



Avoiding Common Issues & Pitfalls



Session Objectives



1. Learn about the primary issues & pitfalls for national service programs
2. Understand the impact or consequence of each of the pitfalls
3. Understand how organizations can avoid these problem issues



Scope & Structure of Session



Common Issues address Corporation
major programs:

Senior Corps

- Senior Companion
- Foster Grandparent
- Retired Senior Volunteer



Issues & Pitfalls are Drawn From:



- Inspector General Audits
 - Agreed-Upon-Procedures
- Corporation staff site visits
 - Site review tools
- OIG hotline calls



Framework for *Issues or Pitfalls*



- Description of the *Issue & Finding*
- Possible *Consequences*
- *Preventive* Actions



Common *Issues or Pitfalls*



- Participant eligibility
- National Service Criminal History Check
- Inappropriate time and activity records for staff time charged on grant
- Inappropriate time keeping for volunteers
- Inadequate or no documentation for match
- Inappropriate in-kind donations documentation
- Incomplete or non-existent reconciliation of financial reports
- Inadequate processes established for subgrantee monitoring
- Inadequate financial systems and internal controls
- Lack of written policies and procedures



Participant Eligibility



Finding: Lack of Documentation of participants' age; criminal record/sex offender check for work with children or vulnerable.

Senior Companion/Foster Grandparent: Income limitations



Participant Eligibility



Consequences:

- All payments (any stipends participant reimbursements) may be disallowed.
- Extent and severity of findings could result in grant termination & other actions
- If all/most participants are undocumented or ineligible all funds provided under the grant may be disallowed



Participant Eligibility, Con't.

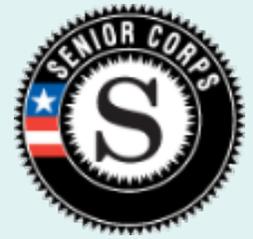


Preventive Actions:

- Be sure to document age eligibility
- Be sure to conduct appropriate National Service Criminal History Checks
 - Understand requirements for Staff & Participants with involvement with children or vulnerable populations
- Be sure to understand and document program specific participant requirements for eligibility
- Be sure to create written policies and procedures that clearly delineate the requirements for eligibility, documentation, screening and maintenance of records
- Be sure to initiate necessary reviews, deciding eligibility and final signoff for “hiring”
- Be sure to incorporate internal controls which provide review of decisions and documentation by the Project Director in addition to someone else.



Time & Attendance – Staff Activity



- ***Finding*** : Inadequate time and activity documentation to support charges to the grant.

Salaries and wages charged to the grant

- On the basis of budgeted amounts or
- Based on estimates or
- On the basis of grant activity only or
- Unsigned timesheets or
- Time not allocated among activities





Time & Attendance – Staff Activity Con't.

Consequences : Entire claimed salaries & wages over the course of the grant maybe disallowed over the course of the grant.

- Understand Federal requirements for timekeeping by organization type:
 - Nonprofit Organization - § 2 CFR 230 (formerly OMB A-122)
 - Educational Institutions – § 2 CFR 220 (formerly OMB A-21)
 - State, Local & Indian Tribal Gov'ts - § 2 CFR 225 (formerly OMB A-87)
- Salaries, Wages & Fringe benefits must be:
 - Reasonable (consistent with that paid for similar work)
 - Allocable (incurred specifically for grant)
 - Allowable (no unallowable activities such as fundraising and lobbying)



Time & Attendance – Staff Activity Cont.



Preventive Actions: Use timesheets aligned with the payroll period which provide information on all activities of the employee, both on the grant and other projects/ functions.

Support for salaries & wages charged to grant:

- Documented payroll reports approved by responsible official of the organization
- Time and activity report for employee time allocated to grant as Federal cost or match:
 - After-the-fact determination of actual activity
 - Account for total activity of each employee
 - Signed by employee or responsible supervisor knowledgeable about employee's activities
 - At least monthly & coincide with one or more pay periods



Do-Good Nonprofit

1234 United Blvd.
 Dogood, TX 75555
 Telephone: (214) 111-4444; FAX: (214) 222-5555

BI-WEEKLY TIME SHEET



Employee Name: _____

Pay Period Ending: _____

Title: _____

Department: _____

Supervisor: _____

Task or Grant Project	S	M	T	W	TH	F	S	S	M	T	W	TH	F	S	Total Hrs.
Senior Companions		2		1	4.25						2				9.25
Foster Grandparents		2.5		1	3.5				2		1				10
RSVP in Macon		2.5	1.5	2							1				7
AmeriCorps		1	3		0.25				6		4	1	8		23.25
Other Activities: capital campaign fund-raising; lobbying				3.5							8				11.5
Annual Leave						8									8
Sick Leave				4								7			11
Holiday															0
Leave: Other _____															0
TOTALS:	0	8	8	8	8	8	0	0	8	8	8	8	8	0	80

By signing below, I hereby attest that the time recorded on this time sheet is true and accurate to the best of my knowledge.

Employee Signature

Date

Supervisor's Signature

Date

Instructions:

1. Calculate all time in 15 minute increments, for example: 1.25, 2.50, 4.75.
2. Employee must submit timesheet to his/her supervisor by the ___ day of the pay period.
3. Sign timesheet with ink pen only.
4. Do not use "white-out" to correct mistakes, instead cross-out the error, write-in the correct number, and initial correction.



Time & Attendance – Participants



Finding:

Stipended Volunteers (FGP & SCP) timesheets:

- Not signed by supervisor and/or volunteer
- Don't add correctly
- Missing timesheets

Consequences: Unsupported time may result in questioned costs of the amount paid in stipends.

Preventative Actions: Use timesheets aligned with the project type which provide required information for the volunteer.



Senior Corps: FGP or SCP Time Sheet



Site		ID #		Timesheet # 10					
				Due No Later Than		11/29			
Name of Volunteer (Print)				Signature of Site Supervisor					
Signature of Volunteer									

Date	What Time ?		Hours per Day	Carfare			Meals		
	Started	Finished		To Client	Home	Total	Y		N
11/13/06	:	:				\$			
11/14/06	:	:				\$			
11/15/06	:	:				\$			
11/16/06	:	:				\$			
11/17/06	:	:				\$			
11/20/06	:	:				\$			
11/21/06	:	:				\$			
11/22/06	:	:				\$			
11/23/06	H	H				\$			
11/24/06	:	:				\$			
Total Hours				Total Travel Cost			\$		

L e g e n d	V = Vacation
	S = sick
	P = Personal
	H = Holiday
	B = Bereavement
	JD = Jury Duty
R e m a r k s	



Senior Corps Time Sheet Instructions



- Ensure time sheet is correct
- Print clearly
- Submit in a timely manner
- Indicate whether meal was received
- Document all travel costs
- Never use whiteout to make corrections. Cross out mistakes. Corrections should be initialed by employee and supervisor.
- Document all time using a permanent writing instrument (i.e. never use pencils or erasable ink pens)



Match Senior Corps



Findings: Match not met, undocumented, unreasonable, not approved in budget or uses unauthorized federal funds.

- Cash and in-kind amounts were unsupported by adequate documentation or not verifiable by grantee's records. Inadequate documentation
- Other federal funds were used as match for programs without authority
- Match claimed was not necessary to operate grant
- Match amounts were unreasonable or excessive
- Match was inadequately supported to determine if it was allowable and allocable
- Claimed match was not related to a cost included in the approved budget
- Match covered expenses incurred outside of the grant award period



Match Senior Corps



Consequences: Undocumented, unmet or unacceptable match can reduce the allowable direct costs to be paid by federal funds by the amount of required match not met for the program.

Preventive Actions:

Know the regulatory and other match requirements which vary extensively for and within specific program types:

Senior Corps

§ 45 CFR 2551- Senior Companion;

§ 45 CFR 2552 –Foster Grandparent;

§ 45 CFR 2553 – RSVP



Match Senior Corps



Note:

The same requirements apply to match and direct costs. All must be:

- reasonable
- allocable
- allowable
- provided consistent treatment
- expensed in the accounting system
- supported by adequate & appropriate documentation



Match Senior Corps



The ABCD Tutoring Program

1299 N Main Street, Suite 110, Great City, Good State 00000-1234, (800) 555-1212, Fax 321-1234

In-Kind Contribution Form

Date of Contribution	Description of Contributed Item(s) or Service	Purpose for Which Contribution Was Made	Real or Approximate Value of Contribution	How Was Value Determined? (i.e. Actual, appraisal, fair market value)	Who Made This Value Determination?	Was Contribution Obtained With or Supported By Federal Funds? (If so, indicate source)
Name of Contributing Organization/Agency/Business/Individual:						
Address of Above Contributor: Phone #:						
Printed/Typed Name of Contributor's Authorized Signee: Title:						
Signature of Authorized Signee: Date:						



Match – In-Kind



- Make sure in-kind match documentation includes:
 - Name of the donor
 - Description of contributed items or services
 - Receipt date
 - Value of contribution, how value was determined, and who determined value
 - Printed name & title of official representing donor
 - Signature of donor or representative
 - Signature of official accepting contribution; and printed name & title
 - Donor restrictions, if any
- Verify in-kind contribution was not purchased with funds from other federal sources, unless authorized by law
- Maintain all documentation of match and ensure subgrantees do also, if applicable.
- Grantees should not record in-kind match until the documentation is sufficient.
- Record all claimed match in the accounting system as required by financial accounting standards
- Same costs can never be recorded on two National Service programs



Expenditures & Reconciliation



Findings: Grantees/subgrantees are not reconciling expenditures in their accounting systems to amounts in the FSR (Financial Status Reports and FCTR (Federal Cash Transaction Reports).

Consequences: Costs not allowed for differences between accounting system, FSR and FCTR

Preventive Action: Regularly reconcile differences among the reports and the accounting system. Prepare cross-walks if necessary to track FSR & FCTR reports to the accounting system detail.



Other Findings



Financial Systems and Internal Controls Findings:

- Accounting systems and internal controls are inadequate to report grant expenditures, or management controls are insufficient to safeguard Federal funds
- Financial reporting incomplete, most recent audit has not been sent to the Clearinghouse yet
- Records do not identify cost by programmatic year, by budget line item, or do not differentiate between direct and indirect costs or administrative costs.
- Lack of written policies and procedures
- Inadequate internal controls for separation of duties



Other Findings, Con't



- The following policies & procedures are lacking:
 - Invoices should be stamped as paid
 - Pay records should be signed by an authorized approval authority
 - For mileage reimbursement, meal reimbursement
 - A method to ensure goods and/or services are received and accepted before being paid (example: have a signed receiving report)
 - An organizational chart showing clear lines of authority and duties
 - A policy against writing checks to cash



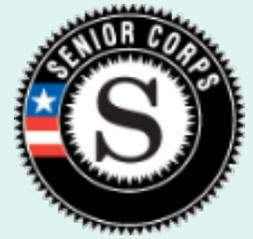
Other Findings, Con't



Program Responsibility Findings:

- Grantee did not fulfill its **FGP** responsibilities for the following
 - Documentation of volunteer orientation and in-service training.
 - Documentation to support annual volunteer evaluations.
 - Documentation of written assignment/care plans for FGP volunteers during the review period.
 - Documentation regarding the eligibility of the children to be served.
- **Memoranda of Understanding** with volunteer stations missing or did not include all required elements.
- **Volunteer Assignment Plans** are late, not prepared or do not meet Corporation grant provisions and regulations
- **Senior Corps Evaluations** are not conducted; evaluations or maintained as records

Other Findings, Con't



- Missing documentation of volunteer income eligibility for SCP & FGP
- Lack of procedures & documentation to assure beneficiaries are eligible as special or exceptional need
- Volunteers enrolled did not meet the income guidelines and were ineligible to serve
- Sponsor lacks process to verify non-profit status of volunteer stations





Take it Home!

1. Learn from the mistakes of others.
2. Use information to review organization strengths, challenges.
3. Create systems and written policies to rectify challenges.
4. Resources and sample forms may be found at: <http://www.nationalservicerresources.org/resources>

