



AmeriCorps
Office of Inspector General

Performance Audit of AmeriCorps' Grant Closeout Process

Audit Report

Number: OIG-AR-26-05

February 10, 2026



AmeriCorps Office of Inspector General

February 10, 2026

MEMORANDUM TO: Jennifer Bastress Tahmasebi
Interim Agency Head

FROM: LAUREN Lesko LESKO
Assistant Inspector General for Audits

SUBJECT: Office of Inspector General's Audit Report, OIG-AR-26-05: *Performance Audit of AmeriCorps' Grant Closeout Process*

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LESKO
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Enclosed is AmeriCorps Office of Inspector General's (OIG) final report on the *Performance Audit of AmeriCorps' Grant Closeout Process* (Report Number: OIG-AR-26-05).

AmeriCorps OIG contracted with an independent certified public accounting firm, Williams Adley & Company-DC, LLP, to conduct this performance audit. Williams Adley is responsible for the attached final report, dated February 10, 2026. We reviewed Williams Adley's report and related documentation and inquired of its representatives. Our review was not intended to enable us to express, and we do not express, an opinion on the matters contained in the final report. Our review disclosed no instances where Williams Adley did not comply with the *Generally Accepted Government Auditing Standards*, issued by the Comptroller General of the United States.

If you have any questions or wish to discuss the final report, please contact me at (202) 880-9292 or L.Lesko@americorpsig.gov.

cc: Charndrea Leonard, Acting Chief Operating Officer
Erin McGrath, Director of the Office of Regional Operations
Leah Southers, Partner, Williams Adley & Company-DC, LLP



Executive Summary

Performance Audit of AmeriCorps' Grant Closeout Process

Date: February 10, 2026

Report No. OIG-AR-26-05



AmeriCorps
Office of Inspector General

Why We Did This Audit

The AmeriCorps Office of Inspector General (OIG) contracted with Williams Adley & Company-DC, LLP, an independent certified public accounting firm, to conduct a performance audit of AmeriCorps' Grant Closeout Process.

Closeout is the formal process that occurs after a grant ends, by which the recipient ensures all project activities are completed, funds are properly spent, and all required financial and performance reports are submitted timely. It confirms that both the grantee and awarding agency have fulfilled their obligations under the grant agreement. 2 C.F.R. § 200.344 outlines the requirements for the closeout of Federal awards. The regulation requires grant recipients to submit all required final reports no later than 120 calendar days after the end of the period of performance. Federal agencies are then responsible for completing closeout actions within one year of the period of performance end date.

The audit objective was to determine whether AmeriCorps' grant closeout policies and procedures are compliant with the provisions of 2 C.F.R. § 200.344 and to determine whether AmeriCorps' actual grant closeout practices are compliant with Federal regulations and with AmeriCorps' policies and procedures. The scope of the audit included AmeriCorps grants closed within fiscal years 2022 through 2024.

How This Audit was Performed

We conducted the performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States, as described in **Appendix A** of this report.

What We Found

While our audit found that AmeriCorps' closeout policies and procedures generally comply with the provisions of 2 C.F.R. § 200.344, we identified issues with AmeriCorps grant closeout practices regarding:

- 1) inadequate policies and procedures for processing returned grant funds post-closeout,
- 2) lack of sufficient internal controls to ensure timely grant closeout, and
- 3) inconsistent and inaccurate recording of grant data into USAspending.gov.

The findings stem from AmeriCorps lacking a formal procedure to process grant funds returned after closeout, which led to data discrepancies between the Payment Management System and AmeriCorps' grant system of record, eGrants. Additionally, AmeriCorps did not effectively utilize administrative closeouts when grant recipients did not provide final reports within one year of the award's period of performance end date. Importantly, AmeriCorps relies on manual data entry methods to report grant award information to USAspending.gov, without sufficient system controls or independent reviews to detect and correct errors prior to submission.

Late grant closeouts and inaccurate grant data adversely impacts the agency's ability to effectively oversee its grant programs and accurately report its financial position.

See **Audit Results** for more information.

What We Recommend

We recommended that AmeriCorps

- 1) update its internal controls, policies, and procedures over grant closeout to include collaboration between the Portfolio Managers and the Office of Grants Administration,
- 2) develop clear grant closeout guidance and training for grant recipients and agency staff, and
- 3) rely less on manual procedures to improve grant data reliability.

Management's Comments

AmeriCorps generally agreed with our findings and recommendations, except that Management asserts that grants that are closed and subsequently reopened for allowable adjustments should not be considered late. While we agree with this assertion, the documentation provided during the audit did not include any indication that the grants reviewed were closed timely and reopened for an allowable adjustment. Neither was this practice mentioned during any of our follow-up inquiries or interviews with AmeriCorps staff. In the absence of sufficient, appropriate audit evidence to support AmeriCorps' comments, our audit findings remain as reported. Our Summary and Evaluation of AmeriCorps' responses are included in this report. AmeriCorps' response is attached to this report, in its entirety, in **Appendix 2**.

REPORT NOTICE—NDAA REQUIREMENT

THIS REPORT IS INTENDED SOLELY FOR THE INFORMATION AND USE OF THE AMERICORPS OIG, AMERICORPS, AND U.S. CONGRESS AND IS NOT INTENDED TO BE, AND SHOULD NOT BE, USED BY ANYONE OTHER THAN THESE SPECIFIED PARTIES. PURSUANT TO P.L. 117-263, SECTION 5274, NON-GOVERNMENTAL ORGANIZATIONS AND BUSINESS ENTITIES IDENTIFIED IN THIS REPORT HAVE THE OPPORTUNITY TO SUBMIT A WRITTEN RESPONSE FOR THE PURPOSE OF CLARIFYING OR PROVIDING ADDITIONAL CONTEXT TO ANY SPECIFIC REFERENCE. COMMENTS MUST BE SUBMITTED WITHIN 30 DAYS OF THE REPORT ISSUANCE DATE.

FURTHER, PURSUANT TO P.L. 117-263, SECTION 5274, NON-GOVERNMENTAL ORGANIZATIONS AND BUSINESS ENTITIES IDENTIFIED IN THIS REPORT HAVE THE OPPORTUNITY TO SUBMIT A WRITTEN RESPONSE FOR THE PURPOSE OF CLARIFYING OR PROVIDING ADDITIONAL CONTEXT TO ANY SPECIFIC REFERENCE. COMMENTS MUST BE SUBMITTED TO L.LESKO@AMERICORPSOIG.GOV WITHIN 30 DAYS OF THE REPORT ISSUANCE DATE AND WE REQUEST THAT COMMENTS NOT EXCEED 2 PAGES. THE COMMENTS WILL BE APPENDED BY LINK TO THIS REPORT AND POSTED ON OUR PUBLIC WEBSITE. WE REQUEST THAT SUBMISSIONS BE SECTION 508 COMPLIANT AND FREE FROM ANY PROPRIETARY OR OTHERWISE SENSITIVE INFORMATION.

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INTRODUCTION

The AmeriCorps Office of Inspector General contracted with Williams Adley & Company-DC, LLP to conduct a performance audit of AmeriCorps' grant closeout process. The audit objective was to determine whether AmeriCorps' grant closeout policies and procedures are compliant with the provisions of Title 2 of the Code of Federal Regulations (C.F.R.) § 200.344 and to determine whether AmeriCorps' actual grant closeout practices are compliant with Federal regulations and with AmeriCorps' policies and procedures.

The guidance in 2 C.F.R. § 200.344 outlines the requirements for grant closeout. Grant closeout is the formal process that occurs after a grant ends, by which the recipient ensures all project activities are completed, funds are properly spent, and all required financial and performance reports are submitted timely. It confirms that both the grantee and awarding agency have fulfilled their obligations under the grant agreement. The regulation requires grant recipients to submit all required final reports (including financial, performance, and property reports) no later than 120 calendar days after the end of the period of performance (POP). Federal agencies must then make every effort to complete closeout actions within one year of the POP end date. The regulation also allows agencies to take unilateral action to close out an award if reports are not submitted (herein referred to as "administrative closeout").¹

As part of its fiscal year (FY) 2024 annual financial statement audit, AmeriCorps received a material weakness related to its grant closeout and deobligation process.² Specifically, the financial statement auditors were unable to determine whether AmeriCorps' controls to ensure that amounts deobligated properly reflect the difference between the grant award amount and claimed grant expenditures were operating as designed. This finding was first identified in AmeriCorps' FY 2019 annual financial statement audit and persists as AmeriCorps works towards implementation of corrective actions.

Background

AmeriCorps is a United States government corporation that supports over five million Americans through a variety of volunteer work programs.³ Formed in 1993, its mission is to "improve lives, strengthen communities and foster civic engagement through service and volunteering."⁴

Every year more than two-hundred thousand individuals volunteer to serve through different organizations across American communities. AmeriCorps programs work to address poverty, the environment, education and other unaddressed human needs. AmeriCorps funds several grant programs to support community service and address critical needs across the United States as shown in **Figure 1**.

¹ 2 C.F.R. § 200.344(a) states, "When the recipient or subrecipient fails to complete the necessary administrative actions or the required work for an award, the Federal agency or pass-through entity must proceed with closeout based on the information available."

² See AmeriCorps' FY 2024 Annual Financial Report, finding VII – *Recoveries of Prior Year Obligations (Repeat)*

³ In September 2020, the Corporation for National and Community Service began doing business as AmeriCorps.

⁴ AmeriCorps website. About [Mission section]. Retrieved May 27, 2025, from <https://www.americorps.gov/about>

Figure 1 – 2025 Funded Amount per Grant Program

Assistance Listing Number	Title	2025 Funded Amount
94.006	State and National	\$714,616,540
94.011	Foster Grandparent Program	\$103,953,325
94.013	Volunteers In Service to America	\$13,275,048
94.016	Senior Companion Program	\$52,719,452
94.002	The Retired and Senior Volunteer Program	\$48,213,183
94.003	AmeriCorps State Commissions Support Grant	\$19,537,990
94.008	Commission Investment Fund	\$25,706,140
94.017	Senior Demonstration Program	\$518,674
94.021	Volunteer Generation Fund	\$7,918,330
94.012	September 11th National Day of Service and Remembrance Grants	\$2,910,238
94.026	National Service and Civic Engagement Research Competition	\$0
94.014	Martin Luther King Jr. Day of Service grant	\$1,505,590
94.020	Disaster Response Cooperative Agreement	\$0

Source: [Sam.gov](https://sam.gov) assistance listings, accessed September 16, 2025

Overview of Federal Grant Closeout Requirements under 2 C.F.R. § 200.344

Grant closeout is the process by which a Federal awarding agency determines that all applicable administrative actions and required work under a grant have been completed by the recipient. Grant closeout requirements are codified in 2 C.F.R. § 200.344. To close out the grant, the grant recipient must submit all financial, performance, and other reports to the awarding agency within 120 calendar days of the end of the POP; liquidate all financial obligations incurred under the grant; refund any advanced funds not used; and account for any real and personal property acquired with grant funds. The Federal agency is required to make any upward or downward adjustments to the Federal share of costs and make any necessary payments to that effect. Awarding agencies are required to make every effort to complete the closeout process within one year after the POP ends. If an award is not closed out within the one-year period, it is considered an expired grant. Agencies are required to report expired grants in their annual financial report.

AmeriCorps Guidance for Grantees for Grant Closeout

AmeriCorps program-specific terms and conditions instruct prime direct grantees to complete closeout activities, including the submission of all required closeout reports and ensuring financial reconciliation of the award.⁵ AmeriCorps requires grantees to ensure that the total Federal expenditure recorded on the final Federal Financial Report (SF-425) or Fixed Award Certification is accurate and equal to the amount drawn from the Payment Management System (PMS), a system owned by the Department of Health and Human Services (HHS). Without the reconciliation of these amounts, AmeriCorps cannot close out the grant. Failure to submit the documentation requested or failure to perform timely reconciliation may adversely affect future funding. After AmeriCorps

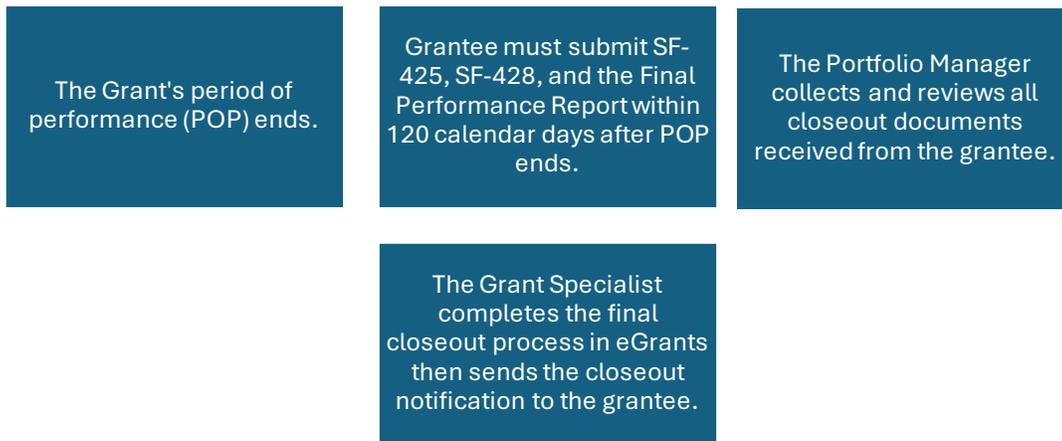
⁵ AmeriCorps' Terms and Conditions for AmeriCorps State and National Grants, XI. Reporting Requirements

receives the required documents and reconciled financial amounts, the grantee is advised, in writing, that the award is closed.⁶

AmeriCorps' Grant Closeout Process

AmeriCorps' grant closeout process begins 30 days prior to the POP end date. Grantees receive an award closeout notification letter from eGrants. The notification letter signals grantees to submit final award close out reports within 120 days of the POP. The final reports grantees must submit are the SF-425, Tangible Property Report (SF-428), and the Final Performance Report. Once submitted, a Portfolio Manager, within the Office of Regional Operations, reviews all documents for completeness, accuracy, and compliance then certifies the submission. After the Portfolio Manager's certification of document submission, a Grant Specialist, within the Office of Grants Administration (OGA), performs a final review, financial close, and closes the grant. The Grant Specialist notifies the grantee of closeout then issues the official closeout notification. **Figure 2** outlines AmeriCorps' grant closeout process.

Figure 2- AmeriCorps Grant Closeout Process



Source: Auditor developed based on walkthrough conducted with AmeriCorps on December 9, 2024

AUDIT RESULTS

We found that AmeriCorps' policies and procedures generally comply with the requirements of 2 C.F.R. § 200.344. However, we identified issues with AmeriCorps grant closeout practices regarding 1) inadequate policies and procedures for processing returned grant funds after grant closeout,⁷ 2) lack of sufficient internal controls to ensure timely grant closeout, and 3) inconsistent and inaccurate reporting of grant data into USAspending.gov.

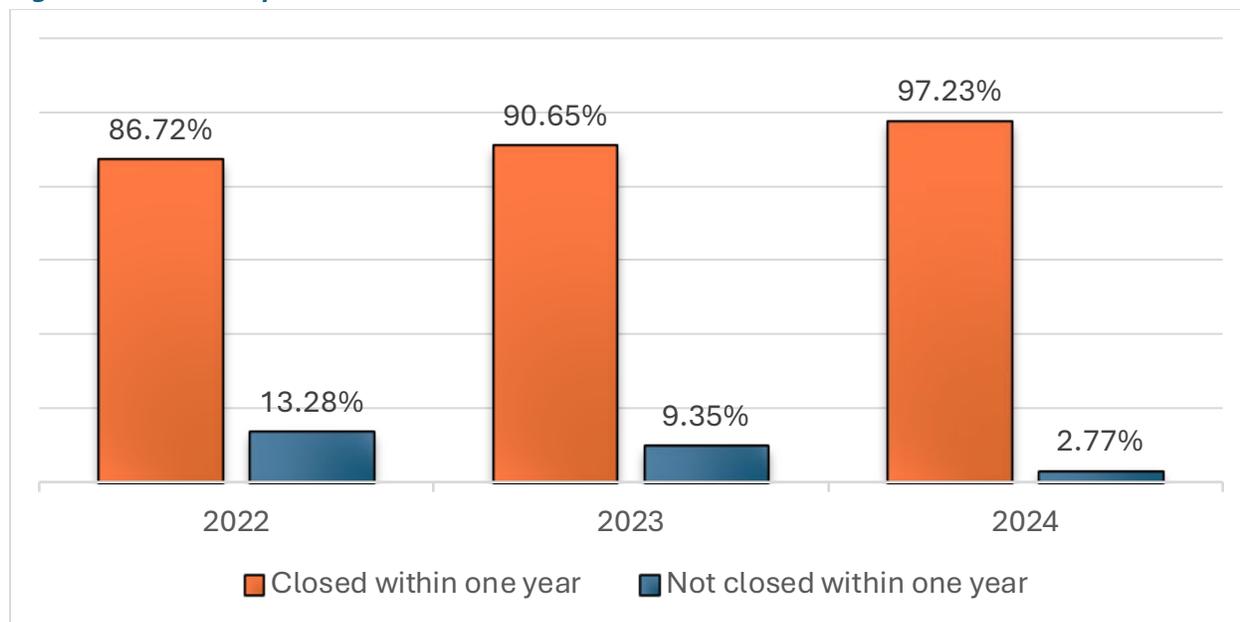
AmeriCorps improved its grant closeout timeliness over the last three years. In 2023, AmeriCorps focused on adding staff, time, and funding to address common closeout issues. This focus led to

⁶ AmeriCorps' Grantee Instructions for Closing AmeriCorps Grants

⁷ Returned grants funds refer to grant money that a grant recipient sends back to the Federal awarding agency after the grant period has ended. Returned funds are an important part of the grant closeout process and must be properly tracked and reported in accordance with Federal regulations, such as a 2 C.F.R. § 200.344.

an improvement in closeout timeliness from 86.72% in FY 2022 to 97.23% in FY 2024 as shown in Figure 3.

Figure 3 - AmeriCorps' Grant Closeout Timeliness



Source: Williams Adley Analysis of AmeriCorps' Three-Year Grant Population, Closeout Time

Despite its improvement in timeliness over the past three years, we identified several gaps that still need to be addressed, as detailed in the findings below.

Finding 1: Inadequate Process for Returned Grant Funds Post Closeout

Federal guidance requires AmeriCorps to ensure all closeout actions for Federal awards are completed no later than one year after the end of the POP.⁸ AmeriCorps must also ensure that any financial adjustments, such as refunds or final indirect cost rate settlements, are resolved before closeout, since such transactions are not permitted after the award is closed.⁹ The closeout of the Federal award does not affect the agency or the recipient's ability to make post-closeout adjustments.¹⁰ AmeriCorps provided a standard operating procedure (SOP) that documents the processes for funds returned post-closeout. Our review found that the SOP:

1. Provides AmeriCorps staff with minimal guidance on the process for handling post-closeout actions and the restarting of the closeout process.
2. Lacks detailed procedures for tracking the reasons for returned funds.
3. Current process places *sole* responsibility for SF-425 corrections on the Office of Regional Operations, while the OGA is not involved in the correction process. OGA does not learn when the grant funds are returned.

⁸ 2 C.F.R. § 200.344(h)

⁹ 2 C.F.R. § 200.344

¹⁰ 2 C.F.R. § 200.345

4. Fails to solidify AmeriCorps' role in ensuring appropriate financial adjustments are made in compliance with 2 C.F.R. § 200.345.

Further, AmeriCorps has no mechanism in place to notify the OGA, which is primarily responsible for actions to formally close the grant, when a grantee returns funds post-closeout nor to address situations where grants need to be reopened, adjusted, and then closed out a second time.

We sampled 10 grants and identified instances where three of the 10 sampled grantees returned \$1,329 of Federal funds after the final SF-425 was submitted and the grants were closed out. We found that AmeriCorps reopens grants in the PMS after funds are returned post-closeout, but it does not reopen these grants in its own internal grant management system, eGrants. This caused discrepancies in the grant closure dates between the two systems.

As mentioned above, the existing post-closeout procedures for returned funds are not adequate to ensure consistent processing in both the PMS and eGrants systems. The inconsistency between PMS and eGrants has led to an ad hoc reconciliation process to align data between the two systems. Without comprehensive procedures for reopening grants post-closeout, clear allocation of responsibilities, and tracking the reasons for returned funds, AmeriCorps cannot consistently or accurately process returned funds, which can lead to errors in financial reporting and noncompliance with Federal regulations.

Recommendations: We recommend that AmeriCorps:

1. Design and implement detailed internal controls to ensure accurate tracking, timely return, and proper recording of unused grant funds. These controls should include documented procedures for fund reconciliation, approval workflows for returning funds, and periodic reviews by finance staff. Management should regularly test the operating effectiveness of these controls.
2. Update policies, procedures, and SOPs related to funds returned after grant closeout to address and prevent inconsistencies in data in separate systems.
3. Require Portfolio Managers to collaborate closely with the Grant Specialists to ensure that returned grant funds are accurately and simultaneously processed in both PMS and eGrants. This coordination will help maintain consistency across systems and support accurate grant data, closeout, and financial reporting.

Finding 2: Late Grant Closeouts

Federal regulations require grant recipients to liquidate all financial obligations under the Federal award and to submit all required final reports (including financial, performance, and property reports) no later than 120 calendar days after the end of the POP.¹¹ Awarding agencies are required to make every effort to complete the closeout process within one year after the POP ends. When a

¹¹ 2 C.F.R. § 200.344(b-c)

grant recipient fails to complete the necessary administrative actions or required work for the award, the awarding agency must proceed with closeout based on the information available.¹²

According to AmeriCorps’ OGA’s Grant Closeout Guidance, if required documents are not received after the grantee’s closeout period, the Portfolio Manager should work with the Grant Specialist to close the grant in noncompliance, i.e. an administrative closeout.

We found AmeriCorps’ grant closeout practices are not compliant with Federal grant regulations and AmeriCorps policies to close out grants within the one-year timeframe. Specifically, 10% (228 grants out of 2,396) of all AmeriCorps grants closed in the past three years (2022 to 2024), were not closed within one year following the POP end date. The 228 grants were closed an average of 693 days after the one-year timeframe, as shown in **Figure 4**.

Figure 4 – AmeriCorps Grant Closeout Timeliness by Program

Grant Programs	Total Number of Grants	Number of Grants Closed Out Late	Percent of Grants Closed out Late
Retired and Senior Volunteer Program	683	58	8%
Foster Grandparent Program	348	41	12%
Volunteers in Service to America	517	41	8%
Senior Companion Program	204	23	11%
Education Award Program	43	14	33%
AmeriCorps State Grant	122	12	10%
AmeriCorps National Grant	68	8	12%
Education Award-Only Slot	107	8	7%
Disaster Response or Resilience Programs	30	5	17%
Commission Administrative Grant	61	4	7%
AmeriCorps Tribal Grants	22	3	14%
Training and Technical Assistance	63	3	5%
Innovation and Performance-Based Grants	16	2	13%
Program Development and Technical Assistance	1	1	100%
Social Innovation Fund	1	1	100%
Volunteer Recruitment and Support	8	1	13%
Martin Luther King Jr. Day of Service Grants	15	1	7%
Volunteer Generation Fund	34	1	3%
September 11th Day of Service and Remembrance	52	1	2%
Total:	2,396	228	10%

Source: Auditor analysis of total Three-Year Grant Population, obtained from AmeriCorps

We inquired about the root cause of grant closeout delays, and AmeriCorps did not identify one common cause among all late closeouts. AmeriCorps did, however, mention that smaller grant recipients often cite staff capacity issues as the cause for closeout delays, and grant recipients with fixed amount awards may have additional certification steps and closeout requirements.

¹² 2 C.F.R. § 200.344(h-i)

We noted insufficient documentation to demonstrate efforts by AmeriCorps to obtain the required final reports from grant recipients within the grantees' 120-day post-POP requirement. Our review and testing also revealed that AmeriCorps failed to effectively implement an administrative closeout process to facilitate timely grant closure when final reports were not received. AmeriCorps has written policies and procedures on administrative closeout but did not follow these when necessary.

Late grant closeouts increase the risk of noncompliance with Federal grant regulations and can cause potential mismanagement of remaining grant funds that should be returned to the U.S. Treasury. Late grant closeouts can also potentially delay financial and performance reporting, which adversely impacts the agency's ability to effectively oversee its grant programs and accurately report its financial position.

Recommendations: We recommend that AmeriCorps:

4. Require all staff members from each grant recipient to complete the Litmos training for grantees on the grant closeout process both upon grant award and at the start of the final year of the grant.
5. Ensure all Portfolio Managers and agency grant closeout staff follow guidance on administrative grant closeouts and conduct training on the subject.
6. Implement additional automated eGrants messages to grant recipients regarding grant closeout after the period of performance ends and have Portfolio Managers follow-up and document communications.

Finding 3: Inaccurate Reporting of Grant Data to USAspending.gov

AmeriCorps is required to publicly report all Federal awards at or above the micro-purchase threshold on USAspending.gov.¹³ This reporting ensures that information on Federal financial assistance and expenditures is accessible to the public through a single, searchable platform. To support this responsibility, agencies must establish and maintain effective internal controls, with management and staff working together to implement processes that ensure accurate, complete, and timely reporting.¹⁴

AmeriCorps reported inaccurate grant award information to USAspending.gov. Our review and testing revealed six closed grants that were inaccurately reported to USAspending.gov:

- Misalignment of award or obligation dates between internal systems and USAspending.gov (1 sample). For example, USAspending.gov listed a \$6.15 million grant award in the amount of only \$5.48 million, because the dates of the obligation and award did not match in the systems, causing an obligation to be missed, and creating the discrepancy between USAspending.gov and the grant amount on the SF-425.

¹³ 2 C.F.R. § 170.200(h) and the guidance provided by OMB and the U.S. Department of the Treasury's Government-wide Spending Data Model (GSDM)

¹⁴ GAO-25-107721, *Standards for Internal Control in the Federal Government (The Green Book)*

- Incorrect obligation amounts reported on USAspending.gov compared to SF-425 final reports (3 samples). In one instance, the USAspending.gov awarded amount was \$2.49 million, in contrast to what was reported on the SF-425 in the amount of \$1.14 million.
- Deobligation amounts are not properly reflected in USAspending.gov records, resulting in overstated award values (2 samples). For example, the amount awarded in USAspending.gov was \$262,000 versus what was expended per the SF-425 in the amount of \$199,000. Based on auditor recalculation, the deobligation needed to be an additional \$63,000.

AmeriCorps relies on manual data entry methods to report grant award information to USAspending.gov, without sufficient system controls or independent reviews to detect and correct errors prior to submission. While we did not validate the implementation or its effectiveness, AmeriCorps stated that in FY 2025 two new controls had been implemented to improve reporting accuracy:

- A monthly and quarterly review and comparison between Oracle system data and USAspending.gov reported data.
- A manual comparison of PMS data and eGrants data before uploads to USAspending.gov.

Errors in grant award data, like those listed above, significantly compromise the integrity, transparency, and reliability of public reporting on USAspending.gov. As a result, users of the data, including Congress and the public, may be misled about the nature, amount, and recipients of Federal awards.

Recommendations: We recommend that AmeriCorps:

7. Expand automation of data upload and reconciliation processes to reduce manual reporting errors.
8. Maintain and document a validation checklist to confirm successful data uploads and reconciliation of obligation and deobligation adjustments.
9. Validate the FY 2025 implementation of the new controls to improve reporting accuracy, including monthly and quarterly reconciliations between Oracle data and USAspending.gov reports, and manual data comparisons between the Payment Management System and eGrants prior to submission.

SUMMARY AND EVALUATION OF MANAGEMENT’S COMMENTS

AmeriCorps provided formal written comments in response to our draft report. AmeriCorps Management generally concurs with the findings and recommendations of this audit report. A copy of AmeriCorps’ response in its entirety can be found in **Appendix 2**. We summarize AmeriCorps’ comments together with our evaluation of the comments in this section.

AmeriCorps stated it appreciates the Office of Inspector General’s audit and its acknowledgement of AmeriCorps’ general compliance with federal grant closeout requirements and the significant

performance improvements, including a substantial reduction in past-due closeouts. AmeriCorps attests to its commitment to continuous improvement to further strengthen grant closeout operations. AmeriCorps noted within its response that a reorganization took place in August 2025 that moved the Office of Grant Administration into the Office of Regional Operations.

AmeriCorps Management's comments indicate general concurrence with the findings and recommendations of the audit report, except that Management asserts that grants that are closed and subsequently reopened for allowable adjustments should not be considered late. While we agree with this assertion, the data and documentation provided during the audit did not include any indication that the grants reviewed were closed timely and reopened for an allowable adjustment. Neither was this practice mentioned during any of our follow-up inquiries or interviews with AmeriCorps staff. In the absence of sufficient, appropriate audit evidence to support AmeriCorps' comments, our audit findings remain as reported.

AmeriCorps Management's comments are generally responsive to the recommendations, and the proposed corrective actions generally address the findings and recommendations. All recommendations will remain open until AmeriCorps submits documentation to demonstrate the completion and sufficiency of the corrective actions.

APPENDIX 1: OBJECTIVES, SCOPE, AND METHODOLOGY

Audit Objectives

Our engagement was designed to accomplish the following objectives:

- Determine whether AmeriCorps' Grant Closeout policies and procedures are compliant with the provisions of 2 C.F.R. § 200.344.
- Determine whether AmeriCorps' actual practices are compliant with 2 C.F.R. § 200.344 and AmeriCorps' policies and procedures.

Audit Scope

The scope of this performance audit of AmeriCorps' grant closeout process included grants closed within the past three fiscal years (FYs 2022-2024).

Audit Methodology

During the Planning Phase, we developed our overall strategy for the expected scope and timing of audit procedures. We further developed an understanding of the entity and the objectives of the audit, to identify questions, and to develop testing steps to address the audit objectives. We aimed to ensure we obtained and reviewed pertinent background information and conducted meetings and interviews with key AmeriCorps officials. This helped us confirm and update our understanding of the environment and the objectives relevant to the engagement.

In the Fieldwork Phase, we obtained sufficient documentary and testimonial evidence and followed up on questions identified in the planning phase. Our fieldwork phase consisted of obtaining an understanding of the internal control environment and procedures surrounding AmeriCorps' grant closeout process. We executed the following steps to ensure we sufficiently addressed our objectives:

- Performed a comprehensive assessment of internal controls and evaluated AmeriCorps' adherence to Federal closeout requirements
- Analyzed AmeriCorps' policies and procedures
- Verified that updates to AmeriCorps' guidance incorporated recent changes to 2 C.F.R. § 200 and that AmeriCorps' grantee instructions were consistent with Federal regulations
- Conducted walkthroughs and interviews with key personnel, to confirm that AmeriCorps' internal processes aligned with documented procedures and reviewed AmeriCorps' internal tracking data of closeout timeframes
- Reviewed AmeriCorps' corrective action plan related to a prior closeout finding (NFR 19-06) and assessed the status of its implementation
- Analyzed AmeriCorps' tracking and monitoring of grant closeout timeliness
- Performed targeted testing across closed grants, expired grants, grantee expenditures, and program income to assess AmeriCorps' compliance with Federal regulations and internal controls
- Performed testing over 78 closed grants, ten expired grants, and a subset of ten expenditures from five grantees, and those five grantees' program income activity

- Reviewed required closeout documentation, including SF-425, SF-428-B, and final performance reports—to determine whether submissions were timely and accurately recorded
- Examined financial data reporting to USAspending.gov and assessed whether unspent funds were properly returned post-closeout

The purpose of the Reporting phase was to report on the results of the audit. Our reporting approach involved an assessment of audit evidence and summarizing the results of testing to support audit conclusions. We performed fieldwork between September 2024 and April 2025. We conducted this independent performance audit in accordance with generally accepted government audit standards (GAGAS) as promulgated by the U.S. Government Accountability Office. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

APPENDIX 2: AMERICORPS MANAGEMENT'S COMMENTS



Memorandum

To: Lauren Lesko, Assistant Inspector General for Audits
From: Erin McGrath, Director, Office of Regional Operations
Date: December 15, 2025

Re: Draft Report - Performance Audit of AmeriCorps' Grant Closeout Process OIG-AR-26-05

Thank you for the opportunity to review and respond to the draft report of The Office of Inspector General (OIG) Performance Audit of AmeriCorps' Grant Closeout Process (OIG-AR-26-05). We appreciate the OIG's work and recommendations. The process contributes to the ongoing strengthening of operations and advancing our shared commitment to effective stewardship of public resources.

We are pleased that the audit recognizes that AmeriCorps' closeout policies and procedures generally comply with the provisions of 2 C.F.R. § 200.344 as well as the notable performance improvement. As noted in the report, the past due closeouts rate dropped from 13.28% in FY22 to 2.77% in FY24.

AmeriCorps' performance improvements are the result of multi-year investments in strengthening internal controls, further documenting detailed written materials, and increased training related to grant compliance. Many of the recommendations provided in this report from the Office of Inspector General echo these strategies. We value continuous improvement and are committed to identifying any additional opportunities to meaningfully enhance operational performance. Below, we outline our response to the draft report.

Agency Responses to Findings and Recommendations

Finding 1: Inadequate Process for Returned Grant Funds Post Closeout

AmeriCorps partially concurs.

Statement from OIG Report: "AmeriCorps must also ensure that any financial adjustments, such as refunds or final indirect cost rate settlements, are resolved before closeout, since such transactions are not permitted after the award is closed"

AmeriCorps Response: 2 C.F.R. §200.345 clearly states that the close out of a federal award does not affect the right of the agency to subsequently disallow or recover costs nor the recipient's ability to return or receive funds during the audit and records retention period. The regulation allows for financial adjustments such as final indirect cost rate settlements following close out. AmeriCorps does not close awards with known financial adjustments still to be made. However, some awards may be reopened for reasons allowed under 2 C.F.R. §200.345.

It appears that report incorrectly considers the period after close out, during which allowable revisions can be made, as overdue. Specifically, 28 of the 228 late closeouts identified, were closed out on time and reopened for allowable reasons under 2 C.F.R. § 200.345. As such, we assert that any awards that were closed on time and subsequently reopened for allowable



adjustments, should not be included as overdue. Correcting this metric for the 28 awards we identified would suggest that the three-year average of overdue close out rate should be reported as 8% and not 10%.

Statement from OIG: "AmeriCorps provided a standard operating procedure (SOP) that documents the processes for funds returned post-closeout. Our review found that the SOP:

1. Provides AmeriCorps staff with minimal guidance on the process for handling post-closeout actions and the restarting of the closeout process.
2. Lacks detailed procedures for tracking the reasons for returned funds.
3. Current process places sole responsibility for SF-425 corrections on the Office of Regional Operations, while the OGA is not involved in the correction process. OGA does not learn when the grant funds are returned...Further, AmeriCorps has no mechanism in place to notify the OGA, which is primarily responsible for actions to formally close the grant, when a grantee returns funds post-closeout nor to address situations where grants need to be reopened, adjusted, and then closed out a second time."

AmeriCorps Response: We respectfully draw your attention to the OGA Grant Closeout Guidance, provided during the audit process. Page 21 clearly defines instances for handling post-close out actions, including SF-425 corrections. The instructions direct the Office of Regional Operations staff to notify the Office of Grant Administration through the submission of a ticket via JIRA. This is the established mechanism for alerting OGA to post-closeout adjustments referenced in Recommendation 3.

OIG Recommendations: AmeriCorps should update its internal controls, policies, and procedures over grant closeout to include collaboration between the Portfolio Managers and the Office of Grants Administration.

1. Design and implement detailed internal controls to ensure accurate tracking, timely return, and proper recording of unused grant funds. These controls should include documented procedures for fund reconciliation, approval workflows for returning funds, and periodic reviews by finance staff. Management should regularly test the operating effectiveness of these controls.
2. Update policies, procedures, and SOPs related to funds returned after grant closeout to address and prevent inconsistencies in data in separate systems.
3. Require Portfolio Managers to collaborate closely with the Grant Specialists to ensure that returned grant funds are accurately and simultaneously processed in both PMS and eGrants. This coordination will help maintain consistency across systems and support accurate grant data, closeout, and financial reporting.

AmeriCorps Response:

Please note that in August of 2025, the Office of Grant Administration was reorganized and moved from the Chief Operating Officer's department back to the Chief Program Officer's department and into the Office of Regional Operations.

Closeout performance has been included in the agency's annual internal controls testing conducted by the Office of the Chief Risk Officer. This annual review, and the corresponding corrective action plans, have played an important role in driving down the overdue closeout rate. In November 2025, AmeriCorps launched a revised tracking system for re-opened



awards. All staff assigned to resolve these actions have been provided with supplemental directions and full guidance documents will be updated. (Recommendation 1)

Within the coming year all related grant management guidance, including closeout guidance, SOPs, and training will be updated to reflect the reorganization, any possible process improvements and/or to provide additional clarity. (Recommendation 2).

Merging the Office of Grants Administration and Office of Regional Operations means that all staff responsible for grant actions, are now within the same reporting structure. More specifically, grants management specialists and portfolio managers are within the regional structure and report up to Regional Administrators. This reorganization helps to reinforce the cooperation and communication previously required in written guidance. (Recommendation 3)

Finding 2: Late Grant Closeouts

AmeriCorps partially concurs.

First, we are proud of the significant progress we have made on this issue, as noted on page seven of the report, between FY22 and FY24 we have reduced overdue closeouts from 13% to only 2.7%. AmeriCorps has made significant year-over-year improvements in timely closeouts. AmeriCorps' performance improvements are the result of significant multi-year investments in strengthening internal controls, further documenting detailed written materials, and increased training related to grant closeout actions.

Statement from OIG: "We found AmeriCorps' grant closeout practices are not compliant with Federal grant regulations and AmeriCorps policies to close out grants within the one-year timeframe. Specifically, 10% (228 grants out of 2,396) of all AmeriCorps grants closed in the past three years (2022 to 2024), were not closed within one year following the POP end date. The 228 grants were closed an average of 693 days after the one-year timeframe, as shown in Figure 4." ...

AmeriCorps Response:

As noted above, during the audit and records retention period that follows close out, agencies and recipients may make revisions. Specifically, 28 of the 228 late closeouts identified, were closed out on time and reopened for allowable reasons under 2 C.F.R. § 200.345. As such, we assert that the initial close out date is what should be considered when reviewing for timeliness. The award and records retention period extends well beyond the closeout period and the agency, and recipient have the right to subsequently make adjustments. Correcting this metric for the 28 awards this report considers overdue would change the three-year average of overdue close outs.

Further, the data presented in Figure 4, refers to the average number of days following the period of performance. These figures should be adjusted and not include days in which closed out grants were reopened for adjustments during the audit and records retention period as outlined in 2 C.F.R. §200.345.

OIG Recommendations:



4. Require all staff members from each grant recipient to complete the Litmos training for grantees on the grant closeout process both upon grant award and at the start of the final year of the grant.
5. Ensure all Portfolio Managers and agency grant closeout staff follow guidance on administrative grant closeouts and conduct training on the subject.
6. Implement additional automated eGrants messages to grant recipients regarding grant closeout after the period of performance ends and have Portfolio Managers follow-up and document communications.

AmeriCorps Response:

AmeriCorps currently requires grantee's key staff (Authorized Representative and Program Director) to complete Litmos training on the grant closeout. Further, beginning January 2026 we will add a training refresher link within the automated eGrants closeout reminder 30 days prior to the end of period of performance. (Recommendation 4)

As outlined above in response to Recommendation 2, AmeriCorps will continue to enhance staff training, guidance, and SOP on administrative grant closeouts. (Recommendation 5)

As indicated in the audit process, AmeriCorps currently issues automated messages, to award recipients at the following milestones:

- ✓ 30-days prior to the project period end date
- ✓ 91 days after the project period end date
- ✓ 121 days past project end date - late notification.

All messages include links to grant management resources and the training course.

Beginning in January 2026, AmeriCorps will provide one additional automatic reminder to award recipients during the closeout period, 60 days after the project period end date.

Portfolio Managers will continue to follow up with grantees and document communications per our existing closeout guidance. (Recommendation 6).

Finding 3: Inaccurate Reporting of Grant Data to USAspending.gov

AmeriCorps concurs with this finding.

OIG Recommendations:

7. Expand automation of data upload and reconciliation processes to reduce manual reporting errors.
8. Maintain and document a validation checklist to confirm successful data uploads and reconciliation of obligation and de-obligation adjustments.
9. Validate the FY 2025 implementation of the new controls to improve reporting accuracy, including monthly and quarterly reconciliations between Oracle data and USAspending.gov reports, and manual data comparisons between the Payment Management System and eGrants prior to submission.

AmeriCorps Response:



AmeriCorps is currently exploring all opportunities increased automation. Opportunities for automation and ensuring data quality related to grants are integrated into the projects associated with the enterprise-wide AmeriCorps Information Model (AIM) in coordination with the Chief Data Officer. (Recommendation 7)

AmeriCorps has revised a validation checklist that will be implemented with monthly and quarterly reporting beginning January 2026. (Recommendation 8)

In Q1 of FY22, AmeriCorps began doing monthly and quarterly reconciliations to improve reporting accuracy. It is also important to note that closeout performance has been included in the agency's annual internal controls testing conducted by the Office of the Chief Risk Officer. This annual metric, and the corresponding corrective action plans, have played an important role in driving down the overdue closeout rate. (Recommendation 9)

We appreciate the OIG's collaboration and the insights provided through this audit. Our team is committed to continuous improvement and to maintaining the highest standards of transparency, compliance, and program effectiveness.

Please feel free to contact me for any additional information or follow-up.

cc: Mary Hyde, Acting Chief Program Officer
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