

# FY 2015 IPERA TESTING



# Agenda



- What is IPERA?
- Sampling Methodology
- Transaction Reviews
- Documentation Required
- Criminal History Check Information
- Conclusion
- Questions?

# What is IPERA?



- Improper Payments Elimination and Recovery Act
  - ▣ Enacted in 2002 and last updated in 2014
  - ▣ Found in the Office of Management and Budget (OMB) Circular A-123, Appendix C
  - ▣ IPERA testing is **not** an audit
- Purpose is to **identify, recover, reduce, and eliminate** improper payments
  - ▣ Accomplished through identification of areas that have a higher occurrence of improper payments, which can lead to policy changes, enhanced training, etc.

# IPEPA Requirements



- ▣ Step 1: Review *all* programs and activities and identify those that are susceptible to significant improper payments
- ▣ Step 2: Obtain a statistically valid estimate of the annual amount of improper payments in programs and activities for those programs that are identified in Step 1 as susceptible to significant improper payments.
- ▣ Step 3: Implement a plan to reduce improper payments.
- ▣ Step 4: Report annually in the Agency Financial Report

# FY 2014 IPERA Testing



- How were grantees selected?
  - ▣ Selections were completely random
    - We applied our random sampling methodology to all FFRs submitted during a specific timeframe
    - In FY 2015, we are using the exact same process to select which FFRs will be tested, so no grantees or commissions were specifically chosen.

# FY 2015 IPERA Testing



- AmeriCorps State and National, Foster Grandparents Program, and RSVP have been deemed susceptible to significant improper payments, meaning step two testing must be performed
- This statistical based level of testing will occur until there are three (3) consecutive years of results of improper payments totally less than \$10 million per year. Once that is reached, IPERA testing will occur on a three (3) year cycle. (tested once every 3 years)

# Testing Methodology

- The end goal is to assess a single transaction
- Our requests and the responses from these request should create a clear trail from the federal share of the expenditures you recorded in eGrants to specific, individual transactions
- FFRs are randomly selected from the aggregate, agency-wide FFR total. Within each selected FFR, there is a randomly selected dollar value which will eventually lead to the assessable transaction
  - ▣ Ex. If the total federal share of your FFR was \$40,000, we could select a random number of \$10,000. We will go through a series of exchanges with you to determine in which single payment was the ten-thousandth dollar spent. That would be the assessable transaction.

# Step-by-Step Process



- You will receive an email with an 6-month FFR total.
- We need the general ledger, or breakout, of this total. This is what you reported to e-grants as your total **federal** expenditures for that period.
  - ▣ If the ledger does **NOT** match the FFR total that was reported, this must be explained in your submission.
- From the general ledger, we will do a calculation to determine the next transaction for which we need detail.
  - ▣ These could be either single, assessable transactions or pass-through transactions.

# Step-by-Step Process Continued

- What are pass-through transactions?
  - ▣ Pass-through transactions usually are in the form of a payment to a subgrantee, a disbursement or reimbursement of CNCS federal grant funding to a sub-recipient, or an aggregate total of a category of payments.
    - Ex. A member payroll or a subgrantee payment
      - If the pass-through transaction is in the form of the aggregate total of member payroll, we need the breakout of the names all of the members paid in that aggregate amount, the amount of each payment, and the date of each payment. From here, we will select a specific member for which we need documentation, because this will be the individual transaction assessed
- To get to an individual transaction, it is possible that several pass-through, or aggregate amount, transactions will have to be broken-out. This process is continued as many times as necessary until we get to a single, assessable transaction
  - ▣ Ex. Member or volunteer payments, rent, contract expenses, and staff payments or travel

# Transaction Reviews



- After we have collected the submitted documentation to support the individual transaction, a designated reviewer will determine whether or not the payment is proper.
- A payment can be deemed improper for want of documentation.
- If the reviewer finds documentation is missing, they will ask you to supplement your document submission. Failure to do so could result in an improper payment, which could result in cost recovery.

# Documentation

- **Staff Payroll** Requires all of the following:
  - Documentation that shows the staff person's start of service date
  - Documentation of the applicable criminal history check (instructions to follow)
  - A statement verifying that the employee's position was included in the approved grant budget
  - A copy of the employee's position description, covering his/her total activity
  - A copy of the employee's timesheet for the period covered by the salary payment AND
  - If the employee's compensation is allocated between the CNCS grant and other activities, copies of time and attendance records or labor distribution reports which document the amounts collected.

# FGP Volunteer Stipend Payment



- Include ALL of the following
  - Proof of income eligibility
  - Date the volunteer began service
  - Volunteer assignment plan, showing the volunteer is engaged in appropriate service and activities
  - Time and activity reports demonstrating hours served during the period covered by the payment transaction
  - Documentation of the applicable criminal history check

# Documentation Cont.



- Living Allowance payment for AmeriCorps member include ALL of the following:
  - Documentation of the member's start date.
  - The applicable criminal history check documentation.
  - A copy of the member's timesheet(s) covering the period when the living allowance was paid AND
  - A statement as to whether or not the AmeriCorps member also receives compensation from the program for services performed outside their AmeriCorps service.

# Documentation

- Other types of transactions
  - Ex. Contractors, rent or utilities, travel reimbursements, supplies, etc.
  - The documentation for this is dependent upon the type of transaction
  - What to submit for every transaction that fits under the “Other” category:
    - A description of how the payment conforms to the approved grant budget, which should include a brief description of any services received AND
    - For payments which are allocated between the CNCS grant and other activities, documentation which supports the basis of the allocation
  - Other types of supporting documentation that might need submitted:
    - For contracts: a copy of the contract or agreement under which the payment was made AND a copy of the invoice that supports the payments
    - For travel reimbursements: a copy of the approved travel authorization AND the completed travel voucher with required receipts
    - For equipment costing \$5,000 or more: documentation showing that the item was specifically included in the approved budget or subsequently approved in writing by the Corporation prior to purchase
    - Ex. If the payment is for rent, we need the lease, proof of payment, and, if applicable, documentation supporting the allocation between the CNCS grant activities and other activities.

# Criminal History Check Documentation

- The required criminal history check documentation depends upon when the individual started of service and their level of access to vulnerable populations.
  - Vulnerable populations are people age 17 and under, aged 60 and over, or individuals with disabilities
- All individuals require a screen shot of the National Sex Offender Public Website (NSOPW) inquiry with a date stamp.
- Always include information about any approved Alternative Search Protocols (ASPs) for your program.
- If it is found that any of the required criminal history check documentation is missing, immediately run the check and include the initiation date and results with your IPERA submission.

# NSCHC Documentation

Individuals hired prior to November 23, 2007 and continuously employed through the period covered by the sample transaction

Provide:

- A written self-certification by the individual that (s)he has never been convicted of murder as defined by 18 U.S.C. 1111.
- A screen shot of the National Sex Offender Public Website (NSOPW) inquiry for the individual, including the date of the inquiry.

# NSCHC Documentation Cont.

Individuals hired from November 23, 2007 through April 20, 2011

Provide:

- A screen shot of the National Sex Offender Public Website (NSOPW) inquiry for the individual, including the date of the inquiry.
- Either
  - ▣ Documentation that a state criminal history check for both the state of service and state of residence was initiated and completed. **OR**
  - ▣ Documentation that an FBI fingerprint-based check was initiated and completed.

# NSCHC Documentation Cont.

Individuals hired after April 20, 2011 that DO NOT have recurring access to vulnerable populations

- A screen shot of the National Sex Offender Public Website (NSOPW) inquiry for the individual, including the date of the inquiry.
- Either
  - ▣ Documentation that a state criminal history check for both the state of service and state of residence was initiated and completed. **OR**
  - ▣ Documentation that an FBI fingerprint-based check was initiated and completed.

# NSCHC Documentation Cont.

Individuals hired after April 20, 2011 who do have recurring access to vulnerable populations (include all)

- ❑ A screen shot of the National Sex Offender Public Website (NSOPW) inquiry for the individual, including the date of the inquiry.
- ❑ Documentation that a state criminal history check for both the state of service and state of residence (if applicable) was initiated and completed.
- ❑ Documentation that an FBI fingerprint-based check was initiated and completed.

# Conclusions



- Selections are completely random
- We are only interested in the federal portion of your transactions
  - ▣ Going from 6-month FFR to single transaction
- We will need breakouts of line items that are listed as aggregate amounts
- All required documentation is necessary to deem a transaction proper. Missing documentation can result in an improper payment

QUESTIONS?