

## **CNCS Elects Not to Require Grantees to Review Sub-grantee Budgets with Multiple Awards to Prevent Overbudgeting and Overlapping Costs. CNCS Disallowed Funds for Excess Living Allowances Paid to AmeriCorps Members**

Closed 3/19/20

CNCS-OIG investigated allegations that Sunset Park Health Council (SPHC), Brooklyn, NY, operated two separate AmeriCorps programs to make a profit from grant funding and utilized AmeriCorps members (members) to perform personal errands for staff. SPHC was also an operating site for the Healthy Futures Corps (HFC) grant, operated by the Community Health Care Association of New York State (CHCANYS), New York, NY. While the initial allegations were not substantiated, our investigation found CHCANYS overbudgeted staff salary on two CNCS grants, requesting over 100 percent salary for one employee assigned to work on both projects. Further, CHCANYS staff timekeeping methods were unable to demonstrate its billing was based on actual hours, as required.

The investigation also revealed some HFC AmeriCorps members were allowed to curtail their length of service by several months if they completed their required 1,700 service hours early. After approving the curtailment, CHCANYS increased each members' monthly living allowance in order to ensure all living allowances were expended before the end of their service terms.

CNCS-OIG recommended CNCS implement controls to ensure multiple sub-grantee budgets are compared and do not over-budget staff salary; review staff salary charged to the grant to ensure it was not overcharged; implement controls to ensure staff recorded actual hours spent on the grant; disallow any excess living allowance payments to members who curtailed their service terms; and review policies that allowed members to exit the program earlier than expected.

### **Agency/Administrative Actions**

CNCS management concurred with some of CNCS-OIG's findings. CNCS elected not to implement controls to ensure sub-grantees that receive multiple awards do not overlap and overbudget staff salary. Although CNCS concurred it was a best practice to review multiple budgets awarded to the same organization, CNCS elected not to implement a control to address this in future awards.

The Commission reviewed staff salaries charged to the grant and found it did not overcharge the grants and did not exceed the allowable budget adjustments authorized by Federal regulations. The Commission did find that CHCANYS staff could not demonstrate it billed based on actual hours and conducted a time-keeping study. The time-keeping study found some of the staff salaries were charged to the wrong grant and some may have been under-charged. The Commission also concurred that CHCANYS provided excess living allowances to members and disallowed \$29,674.69 in grant funds.

Case ID 2018-011