

Case Scenario: Senior Corps Common Pitfall Session

Goody2Shoes is an organization with a mission to assist primarily non-English speaking families in a remote town on the US/Mexico border. The organization is lead by CEO Bob Bitt. Within the past six months they received a new Senior Companion program from the Corporation to assist seniors living in the semi-rural areas near the border to continue to live independently in their homes. The nonprofit has appeared to have the experience and knowledge to effectively operate the program and the Corporation state office provided training and intends to make an early site visit during the year.

Initially a site visit was planned in the first three months; however it was postponed because of issues out of the control of the State Program Specialist. A final report was prepared and sent to the CNCS Grants Official, Peggy Hoodin, to consider the fiscal/compliance aspects of the report.

1. Goody2Shoes had contracted for the past 9 years for an A-133 audit with a local qualified CPA audit firm, Smith, Smith & Johnson, LLP. No material findings, misstatements or internal control deficiencies were reported. *It is good that they have not had audit findings, nine years is a long time with one firm, you would want to see that there were different audit partners signing the report for internal controls (suggested not required)*
2. There is no specific cost allocation plan but expenses such as rent, equipment purchases, supplies and administrative costs such as financial audit and fund-raising are spread across the various projects proportionately based on budgets. *This is a major red flag, they should not charge costs based on the budget. The program should develop a written cost allocation plan.*
3. Timesheets are maintained for staff working on the project. They are signed by the employee and input into the electronic time-keeping system. Supervisors can review on-line but there is no approval or audit trail for reviews. *This is another major red flag; electronic systems should not be used if there is not an audit trail or approval process. Until this is rectified they should use paper timesheets so that they can get appropriate approval.*
4. Upon acceptance into the program, the Senior Companion pays an acceptance fee of \$10 for the required criminal background checks. Because the current Senior Companions are all retired and have no earned or other income outside of social security and pension, the program did not conduct an income review. Goody2Shoes established 55 as the minimum age and documented age through review of drivers' licenses. *This is a major red flag, participants should not pay an application fee, programs need to have a system to review income, and the age requirement is 60 for Senior Companions.*
5. Match provided by in-kind services and goods is not entered into the accounting system but documented on a separate spreadsheet. The source of some matching funds originated with Community Service Block Grant funding to the state. *This is a minor issue, the program should develop a written policy regarding tracking match.*