracts.

Recommendations:

We recommend that the Corporation:

10a. Provide guidance to RFCUNY on proper member contract procedures to ensure that they comply with AmeriCorps requirements/

RFCUNY Response: We will meet with appropriate staff from the Corporation for guidance on proper member contract procedures.

10b. Require RFCUNY to enter proper dates into WBRS.

RFCUNY's Response: Each group of Teaching Fellows is identified by cohort and number. Groups that enter at the end of summer are given even numbers, and those that enter in mid-year are assigned odd numbers. For example, we identified the 2008-9 entering group as Cohort 16, and the mid-year entering group as Cohort 17. In the past, we have used different start dates as a way of identifying different cohorts on WBRS. Cohort identification assists with verification of member awards.

We have ceased this practice beginning with Cohort 17, and the dates for that cohort were entered according to AmeriCorps practice.

- 10c. Verify implementation of proper member contract procedures and input of proper dates into WBRS.

RFCUNY's Response: With the cessation of identification through dates, we are in the process of creating a new way of identifying cohorts on WBRS that will be in compliance with the regulations. We will seek advice from the Corporation on how to accomplish this using WBRS.

Corporation's Response:

Accountants' Comments:

Finding 11. Some members worked beyond their contract-end date.

Recommendations:

We recommend that the Corporation:

- 11a. Require RFCUNY to amend member contracts to ensure that members do not work beyond the specified end date;

RFCUNY's Response: As noted during the January 28, 2009 exit conference, this issue was only found within the Fall 2006, part-time, service-learning program. The service-learning program operated during a five-month period from August 31, 2006 until January 31, 2007. During the exit conference, the Cotton Group acknowledged that this issue was caused by a misprint – the specified end date was misprinted as “December 31, 2006.”

- 11b. Determine if excess service hours are eligible, if not, disallow excess hours and, if already used, recover education awards to members who did not serve the minimum required service hours; and

RFCUNY's Response: The hours were not earned in excess, as the actual timeframe, as referenced above, was from August 31, 2006 until January 31, 2007. We ask that finding 11 be removed or revised.

- 11c. Verify the amendment of the member contract.

RFCUNY's Response: The Cotton Group acknowledged at the exit conference that this issue arose because of a misprinted date.

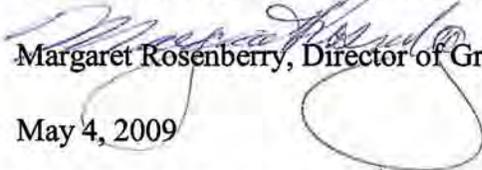
Corporation's Response:

Accountants' Comments:

APPENDIX B
CORPORATION'S
RESPONSE TO AGREED-UPON PROCEDURES REPORT



To: Stuart Axenfeld, Inspector General for Audit

From:  Margaret Rosenberry, Director of Grants Management

Date: May 4, 2009

Subj: Response to OIG Draft of Agreed-Upon Procedures of Grant Awards to the Research Foundation of the City University of New York Dated April 2, 2009

Thank you for the opportunity to review the Office of the Inspector General draft report of the Corporation's grant awards to the Research Foundation of the City University of New York. The Office of Grants Management is not responding to the findings at this time. Given the nature of the report's findings and the limited timeframe for response to the draft, we have not had sufficient time to work with the university to develop a corrective action plan and address the findings. We will respond to all audit findings and recommendations in our management decision after you issue the report as final.

cc: William Anderson, Acting Chief Financial Officer
Frank Trinity, General Counsel
Kristin McSwain, Director of AmeriCorps
Rocco Gaudio, Deputy CFO for Grants and FFMC
Lois Nembhard, Deputy Director, AmeriCorps National
Sherry Blue, Audit Resolution Coordinator