

# Senior Corps Virtual Conference 2014

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**Session:** Avoiding Common Financial Issues and Pitfalls

**Speakers:**

- Karen Talbot, State Program Specialist
- Yvonne Walker, Grants Management Specialist



**This session will begin shortly.**

# Avoiding Common Financial Issues & Pitfalls



Corporation for  
NATIONAL &  
COMMUNITY  
SERVICE 

# Objectives

- Review the primary issues and compliance finding from IG audits and CNCS site visits
- Evaluate the impact or potential consequence of each of the pitfalls
- Identify preventive actions to successfully comply with site visits and audits

# Live Session Features

Respond in real-time: polling feature

- All polling questions are multiple choice

Have your questions answered: chat feature

- Throughout this live session, chat in your questions as they arise

Follow up opportunities for engagement

- Questions not addressed during this live session will be posted to the Financial Management message board in the FFMC booth
- The FFMC will host a live chat in the FFMC booth

# Agenda

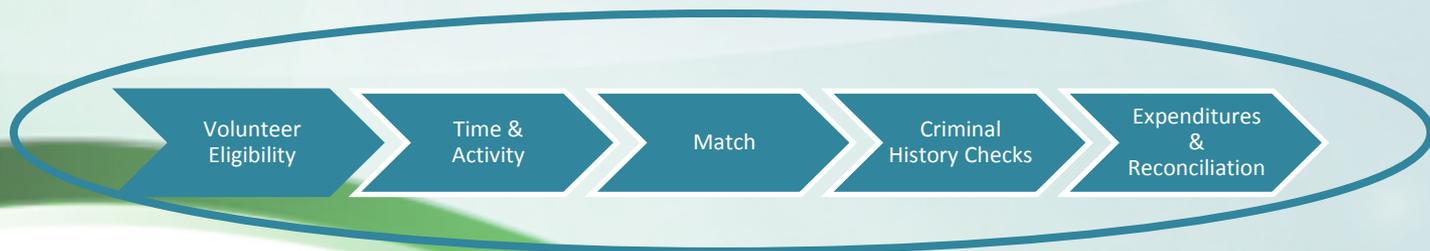
## Activity

Basis for Pitfalls

Common Issues and Pitfalls:

- Volunteer Eligibility
- Time and Activity Reporting
- Match Requirements
- Criminal History Checks
- Expenditures and Reconciliation

Questions and Wrap Up



# Basis for Pitfalls and Common Issues

## Compliance Findings

Federal Regulations

OMB Circulars

IPERA (Improper Payments and Elimination and Recovery Act)

## Reviews and Audits

Guidance from the Office of the General Counsel

Civil Rights / Equal Opportunity Requirements

National Service Criminal History Checks

# Common Issues or Pitfalls

- Volunteer eligibility
- Inadequate time and activity records
- Improper documentation for match or in-kind
- Improper or undocumented criminal history check
- Financial reports do not reconcile with general ledger

# Polling Question #1

Have you received a compliance visit during the past six years?

Yes

No

# Volunteer Eligibility Findings

Lack of documentation of volunteer eligibility, including:

- Volunteer's age
- Criminal record
- Sex offender check

Other program-specific eligibility:

- Income eligibility for Senior Companion/Foster Grandparent



Promoting Excellence in  
Program Performance  
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Volunteer  
Eligibility

Time &  
Activity

Match

Criminal  
History Checks

Expenditures  
&  
Reconciliation

# Potential Consequences

All payments may be disallowed

If **most** volunteers are undocumented or ineligible, all funds provided under the grant may be disallowed

Extent and severity of findings could result in grant termination or other actions



# Preventive Actions

- Ensure staff understand detailed regulatory requirements
- Document age eligibility, income review, physicals, related agreements and preserve copies of documents
- Conduct appropriate National Service Criminal History Checks
- Create written policies and procedures
- Review decisions on eligibility and volunteer enrollment
- Incorporate internal controls to enable multiple reviews of decisions and documentation at the senior level
- Conduct periodic sampling of volunteer files



# Time & Activity Findings

## Inadequate documentation of time and activity reports:

- Unsigned time activity reports
- Hours do not add up
- Missing time activity reports
- Request for reimbursement for day not served

## For staff:

- Charge budgeted vs. actual hours
- Time incorrectly allocated to grants and activities



## Timesheet basics:

- After the fact
- Fringe benefits paid relative to time worked
- Account for all time



# Potential Consequences

Unsupported time can result in disallowed costs



# Preventive Actions

- Understand Federal requirements for time and activity reporting by organization type
- Develop written policies and procedures
- Conduct periodic sampling of time and activity reports
- Record all time and activity daily
- Ensure time and activity reports are signed and dated by all required parties
- For staff: complete time and activity report for time allocated to grant as Federal cost or match

# Senior Corps: FGP or SCP Timesheet



Site	ID#	Timesheet #10
Don Green		Due no later than
Name of Vounteer (print)		29-Nov

Signature of Volunteer / Date	Signature of Site Supervisor / Date	Signature of Project Director / Date
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	Hours		Mileage				Meals (check if provided)
	Hours	Accompanied* by:	Home to site	Site to home	Travel with client	If traveling other than home/site please enter the purpose	
11/13/2014	8:00 - 12:00		20	20			20.00
11/14/2014	2	Christina	20	10			15.00
11/15/2014							
11/16/2014					30	Running errands with homebound adult receiving respite services.	15.00
11/17/2014	6						
11/20/2014							
11/21/2014							
11/22/2014	2	Christina			20		10.00
11/23/2014							
11/24/2014	6						
	<b>24</b>	<b>Total Hours</b>				<b>Total Travel Cost</b>	<b>\$ 60.00</b>

Legend

*If using leave on a specific day, enter the correct code:*  
 V = Vacation  
 P = Personal  
 H = Holiday  
 B = Bereavement  
 JD = Jury Duty  
 AD = Administrative Day

Remarks


\*If a background check is required and the volunteer starts working while the results are pending, accompaniment is required.

# Senior Corps: FGP or SCP Timesheet



Site

ID#

Timesheet #10

Due no later than

29-Nov

Record hours vs. times

Signature of Volunteer / Date      Signature of Site Supervisor / Date      Signature of Project Director / Date

Date	Hours		Mileage				Meals (check if provided)	If using leave on a specific day, enter code: (H = Holiday, B = Bereavement, JD = Jury Duty, AD = Administrative Day)
	Hours	Accompanied* by:	Home to site	Site to home	Travel with client	If traveling other than home/site please enter the purpose		
11/13/2014	8:00 - 12:00		20	20				
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11/24/2014	6							
	24						00	

Distance from site to home is different

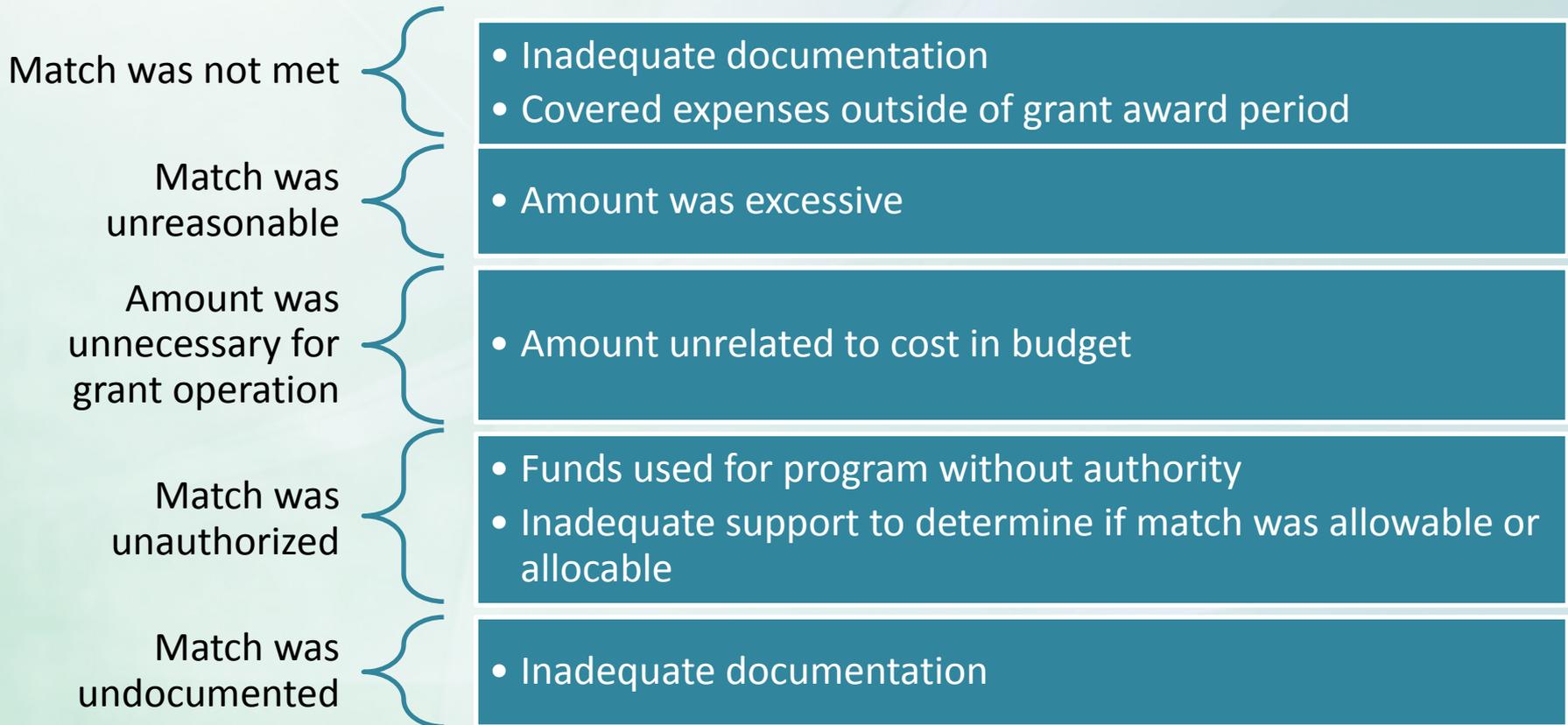
Volunteer only indicates an escort some days

Missing purpose when "travel with client" is reported

Improper addition of total volunteer hours

\*If a background check is required and the volunteer starts working while the results are pending, accompaniment is required.

# Match Findings



# Potential Consequence

Undocumented, unmet or unacceptable match can reduce some or all of the allowable costs paid with federal funds by the amount of required match not met for the program.



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Volunteer  
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Expenditures  
&  
Reconciliation

# Preventive Actions

- Know the regulatory and other match requirements:
  - Non-Federal Match:
  - Direct Benefit Ratio (FGP/SCP)
- Use In-Kind Contribution Form

# Sample In-Kind Contribution Form

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; condition- new or used; value of like services, retail comparisons, etc.	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 Name of Contributor's Authorized Signee: \_\_\_\_\_ Title: \_\_\_\_\_

Printed name & Title of Recipient Signee: \_\_\_\_\_ Date: \_\_\_\_\_

Signature of Recipient Signee: \_\_\_\_\_ Date: \_\_\_\_\_



# Preventive Actions Cont'd

Maintain all documentation of match

Apply the same standards of documentation for match expenditures as for federal funds

Record in-kind or other match; can only be used when documentation is sufficient

Record all claimed match in the accounting system as required by financial accounting standards (FASB 116)

Record costs once for National Service programs either as match or direct expenses or combination thereof



# Taking a Closer Look at Match: A Case

- Donation of AVON products to create gift baskets for each volunteer
- Project Director found original prices and calculated the in-kind donation based on her research – the value – over \$50,000!



# Polling Question #2

Was this a legitimate in-kind donation?

**A. Yes, the donation was great – what a boon!**

**B. Yes, the donation was great but the value was overrated**

**C. No, the donation was not appropriate**

**D. I'm not sure**

# Case Debrief

Ask yourself – does this meet the criteria for match?

- Reasonable - Is \$100 per volunteer reasonable?
- Allocable - Is it consistent with other costs incurred for the same purpose, can it be distributed in a reasonable proportion, and is it necessary?
- Allowable - Is it consistent with policies/procedures, reasonable and allocable, and adequately documented?
- Is it verifiable?
- Is it allowable under OMB cost principles/circulars?
- Is it paid out of federal funds?
- Is it in the approved budget?

# Polling Question #3

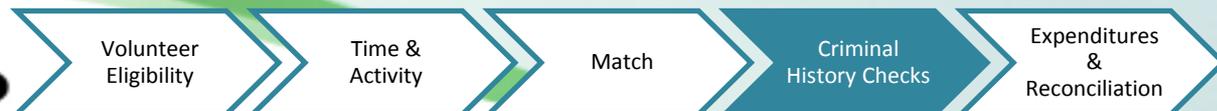
How many of you are familiar with your state's requirements for criminal history checks?

Yes

No

# Criminal History Checks Findings

- Volunteers start service before the National Sex Offender Public Registry (NSOPR) completion
- State and FBI checks initiated after individuals start service
- Covered volunteers have unaccompanied access to vulnerable populations before the criminal history check results from state repositories or FBI are completed



# Potential Consequences

## Loss of Funds

The program may be required to repay the Corporation for grant-funded costs.

If a covered individual fails to clear the NSOPR check, all associated hours and costs are unallowable.

## Loss of Hours

Any hours the individual serves before clearing an NSOPR cannot be counted towards service.

Any hours served unaccompanied prior to clearance of state repository or FBI check cannot be counted towards service.

# Preventive Actions

## Ask yourself:

- What checks are required and for whom?
- What are key dates for enforcing checks?
- Who is working with vulnerable populations and has recurring access?
- What are your state's rules for background checks?
- When should I apply and reapply for the Alternative Search Process (ASP)?



# Expenditures & Reconciliation

## Finding

Grantees/subs not reconciling expenditures in their accounting systems to amounts in new SF 425 FFR



## Consequence

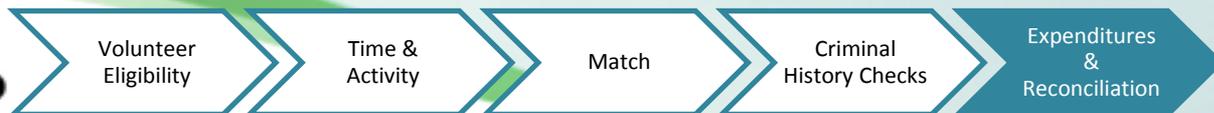
Costs not allowed for differences between accounting system and FFR



## Preventive Action

Regularly reconcile differences among the reports and the accounting system.

Prepare cross-walks to track FFR reports to the accounting system detail.



# General Q&A

# Summary

1. Use common issues to review organization strengths and challenges
2. Create systems, written policies and procedures to rectify challenges
3. Resources and sample forms may be found at:

<http://www.nationalservicerresources.org/resources>

