

Office of Inspector General Corporation for National and Community Service

AGREED-UPON PROCEDURES FOR CORPORATION GRANTS AWARDED TO THE NEW TEACHER PROJECT OIG REPORT 12-11



Prepared by:

CliftonLarsonAllen LLP
11710 Beltsville Drive, Suite 300
Calverton, MD20705

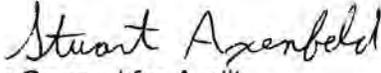
This report was issued to Corporation management on May 14, 2012. Under the laws and regulations governing audit follow-up, the Corporation is to make final management decisions on the report's findings and recommendations no later than November 12, 2012 and complete its corrective actions by May 14, 2013. Consequently, the reported findings do not necessarily represent the final resolution of the issues presented.



May 14, 2012

TO: Rosa Moreno-Mahoney
Acting Director, AmeriCorps*State and National

Margaret Rosenberry
Director, Office of Grants Management

FROM: Stuart Axenfeld 
Assistant Inspector General for Audit

SUBJECT: *OIG Report 12-11, Agreed-Upon Procedures for Corporation for National and Community Service Grants Awarded to The New Teacher Project, (TNTP)*

Attached is the final report for the above-noted engagement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and *Government Auditing Standards*, issued by the Comptroller General of the United States.

Under the Corporation's audit resolution policy, a final management decision on the findings in this report is due by November 12, 2012. Notice of final action is due by May 14, 2013.

If you have questions pertaining to this report, please call me at (202) 606-9360, or Rick Samson, Audit Manager, at (202) 606-9380.

Attachment

cc: Kati Haycock, BOD Chair, TNTP
Ariela Rozman, CEO, TNTP
Timothy Daly, President, TNTP
Kevin Zimmer, Program Support, New Teacher Effectiveness Group
John Turner, ED, Georgia Commission for Service and Volunteerism
Douglass Hilton, Acting Chief Financial Officer, CNCS
Claire Moreno, Audit Liaison, CNCS
Dawn-Marie Williams, Program Officer, CNCS
Denise Wu, Partner, CliftonLarsonAllen, LLP

**AGREED-UPON PROCEDURES FOR
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE
GRANTS AWARDED TO THE NEW TEACHER PROJECT**

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**AGREED-UPON PROCEDURES FOR
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE
GRANTS AWARDED TO THE NEW TEACHER PROJECT**

Executive Summary

The Office of Inspector General (OIG), Corporation for National and Community Service (Corporation), contracted with CliftonLarsonAllen LLP (auditors) to perform agreed-upon procedures (AUP) on grant cost and compliance with applicable regulations for Corporation-funded Federal assistance provided to The New Teacher Project (TNTP).

Results

As a result of applying the procedures, the auditors questioned claimed Federal share costs of \$2,826, match costs of \$7,777, and education awards of \$98,680. A questioned cost is an alleged violation or non-compliance with grant terms and/or provisions of laws and regulations governing the expenditures of funds; or a finding that, at the time of testing, adequate documentation supporting a cost item was not readily available. The results of our agreed-upon procedures are summarized in the Consolidated Schedule of Award Costs (Schedule A).

TNTP claimed total Federal costs of \$416,202 and total match costs of \$6,627,752 from June 15, 2009, through March 31, 2011, for Grant No. 07NDHNY002. TNTP claimed \$546,196 in Federal funds from July 1, 2010, through September 30, 2011, for Grant No. 10EDHNY001 (Fixed Amount Grant). TNTP received grants Nos. 11ESHGA0010002 and 11FXHGA0020001 (Fixed Amount Grants) as a subgrantee from the Georgia Commission for Service and Volunteerism (GCSV). TNTP did not claim any Federal funds from July 1, 2011, through September 30, 2011, for those two grants. Based on testing a judgmentally selected sample of transactions, the auditors questioned claimed costs as detailed below:

Type of Questioned Costs	Federal Share	Match Share	Education Award
Lack of wage/salary rate to support amount paid	\$1,506	\$3,850	\$ -
No supervisory approval of the time card	967	2,505	-
Amount paid could not be verified based on wage/salary rate and timecard provided	353	1,186	-
Supervisory approval did not cover the entire time worked	-	236	-
Evidence that member provided the required 60 volunteer service hours was not provided	-	-	98,680*
Totals	\$2,826	\$7,777	\$98,680

*Includes accrued interest of \$4,180.

Participants who successfully complete their AmeriCorps term of service are eligible for education awards and, in some cases, accrued interest awards funded by the Corporation's National Service Trust. These award amounts are not funded by the Corporation grants and, as a result, are not included in the claimed grant costs. However, when the grant award is made, the education awards become obligations of the National Service Trust. Therefore, as part of our AUP and applying the same criteria used for the grantee's claimed costs, we determined the effect of our findings on AmeriCorps members' eligibility for education and accrued interest awards.

We questioned \$94,500 in education awards and \$4,180 of accrued interest because there was no documentation that members provided the additional 60 hours requirement of volunteer service, and there was no documentation of one member's eligibility to serve.

We compared TNTP's inception-to-date drawdown amounts with the amounts reported in its last Federal Financial Report (FFR) for the period tested and determined that the drawdowns were reasonable.

Details of the questioned costs, grant awards, noncompliance with grant provisions, and applicable laws and regulations are presented in the Schedule of Findings (Schedule D) that follows. The results of our AUP are summarized below.

- Members' 60 hours of volunteer service performed under the service agreement were not documented;
- GCSV did not obtain the Corporation's approval for an alternative timekeeping system;
- TNTP's request for alternative timekeeping system for Professional Corps was not prepared and approved in accordance with the Corporation's policy;
- Documentation was not available to adequately support payroll costs incurred;
- National Sex Offender Public Registry (NSOPR) searches for members were incomplete or inappropriately conducted;
- Criminal background checks and NSOPR searches were not documented before member enrollment;
- Documentation of a member's eligibility to serve was not maintained;
- Member service agreements contained errors (i.e., term of service and education award amount), were not signed before members started service and members' attendance to pre-service orientation was not documented; and
- Members' end-of-term evaluations were not properly completed and documented.

Background

The Corporation, under the authority of the National Community Service Trust Act of 1993 (as amended), awards grants and cooperative agreements to state commissions, nonprofit entities, and tribes and territories to assist in the creation of full and part-time national and community service positions. AmeriCorps members perform service activities to meet educational, human, environmental and public safety needs. In return, eligible members may receive a living allowance and post-service education benefits.

TNTP, a national nonprofit established in 1997, seeks to close the student achievement gap by giving poor and minority students equal access to effective teachers. TNTP helps urban districts improve the way they recruit and hire new teachers and has set up selective Teaching Fellows programs to help talented people switch careers and become teachers in high-poverty schools.

TNTP programs are centrally managed from a national office in Brooklyn, NY. TNTP has been working with 12 to 18 school districts or program sites. Supervision is provided by a TNTP partner, who manages between two and four sites to ensure they meet their goals. In addition, a site manager is assigned to each site to oversee day-to-day operations. The partners and site managers work together to ensure each site meets its recruitment and training goals. The principals of the schools where TNTP AmeriCorps members teach provide daily supervision and are ultimately responsible for overseeing the performance of the teachers.

TNTP was required to file FFRs with the Corporation for the National Direct Grant No. 07NDHNY002. The FFRs were submitted on a quarterly basis through eGrants until Fiscal Year 2010 when the reporting requirement was changed to annual for cost reimbursement National Professional Corps grantees. TNTP claimed Federal costs totaling \$416,202 during the period covered by this report.

The three remaining grants (10EDHNY001, 11ESHGA0010002, and 11FXHGA0020001) are fixed-amount grants with the latter two being funded through GCSV. TNTP, as a subgrantee of GCSV for these grants, had not claimed any Federal funds from July 1, 2011, through September 30, 2011.

Agreed-Upon Procedures Scope

We performed our procedures for the period from June 15, 2009, through September 30, 2011. The procedures covered the allowability, allocability and reasonableness of the financial transactions reported for the following grants and periods:

Grants	AUP Periods
07NDHNY002	June 15, 2009 – March 31, 2011
10EDHNY001	July 1, 2010 – September 30, 2011
11ESHGA0010002	July 1, 2011 – September 30, 2011
11FXHGA0020001	August 5, 2011 – September 30, 2011

We also performed tests to determine compliance with certain grant terms and provisions. The procedures were based on the OIG’s “Agreed-Upon Procedures for Corporation Awards to Grantees (including Subgrantees), dated July 2011” and “Agreed-Upon Procedures for Corporation Education Awards Program Grants to Grantees (including Subgrantees or Sites), dated July 2011. Overall, we tested TNTP transactions totaling \$31,058.

Exit Conference

We provided a draft report and discussed its contents with officials of the Corporation, TNTP, and GCSV at an exit conference on February 21, 2012. TNTP, GCSV, and the Corporation responses are summarized, where appropriate, after each recommendation in the body of the final report. The responses in their entirety are included in Appendices A, B and C.

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Office of Inspector General
Corporation for National and Community Service

We have performed the procedures, agreed to by the Office of Inspector General (OIG), Corporation for National and Community Service (Corporation), solely to assist you in evaluating certain information reported by The New Teacher Project (TNTP), in accordance with its Corporation grant terms and provisions, and applicable laws and regulations, for the period from June 15, 2009, through September 30, 2011. TNTP is responsible for the accuracy and completeness of the reported information. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of the procedures is solely the responsibility of the OIG. Consequently, we make no representation regarding the sufficiency of the procedures either for the purpose(s) enumerated or for any other purpose.

The results of our procedures are described in the Schedule of Findings (Schedule D).

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the reported information. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the OIG, the Corporation, TNTP, and the U.S. Congress, and should not be used by anyone other than these specified parties.



Calverton, Maryland
February 21, 2012

**Corporation for National and Community Service
The New Teacher Project
Consolidated Schedule of Award Costs**

<u>Award No.</u>	<u>Program</u>	<u>Approved Budget</u>	<u>Claimed Federal Cost</u>	<u>Questioned Cost</u>			<u>Schedule</u>
				<u>Federal Cost</u>	<u>Match Cost</u>	<u>Education Awards</u>	
07NDHNY002	TNTP Teaching Fellows	\$416,202	\$416,202	\$2,826	\$7,777	\$98,680	B
10EDHNY001	TNTP Teaching Fellows ¹	955,515					C
11ESHGA0010002	Georgia Teaching Fellows ¹	43,250					C
11FXHGA0020001	Georgia Teaching Fellows – Savannah ¹	27,150					C
	Total	<u>\$1,442,117</u>	<u>\$416,202</u>	<u>\$2,826</u>	<u>\$7,777</u>	<u>\$98,680</u>	

¹The amount represents the fixed fee for an education awards-only grant. It has no claimed Federal or match costs

Schedule B

**Schedule of Award and Claimed Costs
For Period June 15, 2009 through March 31, 2011
The New Teacher Project – 07NDHNY002**

		Reference
Authorized Budget (Federal Funds)	\$416,202	Note 1
Claimed Federal Costs	\$416,202	Note 2
Authorized Match Budget	\$7,780,972	Note 3
Claimed Match Costs	\$6,627,752	Note 4
Questioned Federal Costs:		
Lack of wage/salary rate to support amount paid	1,506	Note 5
Amount paid could not be verified based on wage/salary rate and timecard provided	353	Note 6
No supervisory approval of the time card	<u>967</u>	Note 7
Total Questioned Federal Costs	<u>\$2,826</u>	
Questioned Match Costs:		
Lack of wage/salary rate to support amount paid	3,850	Note 5
Amount paid could not be verified based on wage/salary rate and timecard provided	1,186	Note 6
No supervisory approval of the time card	2,505	Note 7
Supervisory approval of the time card did not cover the entire time worked	<u>236</u>	Note 8
Total Questioned Match Costs	<u>\$7,777</u>	
Questioned Education Awards:		
Evidence that member provided the required 60 volunteer service hours was not provided	94,500	Note 9
Accrued Interest	<u>4,180</u>	Note 9
Total Questioned Education Awards	<u>\$98,680</u>	

Notes

1. The authorized budget amount represents the Federal funding to TNTP under Grant No. 07NDHNY002.
2. Claimed costs represent TNTP's reported Federal expenditures for the period June 15, 2009, through March 31, 2011, for Grant No. 07NDHNY002.
3. The authorized match budget represents Non-Federal funding for Grant No. 07NDHNY002.
4. Claimed match costs represent TNTP's reported match expenditures for the period June 15, 2009, through March 31, 2011, for Grant No. 07NDHNY002.
5. Federal cost of \$1,506 and match cost of \$3,850 were questioned due to a lack of wage/salary rates to support the amount paid. (See Finding 4)

6. Federal cost of \$353 and match cost of \$1,186 were questioned because the amount paid could not be verified based on the wage/salary rate and timecard provided. (See Finding 4)
7. Federal cost of \$967 and match cost of \$2,505 were questioned due to lack of supervisory approval of the timecard. (See Finding 4)
8. Match cost of \$236 was questioned because supervisor approval of the time card did not cover the entire time worked by the employee. (See Finding 4)
9. \$94,500 in education awards, along with \$4,180 in accrued interest, were questioned because the 60 hours of volunteer service required under the member service agreements was not documented. (See Finding 1)

Schedule C

**Schedule of Award and Claimed Costs
For Period July 1, 2010 through September 30, 2011
The New Teacher Project – 10EDHNY001**

Authorized Budget (Federal Funds)	\$955,515	Reference Note 1
No Questioned Education Awards:		
Total Questioned Education Awards	<u>\$ _____</u>	

The cost per member service year is \$633.

**Schedule of Award and Claimed Costs
For Period July 1, 2011 through September 30, 2011
The New Teacher Project – 11ESHGA0010002**

Authorized Budget (Federal Funds)	\$43,250	Reference Note 1
No Questioned Education Awards:		
Total Questioned Education Awards	<u>\$ _____</u>	

The cost per member service year is \$905.

**Schedule of Award and Claimed Costs
For Period August 5, 2011 through September 30, 2011
The New Teacher Project – 11FXHGA0020001**

Authorized Budget (Federal Funds)	\$27,150	Reference Note 1
No Questioned Education Awards:		
Total Questioned Education Awards	<u>\$ _____</u>	

The cost per member service year is \$905.

Notes

1. The authorized budget amount represents the Federal fixed fee funding to TNTP under Grant Nos. 10EDHNY001, 11ESHGA0010002, and 11FXHGA0020001.

Schedule of Findings

Finding 1 – Members’ 60 hours of volunteer service performed under the service agreement was not documented

For all 58 members tested that received an education award for their completion of a service term for Grant No. 07NDHNY002 and Grant No. 10EDHNY001, there was no evidence that the members provided 60 hours of volunteer service in accordance with the member contract/service agreement. TNTP officials indicated that they were aware that some members were volunteering hours, but did not know whether a member provided the required hours, some of the hours, or none at all. By not documenting the number of volunteer service hours completed by members, we were unable to verify that the members met the requirement to receive an education award. It was also noted that this requirement was evident in all the current member service agreements. TNTP indicated that it thought that its waiver from the AmeriCorps Professional Corps program weekly timekeeping requirements covered this requirement. We noted that all program changes require preapproval from the Corporation. Our review of the timekeeping waiver indicated it did not include the elimination of the 60-hours requirement. TNTP also stated that it had intended to remove the requirement for 60 volunteer service hours from the member service agreement, but did not update the agreement.

TNTP’s application for Grant No. 07NDHNY002 had volunteer service hours as a requirement for the member (2 hours per week); however, there was no indication of such a requirement in any of the applications for the other three grants. We are not questioning 38 education awards on the other three grants because those applications did not require any volunteer service hours. We questioned \$94,500 in education awards and \$4,180 in accrued interest under Grant No. 07NDHNY002 because the application contained a volunteer service hour requirement.

Criteria:

The 2009 and 2010 AmeriCorps Special Provisions, Section IV.D. *Supervision and Support*, Paragraph 2. *Member Contract/Member Service Agreements*, states:

The grantee must require that each member signs a service agreement that, at a minimum, includes or refers to the following:

- b) The minimum number of service hours (as authorized by statute) and other requirements (as developed by the grantee) necessary to successfully complete the term of service and to be eligible for the education award;

45 CFR § 2543.25 *Revision of budget and program plans*.

- (b). Recipients are required to report deviations from budget and program plans, and request prior approvals for budget and program plan revisions, in accordance with this section.

TNTP’s grant application No. 09ND117759 for Grant No. 07NDHNY002, page 13, first paragraph, states:

The duties of all AmeriCorps members will include the following:

- Complete a minimum of 1,700 service hours during a one year period, including summer school hours.
- Serve at least two hours per week in volunteer activities, such as tutoring, guiding students through extracurricular activities, leading departmental teams, etc.

Recommendations:

We recommend that the Corporation:

- 1a. Work with TNTP to resolve questioned education awards of \$98,680 for Grant No. 07NDHNY002.
- 1b. Ensure that TNTP amends the current member service agreements under Grant Nos. 10EDHNY001, 11ESHGA0010002, and 11FXHGA0020001 to remove the requirement of 60 hours of volunteer service and establish controls to ensure that future member agreements reflect the same requirements in the grant application.

TNTP Response:

For recommendations 1a, TNTP believes the cost should not be questioned. TNTP stated that the additional 60 volunteer hours was no longer a TNTP requirement and was in the member agreement by mistake. Additionally, TNTP believes the members worked the additional 60 hours. TNTP concurs with recommendation 1b.

Auditor's Comments:

The additional 60 hours of service requirement was in the member agreement without any evidence the members served the hours. The Corporation should follow-up with TNTP during audit resolution to ensure that the corrective action implemented by TNTP is effective.

Finding 2 – GCSV did not obtain the Corporation's approval for an alternative timekeeping system for its grants

GCSV did not obtain an approval from the Corporation for an alternative timekeeping system for Grant Nos. 11ESHGA0010002 and 11FXHGA0020001, for which TNTP is the sub-grantee. If a professional corps program wants to follow the timekeeping practices of its profession to certify that members have completed the minimum required hours, it must obtain advance approval from the Corporation. GCSV indicated that Program Year 2011-12 is the first year that TNTP is receiving funding from GCSV and it is also the first year that GCSV administered a professional corps fixed cost grant. GCSV requested TNTP to provide the Corporation's approval of TNTP's timesheet waiver, but had not received sufficient information from TNTP. As a result, GCSV had not disbursed any funds to TNTP. GCSV received a request from TNTP to produce an approval letter for the auditors. GCSV released an approval letter to TNTP approving TNTP's timekeeping practice under its timesheet waiver, based on a verbal indication that the Corporation had approved the timesheet waiver.

TNTP believes that members performing the normal teaching duties of the profession and completing the professional development and coursework needed to gain full teaching

certification will fulfill, and even surpass, the 1,700 service hours required for the education award. As a result, TNTP does not obtain or maintain any timekeeping information on its members.

Given that GCSV is responsible for the funds and ensuring that subgrantees comply with the grant provisions, GCSV should have directly requested an approval from the Corporation for the alternative timekeeping system for TNTP because it was contrary to the grant provisions and would require an amendment to the grant award. Although GCSV did not disburse any funds to TNTP, it did allow TNTP to proceed with the program and members earn education awards when service is completed.

This is noted as a non-compliance issue with the grant provisions. We are not questioning education awards at this time because the members have not completed their service.

Criteria:

The 2011 AmeriCorps Special Provisions, Section IV.C. *Member Recruitment, Selection, and Exit*, Paragraph 5. Timekeeping, states:

The grantee is required to ensure that time and attendance recordkeeping is conducted by the individual who supervises the AmeriCorps member. This time and attendance record is used to document member eligibility for in-service and post-service benefits. Time and attendance records must be signed and dated both by the member and by an individual with oversight responsibilities for the member. If a professional corps program wants to follow the timekeeping practices of its profession and certify members have completed the minimum required hours excluding sick and vacation days, it must get advance approval from the Corporation.

Recommendations:

We recommend that the Corporation:

- 2a. Ensure that TNTP requests approval of the alternative timekeeping system and that GCSV review the request for adequacy and forward it to the Corporation for approval.
- 2b. Ensure that GCSV facilitates Corporation approval of any subgrantee requests to use an alternative timekeeping system and obtain such approval with the Corporation's issuance of a grant amendment.
- 2c. Work with GCSV and TNTP to establish appropriate timekeeping records to support the education awards for members currently serving under Grants No. 11ESHGA001 and No. 11FXHGA002.

TNTP and GCSV Response:

TNTP concurred with the finding. GCSV concurs with recommendations 2b and 2c and will work with the Corporation and TNTP to implement them. GCSV agrees that the issue raised in recommendation 2a regarding a timekeeping waiver obtained for a professional corps program that is first funded as a National Direct by the Corporation, in this case 07NDHNY002, and then subsequently becomes a subgrantee of a state commission, needs clarity. If the Corporation

determines that a new timekeeping waiver is necessary in this instance, GCSV will require a timekeeping waiver request from TNTP, review it for adequacy and forward it to the Corporation for approval.

Auditor's Comments:

The Corporation should inform GCSV that approval of an alternative timekeeping system is required for each grant. When the Corporation approves the request, then it will add the special conditions to the grant award. The Corporation should ensure that the corrective actions implemented by GCSV and TNTP are effective.

Finding 3 – TNTP's request for alternative timekeeping system for professional corps was not prepared and approved in accordance with the Corporation's policy

The Corporation approved TNTP's timesheet waiver request for Grant No. 07NDHNY002 that was not in compliance with the Corporation Policy ASN02007-03-3 on Special Condition for Timekeeping for Professional Corps Programs. The request did not adequately describe how its service sites will account for time and attendance, and how they will certify total hours served at the completion of each member's term. The request should have also included a procedure for certification by both the member and the member's supervisor to ensure concurrence by both parties regarding the hours worked by the member. The waiver stated:

For each program site, TNTP carefully tracks program participants' progress in securing school-level placements as the school year begins. TNTP monitors Fellows' completion of each year of teaching, as well as their completion of program requirements. Through this monitoring, we are able to gain a clear perspective on Fellows' status as full-time program participants. As described above, Fellows who are successfully completing program requirements surpass the AmeriCorps minimum hours requirement. Those who are not keeping up with program requirements receive communication from site-based staff and, if necessary, are dismissed from the program, and will not benefit from AmeriCorps education awards. Each partner school district also maintains its own system for tracking the employment and time of program participants, since Teaching Fellows are full-time teachers of record.

The Corporation did not adequately review TNTP's timesheet waiver request to ensure compliance with the Corporation's policy. By not ensuring that TNTP's timesheet waiver request adequately describes how its service sites will account for AmeriCorps members time and attendance and how they will certify total hours served at the completion of each member's term, TNTP is unable to provide documentation or certification specific to the number of hours served.

The Corporation's policy requires the Corporation to approve an alternative timekeeping practice through a grant amendment. A revised timesheet waiver request, dated November 28, 2007, was submitted to the Corporation for approval. The Corporation Program Officer e-mailed the Grants Officer's approval of the re-submitted timesheet waiver to TNTP on February 21, 2008, but no amendment to the grant was issued. This is not in compliance with Corporation Policy ASN02007-03-3 on Special Condition for Timekeeping for Professional Corps Programs.

The Corporation did not amend the grant after approving TNTP's revised timesheet waiver request. We are not questioning cost or education awards because the Corporation did approve the alternative timekeeping request.

Criteria:

The Corporation's *Special Condition for Timekeeping for Professional Corps Programs* Policy ASN02007-03-3 states:

The Professional Corps program must submit its request for this special condition to the designated Corporation program officer. If recommended by the deputy director of AmeriCorps, the Office of Grants Management will determine if the Professional Corps request adequately documents that the program design and the planned professional activities will result in sufficient hours to earn the appropriate education award, and describes the method of certification. Upon approval, the Office of Grants Management will add the special condition to the grant award.

In order to qualify, the legal applicant must demonstrate and document that its members will meet the minimum number of hours required to earn the appropriate education award by fulfilling the normal duties of the profession, or by a combination of normal duties and other professional opportunities sponsored by the program. The legal applicant must also describe how its service sites will account for time and attendance, and how they will certify total hours served at the completion of each member's term. The procedures must include certification by both the member and the member's supervisor.

Recommendations:

3. We recommend that the Corporation re-train program and grant officers on Policy ASN02007-03-3, *Special Condition for Timekeeping for Professional Corps Programs*, to ensure that:
 - Grantees' timesheet waiver requests meet the requirements of the Corporation's policy, including a description of the alternative timekeeping system.
 - The policy is communicated to the grantees and special conditions, once approved, are included in the grant award or its amendment in a timely fashion.

Corporation & TNTP Response:

The Corporation did not respond to the finding and recommendation, but will respond in its management decision. TNTP concurred with the finding.

Auditor's Comments:

The Corporation should ensure that it has implemented corrective action that is effective in addressing this finding.

Finding 4 – Documentation was not available to adequately support payroll costs incurred

We selected one random pay period (November 29, 2009, to December 12, 2009) to verify that labor costs were properly charged to Grant No. 07NDHNY002. Payments were made to 174 employees, four paid with Federal funds and 170 paid with match funds. The majority of these employees were part-time or paid based on work performed. We limited our testing to the four employees paid with Federal funds and 30 randomly selected match payments and noted the following exceptions:

a. Lack of Wage/Salary Rate to Support Amount Paid

For 14 of the 34 payroll payments tested, TNTP did not provide an approved wage/salary rate from a payment agreement that was established with the employee prior to the pay period. We were unable to verify that the amount paid was properly supported. Due to the lack of documentation of wage/salary rates to support the amount paid, we are questioning \$1,506 in Federal and \$3,850 in match cost.

b. Amount Paid Could Not be Verified Based on Wage/Salary Rate and Timecard Provided

For six of the 34 payroll payments tested, wage/salary rates used from the payment agreements provided by TNTP were not current or the timecard did not document the work performed by the employee which was necessary to determine the amount to be paid. For example, an employee was to receive \$200 to attend training and \$200 per event worked. The payment was for \$470. However, there was no indication on the timecard as to what work was performed to receive this amount, as a result the entire \$470 was questioned. Due to the inability to verify the amount paid based on the wage/salary rate and the time card provided, we are questioning \$353 in Federal and \$1,186 in match cost.

c. Timecard Was Not Approved by Supervisor

For 12 of the 34 staff payroll payments tested, there is no support that the supervisor approved the hours worked or the work performed as indicated on the timecard. The supervisor failed to sign off within the system and there is no control to ensure that an alternate supervisor will sign off when it is necessary. Due to the lack of supervisor approval on the timecard, we are questioning \$967 in Federal and \$2,505 in match cost. This amount does not include costs that were previously questioned.

d. Supervisor Approval on the Timecard Does Not Cover Entire Time Worked

For one of the 34 staff payroll payments tested, there is no support that the supervisor approved the hours that were worked after the date of the supervisor's approval of the timecard. The system does not identify exceptions between when hours were worked and when supervisory approval was given to identify hours worked that were not actually approved. Due to the fact that supervisory approval did not cover the entire time worked, we are questioning \$236 in match cost.

Criteria:

TNTP Accounting Policies and Procedures Manual, III. Financial Operations, F. Payroll, II. Procedures - Adding full-time and permanent part-time employees to payroll (Paragraphs 1 & 6), states:

Human Capital (HC) manages the hiring process for both permanent and seasonal positions. A job offer letter specifies compensation and any other terms of employment. HC completes a Salary Form, for all new full-time and permanent part-time employees. This form is authorized by HC and indicates the employee's name, position, business line, start date, salary, exemption status, bonus eligibility, manager, personal email, position filled date, relocation pay, and other information. This data is then entered into a shared document called the Staff Tracking Sheet, which can only be edited by HC personnel and is referenced for processing by Payroll personnel who have read-only rights.

TNTP Accounting Policies and Procedures Manual, III. Financial Operations, F. Payroll, II. Procedures - Adding site-based temporary part-time and seasonal employees to payroll, states:

The hiring manager initiates the hiring process for site-based temporary part-time or seasonal positions. Within 3 days of starting employment, a Form I-9 is signed by the hiring manager or his representative after reviewing original documentation demonstrating an employee's right to work in the United States. A new hire packet consisting of the New Employee Form (includes hourly rate), Form I-9, Form W-4 and state and local tax forms (if applicable), and Direct Deposit form is forwarded by the hiring manager to HC for entry into the HR/payroll system by HC.

TNTP Accounting Policies and Procedures Manual, III. Financial Operations, F. Payroll, II. Procedures – Changes in Status (Paragraphs 1 - 2), states:

HC maintains all job-related information on the HR/Payroll system. This includes title, contract/team, business line, salary; benefits enrollment information, such as dependents (if covered) and deduction amounts, as well as personal information such as address, phone number and emergency contact information.

For a full-time or permanent part-time employee, HC updates the HR/Payroll system with the employee's new position, the effective date of the change, and the new salary or hourly wage. For part-time or seasonal employees who receive a stipend or hourly wages or per file wages, the hiring manager submits all changes in stipends or wages via the time and attendance system. This data is then imported into the HR/Payroll system for payment. If a part-time or seasonal employee's rate changes or is newly being paid via stipend, this information is submitted to HC.

TNTP *Accounting Policies and Procedures Manual, III. Financial Operations, F. Payroll, I. Policy Statement (Paragraph 2)*, states:

All employees access a time and attendance online system through a secure log in. Managers review and approve all entries prior to processing non-salaried time and stipends as well as salaried non-exempt overtime through payroll. Time-tracking is also entered and approved for salaried exempt employees for cost allocation purposes.

TNTP *Accounting Policies and Procedures Manual, III. Financial Operations, F. Payroll, II. Procedures – Payroll Processing (Paragraphs 1 - 2)*, states:

The Time and Attendance online system must be used to record time/stipends/units for all employees. All time cards must be approved by the employee and employee's manager except for stipend employees (required just employee's manager approval if offer letter with payment schedule is collected and filed upon hiring). The manager is responsible for ensuring all overtime hours are identified as such on the timecards. All timecards are reviewed by Payroll for proper authorization and exported for upload into the HR/Payroll system.

OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, Attachment B, *Selected Items of Cost*, 8.m., *Support of salaries and wage*, (2) (d) states the reports must be signed by the individual employee, or by a responsible supervisory official having firsthand knowledge of the activities performed by the employee, that the distribution of activity represents a reasonable estimate of the actual work performed by the employee during the periods covered by the reports.

Recommendations:

We recommend that the Corporation work with TNTP to:

- 4a. Resolve the questioned \$2,826 in Federal and \$7,777 in match cost to Grant No. 07NDHNY002.
- 4b. Ensure that periodic management reviews of payroll costs are conducted to verify that:
 - Wage/salary rate documentation is current and maintained;
 - Time cards clearly document the basis for payment (i.e., number of hours , files, events, etc.); and
 - Payments are only made with supervisor's approval for the work performed and that such approval covers the entire work period.

TNTP Response:

TNTP concurs with the findings.

Auditor's Comments:

The Corporation should follow-up with TNTP during audit resolution to ensure that the corrective action implemented by TNTP is effective.

Finding 5 – NSOPR searches were incomplete or inappropriately conducted

NSOPR Search Was Incomplete

For 26 of the 105 member files tested, the NSOPR searches were incomplete. For three of the files examined, the documentation for the NSOPR search did not include all of the results (i.e. missing pages from the search). Therefore, we could not verify that members' eligibility for the program. For 23 files examined, the NSOPR search was incomplete because it did not contain findings for one or more States. TNTP did not ensure that NSOPR searches are complete and fully documented. By not ensuring that NSOPR checks are complete and documenting the outcome, TNTP can place itself, the Corporation and the population it serves at risk. TNTP subsequently provided documentation of completed NSOPR searches for all the tested members. As a result, no education awards were questioned.

NSOPR Search Was Not Based on Member's Legal Name

For one of the 105 member files tested, the NSOPR search was not conducted using the member's full legal name. By not ensuring that the NSOPR search is conducted based on the member's legal name, TNTP can place itself, the Corporation and the population it serves at risk. TNTP subsequently provided a valid NSOPR search. As a result, we note this as a non-compliance issue with the grant provisions and the education award is not questioned.

Criteria:

The October 2010 45 C.F.R. 2540.203(b) states:

The National Sex Offender Public Web site check must be conducted on an individual who is serving, or applies to serve, as a Foster Grandparent, Senior Companion, or AmeriCorps State and National participant or grant-funded staff with recurring access to children, persons age 60 or older, or individuals with disabilities on or after November 23, 2007. For all other covered individuals, the National Sex Offender Public Web site check must be conducted on an individual who enrolls in, or is hired by, your program on or after October 1, 2009.

The October 2010 45 C.F.R. 2540.201(a) states, "An individual is ineligible to serve in a covered position if the individual is registered, or required to be registered, on a State sex offender registry or the National Sex Offender Registry."

Recommendations:

5. We recommend that the Corporation ensure that TNTP strengthens internal controls to ensure that NSOPR searches include all 50 states, use members' legal names, and that results are documented to demonstrate the members' eligibility for service.

TNTP Response:

TNTP concurs with the findings.

Auditor's Comments:

The Corporation should follow-up with TNTP during audit resolution to ensure that the corrective action implemented by TNTP is effective.

Finding 6 – Criminal background and/or NSOPR search were not documented before member enrollment

For 8 of the 105 member files tested, the criminal background investigation and/or NSOPR search were conducted after member's start dates. For 7 of the 8 files, the documentation for the criminal background investigation were dated after the members completed their term of service. TNTP believes that the background investigations were performed prior to members' start dates, but the school districts submitted the results of the search to TNTP late. The date on the criminal background investigation reflected when it was sent to TNTP, not when it was performed. According to 45 CFR § 2540.204 (f), "Ensure that an individual, for whom the results of a required State criminal registry check are pending, is not permitted to have access to children, persons age 60 and older, or individuals with disabilities without being accompanied by an authorized program representative who has previously been cleared for such access." However, school policy prohibits members from teaching if the criminal background check is still pending. For 1 of the 8 files tested, there was no date on the documentation to determine when the NSOPR search was conducted. TNTP did not ensure that the date in which the criminal background investigation or NSOPR search was conducted is documented and meets timing requirements.

By not completing a criminal background check and NSOPR search prior to enrolling its members, TNTP can place itself, the Corporation and vulnerable populations being served at risk. We will note this as a non-compliance issue with the Federal regulation. All seven of the late-conducted criminal background checks and the NSOPR search results showed the individuals were eligible to serve. Education awards for the members were not questioned.

Criteria:

Participating school districts are formally required to provide information regarding its criminal background check process to TNTP. One of the questions asked was, "Are candidates with pending checks allowed to work with children in the district?" In all cases, the school districts indicated that the candidates were not allowed to work with children.

The October 2010 45 C.F.R. 2540.203(a)-(b) states:

The State criminal registry check must be conducted on Foster Grandparents, Senior Companions, and AmeriCorps State and National participants and grant-funded staff with recurring access to children, persons age 60 or older, or individuals with disabilities, who enroll in, or are hired by, your program after November 23, 2007. For all other covered individuals, the State criminal registry check must be conducted on an individual who enrolls in, or is hired by, your program on or after October 1, 2009. The National Sex Offender Public Web site check must be conducted on an individual who is serving, or applies to serve, as a Foster Grandparent, Senior Companion, or AmeriCorps State and National participant or grant-funded staff with recurring access to children, persons age 60 or older, or individuals with disabilities on or after November 23, 2007. For all other covered individuals, the National Sex Offender Public

Web site check must be conducted on an individual who enrolls in, or is hired by, your program on or after October 1, 2009.

The October 2010 45 C.F.R. 2540.201(a)-(b) states:

An individual is ineligible to serve in a covered position if the individual is registered, or required to be registered, on a State sex offender registry or the National Sex Offender Registry; or has been convicted of murder, as defined in section 1111 of title 18, United States Code.

Recommendation:

6. We recommend that the Corporation ensure that TNTP strengthens internal controls to make certain that criminal background checks and NSOPR searches are conducted prior to members starting service and that the search results are documented when they were conducted and reflect compliance with participating schools' policy and grant provisions.

TNTP Response:

TNTP concurs with the finding.

Auditor's Comments:

The Corporation should follow-up with TNTP during audit resolution to ensure that the corrective action implemented by TNTP is effective.

Finding 7 – Documentation of a member's eligibility was not maintained

One of the 105 member files tested did not include eligibility documentation that the member was a citizen or lawful permanent resident alien of the United States. TNTP believes that its review of the eligibility was documented, but the documentation was misplaced.

Without documentation of the member's citizenship or lawful permanent resident alien status, we were unable to verify that the member was eligible to serve. We already questioned the education award under a previous finding.

Criteria:

The 2009 AmeriCorps Special Provisions, Section IV.G. *Member Records and Confidentiality*, Paragraph 2. Verification, states:

The grantee must obtain and maintain documentation as required by 45 CFR§2522.200(c). The Corporation does not require programs to make and retain copies of the actual documents used to confirm age or citizenship eligibility requirements, such as a driver's license, or birth certificate, as long as the grantee has a consistent practice of identifying the documents that were reviewed and maintaining a record of the review.

Recommendations:

7. We recommend that the Corporation ensure that TNTP strengthens internal controls to make certain that the member eligibility reviews related to citizenship or lawful permanent resident alien status are documented and reflects the date when eligibility was verified.

TNTP Response:

TNTP concurs with the finding, but maintains that this was a unique occurrence regarding one member and was the result of an administrative error. Additional steps will be taken to ensure the eligibility review process is accurate for all candidates.

Auditor's Comments:

The Corporation should follow-up with TNTP during audit resolution to ensure that the corrective action implemented by TNTP is effective.

Finding 8 – Member service agreements contained errors, were not signed before members started service and members' attendance at pre-service orientation was not documented

a. Member Contract/Service Agreements Provided Wrong Term of Service and Differing Education Award Amounts

For 58 of the 105 member files tested, the member contracts/service agreements contained the wrong term of service and two different education award amounts. TNTP maintains electronic files of the member contract/service agreements, which are electronically signed by the members. In the process of updating the member contract/service agreement template for Program Year 2010-11, the following lapses occurred:

- Program Year 2010-11 – TNTP did not fully update the template because the Terms of Service under Section III.B. of the agreement states, "The Member will teach full-time for the entire duration of the 2009-2010 school year." However, Section III.A. of the agreement states, "The Member's term of service begins on the day you sign and send this document along with the other necessary enrollment materials and ends on the last day of the 2010-2011 school year." In addition, Benefits under Section V of the agreement indicated the education award amount was of \$4,725, which was the award amount for the prior program year. The header in the member service agreement indicated that the service period was the 2010-11 school year and the education award was increased to \$5,350.
- Program Year 2009-10 – When TNTP finalized the member service agreement for Program Year 2010-11, it inadvertently updated the previously signed member agreements for Program Year 2009-10. Those member service agreements now contain the same errors that were disclosed above for Program Year 2010-11.

TNTP's TeacherTrack TFP applicant data system did not protect the electronic member contract/service agreement file from being altered once it was electronically signed by the member. The member contract/service agreement should properly reflect the term of service and education award amount so there is no confusion between the member and TNTP

regarding the service period or education award amount. This is noted as an issue of non-compliance with the grant provisions.

Criteria

The 2009 and 2010 AmeriCorps Special Provisions, Section IV.D. *Supervision and Support*, Paragraph 2. *Member Contract/Member Service Agreements*, states:

The grantee must require that each member signs a service agreement that, at a minimum, includes or refers to the following:

- a) Member position description;
- b) The minimum number of service hours (as authorized by statute) and other requirements (as developed by the grantee) necessary to successfully complete the term of service and to be eligible for the education award;
- c) The amount of the education award being offered for successful completion of the terms of service in which the individual is enrolling;
- d) Standards of conduct, as developed by the grantee or sub grantee;
- e) Prohibited activities, including those specified in the regulations;
- f) Requirements under the Drug-Free Workplace Act (41 U.S.C. 701 *et seq.*);
- g) Suspension and termination rules;
- h) The specific circumstances under which a member may be released for cause;
- i) Grievance procedures; and
- j) Other requirements as established by the grantee.

b. Member Began Service Before Signing Member Agreement

For 2 of the 105 member files tested, the member service agreements were not signed until after the members had begun service. For one of the exceptions noted, the member signed the agreement after she began teaching. For the other exception, the member's part-time position (ineligible for AmeriCorps membership) transitioned to a full-time position (eligible for AmeriCorps membership) before he signed the member agreement. These exceptions were due to human error and an unexpected change in employment.

By having members sign their service agreements after the start date; the hours served prior to that date could call into question any claims related to health insurance or worker's compensation. Other risks associated with member conduct and prohibited activities could negatively impact the program. Given that the two members signed the agreement within two days after starting their service, no costs will be questioned. This is noted as a non-compliance issue with the grant provisions.

Criteria:

The 2009 and 2010 AmeriCorps Special Provisions, Section IV.D. *Supervision and Support*, Paragraph 2. *Member Contract/Member Service Agreements*, states, "The grantee should

ensure that the contract/service agreement is signed before commencement of service so that members are fully aware of their rights and responsibilities.”

c. No Documentation Supporting Member’s Attendance of the Pre-service Orientation

For 3 of the 105 member files tested, there was no documentation supporting member attendance of the pre-service orientation. TNTP did not ensure that all members have attended the pre-service orientation and their attendance is documented. By not attending orientation, the member, TNTP, the Corporation and the population the member serves may be at risk because the member may be unaware of their rights and responsibilities. This is noted as a non-compliance issue with the grant provisions and no costs are questioned.

Criteria:

The 2010 AmeriCorps Special Provisions, Section IV.D. *Supervision and Support*, Paragraph 3. Supervision, states:

The grantee must provide members with adequate supervision by qualified supervisors in accordance with the approved application. The grantee must conduct an orientation for members and comply with any pre-service orientation or training required by the Corporation.

The AmeriCorps State and National Policies and Policy FAQs, C.2. *Orientation*, states:

The grantee must conduct an orientation for members. The orientation should be designed to enhance member security and sensitivity to the community. Orientation should cover member rights and responsibilities, including the Program’s code of conduct, prohibited activities (including those specified in the regulations), requirements under the Drug-Free Workplace Act (41 U.S.C. 701 et seq.) suspension and termination from service, grievance procedures, sexual harassment, other non-discrimination issues, and other topics as necessary.

Recommendations:

We recommend that the Corporation ensures that TNTP:

- 8a. Institutes a management review to make certain that member service agreements reflect the correct term of service and education award amount before being issued for the member’s signature.
- 8b. Establishes controls to protect electronically signed contract/service agreement files from being altered.
- 8c. Implements a control to make certain that member service agreements are signed prior to the date that members begin service.
- 8d. Establish a control to make certain that member attendance to pre-service orientation is documented along with what topics were addressed during the orientation (i.e., an agenda).

TNTP Response:

TNTP concurs with the findings.

Auditor's Comments:

The Corporation should follow-up with TNTP during audit resolution to ensure that the corrective action implemented by TNTP is effective.

Finding 9 – Members' end-of-term evaluations were not properly completed and documented

For 5 of the 56 members that were to receive an End-of-Term Evaluation, the evaluation was incomplete. For members under Grant No. 07NDHNY002 the evaluation covered nine areas: (1) High Expectations, (2) Seek Resources, (3) Flexibility, (4) Direct & Respectful, (5) Models Professionalism, (6) Effective Teacher, (7) Positive Attitude, (8) Punctuality, and (9) Permanent Certification. Areas 1-5 and 8 were indicated as "Not Observed." However, for areas 6 and 9 it was noted as "Approaching Expectation." It is unclear how TNTP determined the rating for the "Effective Teacher" area without addressing the other evaluation areas. For members under Grant No. 10EDHNY001 the evaluations covered seven areas: (1) Positive Learning Environment, (2) Uses Instructional Time Well, (3) Engages Students to Make Subject Matter More Meaningful, (4) Uses a Variety of Instructional Strategies, (5) Uses Assessment Results, (6) Effective Teacher, and (7) Meeting Certification Requirements. Areas 1-6 were indicated as "Not Observed." However, area 7 was noted as "Meeting Expectation." There was no information as to how the member was performing as a teacher. For 3 of the 56 members, the evaluation was missing. TNTP indicated that the incomplete and missing end-of-term evaluations were due to staffing shortages at the New York City site.

Due to the incomplete/missing evaluations, TNTP was unable to demonstrate that the members satisfactorily completed assignments or met other performance criteria. As a result, those members could be determined ineligible to serve a second or additional term of service. None of the members cited here served an additional term under TNTP; therefore it is noted as an issue of non-compliance with the grant provisions.

Criteria:

The 2009 and 2010 AmeriCorps Special Provisions, Section IV.D. *Training, Supervision and Support*, Paragraph 4. *Performance Reviews*, states:

The grantee must conduct and keep a record of at least a midterm and end-of-term written evaluation of each member's performance for Full and Half-Time members and an end-of-term written evaluation for less than Half-time members. The end-of-term evaluation should focus on such factors as:

- a. Whether the member has completed the required number of hours;
- b. Whether the member has satisfactorily completed assignments; and
- c. Whether the member has met other performance criteria that were clearly communicated at the beginning of the term of service.

The October 2009 and 2010 45 C.F.R. 2522.220(b), *Eligibility for subsequent term*, states:

A participant will only be eligible to serve a subsequent term of service if that individual has received a satisfactory performance review for any previous term of service in an approved AmeriCorps position, in accordance with the requirements of paragraph (d) of this section and § 2526.15. Mere eligibility for a second or further term of service in no way guarantees a participant selection or placement.

Recommendation:

9. We recommend that the Corporation ensure TNTP establishes a management review process of member evaluations to verify that the end-of-term evaluation is completed and documented in the member's file.

TNTP Response:

TNTP concurs with the finding.

Auditor's Comments:

The Corporation should follow-up with TNTP during audit resolution to ensure that the corrective action implemented by TNTP is effective.

APPENDIX A

**THE NEW TEACHER PROJECT
RESPONSE TO DRAFT REPORT**

April 30, 2012

Richard Samson
Audit Manger
Office of Inspector General
Corporation for National and Community Service
1201 New York Avenue, NW, Suite 830
Washington, DC 20525

Dear Mr. Samson:

Enclosed please find comments from The New Teacher Project (TNTP) to the Office of Inspector General on the agreed-upon-procedures for the grants awarded to TNTP by the Corporation for National and Community Service.

If you would like to request additional information, please feel free to contact Kevin Zimmer, Partner, at kzimmer@tntp.org.

Sincerely,

Ariela Rozman
Chief Executive Officer
TNTP

Enclosure

Cc: Claire Moreno, Audit Resolution, CNCS
Timothy Daly, President, TNTP
Kevin Zimmer, Partner-Program Support, TNTP

Audit Report Review and Comment
Agreed Upon Procedures Review of Corporation Grants
The New Teacher Project (TNTP)
Submitted: April 30, 2012

FINDING 1 - MEMBERS' 60 HOURS OF VOLUNTEER SERVICE PERFORMED UNDER THE SERVICE AGREEMENT WAS NOT DOCUMENTED

Recommendations:

We recommend that the Corporation:

1a. Work with TNTP to resolve questioned education awards of \$98,680 for Grant No. 07NDHNY002.

1b. Ensure that TNTP amends the current member service agreements under Grant Nos. 10EDHNY001, 11ESHGA0010002, and 11FXHGA0020001 to remove the requirement of 60 hours of volunteer service and establish controls to ensure that future member agreements reflect the same requirements in the grant application.

TNTP Response:

TNTP concurs with this finding, but respectfully objects to one of the recommendations.

1a. TNTP does not concur with recommendation to resolve the questioned education awards of \$98,680 for Grant No. 07NDHNY002. We maintain that this finding is a result of administrative error on the part of TNTP AmeriCorps staff to remove the language from the member agreement. TNTP no longer requires that our members complete a specific number of volunteer hours to remain eligible to earn their education award. As a result, we deprioritized our administrative effort to collect evidence of volunteer service. We removed all references to the volunteer hours requirement from program materials with exception to the member agreement. Notwithstanding this, we attest that our members are engaged in a number of volunteer activities and we are confident that the 60-hour standard was met or exceeded as service and volunteerism are core values of our Teaching Fellows programs. Our AmeriCorps members consistently go beyond their day-to-day work as teachers in the classroom to serve their students and community.

Although our staff regrettably did not remove the language from the member agreement or track volunteer hours, we believe that our teachers did fulfill this requirement based in part on evidence previously submitted as part of this audit process. In particular, we submitted descriptions of the volunteer activities and hours completed by a representative sample of twenty AmeriCorps' members that were included in the finding. On average, these members reported spending approximately six hours per week in additional volunteer activities such as

mentoring, tutoring, coaching, and leading student clubs. This level of volunteer service would put them *well over* the 60-hour requirement for the school year. The responses and information collected from these twenty members typify what we hear from our program participants across the country. We are confident that these patterns of volunteerism are mirrored by their AmeriCorps counterparts, with all members engaging in more than 60 hours of volunteer service in their schools and communities during their first year of teaching.

1b. TNTP concurs with this recommendation and proposes the following corrective action: TNTP will send a memo to all members currently serving under Grant Nos. 10EDHNY001, 11ESHGA0010002, and 11FXHGA0020001. This memo will explain our administrative error in their original member agreement, and clarify that volunteer hours are *not* required to remain eligible for the education award. This memo will be sent to all members by May 31, 2012.

TNTP has already removed the statement about the volunteer hours requirement from all future member agreements. Additionally, we will implement a management review and approval procedure of the member agreement to ensure accuracy of the member agreement, as well as compliance with all AmeriCorps regulations and provisions.

FINDING 2 - GCSV DID NOT OBTAIN THE CORPORATION'S APPROVAL FOR AN ALTERNATIVE TIMEKEEPING SYSTEM FOR ITS GRANTS

Recommendations:

We recommend that the Corporation:

2a. Ensure that TNTP requests approval of the alternative timekeeping system and that GCSV reviews the request for adequacy and forwards it to the Corporation for approval.

2b. Ensure that GCSV facilitates Corporation approval of any subgrantee requests to use an alternative timekeeping system and obtain such approval with the Corporation's issuance of a grant amendment.

2c. Work with GCSV and TNTP to establish appropriate timekeeping records to support the education awards for members currently serving under Grants No. 11ESHGA001 and No. 11FXHGA002.

TNTP Response:

TNTP concurs with this finding.

2a: TNTP concurs with this recommendation and provides additional clarification. It was our intention to be in compliance by providing our timekeeping waiver issued by the Corporation

to GCSV. It was our understanding that any waiver issued by the Corporation would apply to other grants as long as the program design, recipient organization, and the procedure by which we verified member time did not change. TNTP regrets this misunderstanding and will comply fully with this recommendation in the future by requesting approval of our alternative timekeeping system for each individual grant as required.

2c: TNTP concurs with this recommendation and will seek proper approval from GCSV of our timekeeping system, described below:

Our program staff access school district Human Resources records and program administrative records at the end of the year to verify whether each member met school and program requirements for program completion. These criteria were used as justification for TNTP's original timekeeping waiver request that was approved by the Corporation, and we believe they provide a simple and effective measure to ensure that members are meeting their service-hour obligations. If members meet the requirements set by both their schools and programs, that individual will have completed more than the 1700 hours required for full time AmeriCorps participation. Members that meet these criteria and are in good standing with their program and districts (as outlined in their Member Agreement and evaluations) will be approved for an education award.

FINDING 3 - TNTP'S REQUEST FOR ALTERNATIVE TIMEKEEPING SYSTEM FOR PROFESSIONAL CORPS WAS NOT PREPARED AND APPROVED IN ACCORDANCE WITH THE CORPORATION'S POLICY

Recommendations:

3. We recommend that the Corporation re-train program and grant officers on Policy ASN02007-03-3, Special Condition for Timekeeping for Professional Corps Programs, to ensure that:

Grantees' timesheet waiver requests meet the requirements of the Corporation's policy, including a description of the alternative timekeeping system.

The policy is communicated to the grantees and special conditions, once approved, are included in the grant award or its amendment in a timely fashion.

TNTP Response:

TNTP concurs with this finding and recommendation.

TNTP will work with the Corporation to resolve this finding and to ensure our alternative timekeeping practices and procedures meet requirements identified in the provisions. Our proposed alternative approach is outlined below for reference:

Our program staff access school district Human Resources records and program administrative records at the end of the year to verify whether each member met school and program requirements for program completion. Completion of the school year and Teaching Fellows program were criteria used as justification for TNTP's original timekeeping waiver request that was approved by the Corporation. If a member meets the requirements of both school and program, that individual will have completed more than the 1700 hours required for full-time AmeriCorps participation. Members that meet these criteria and are in good standing with their program and districts (as outlined in their Member Agreement and evaluations) will be approved for an education award.

As outlined in our original waiver approved by the Corporation, it is our position that our members who serve in full-time teaching positions exceed the 1,700 hours required by AmeriCorps by completing the normal duties of the teaching profession and by completing professional development and coursework needed to gain full certification. We will seek to acquire the proper waiver to use this timekeeping approach and will follow the proposed recommendations to ensure that our staff is properly trained and that our approach meets the Corporation's policies and requirements in accordance with any waiver that is ultimately approved.

FINDING 4 - DOCUMENTATION WAS NOT AVAILABLE TO ADEQUATELY SUPPORT PAYROLL COSTS INCURRED

Recommendations:

We recommend that the Corporation work with TNTP to:

- 4a. Resolve the questioned \$2,826 in Federal and \$7,777 in match cost to Grant No. 07NDHNY002.
- 4b. Ensure that periodic management reviews of payroll costs are conducted to verify that:
 - Wage/salary rate documentation is current and maintained;
 - Time cards clearly document the basis for payment (i.e., number of hours , files, events, etc.); and
 - Payments are only made with supervisor's approval for the work performed and that such approval covers the entire work period.

TNTP Response:

TNTP concurs with this finding.

4a. TNTP concurs with this recommendation and will work with the Corporation to resolve the questioned \$2,826 in Federal and \$7,777 in match cost to Grant No. 07NDHNY002.

4b. TNTP concurs with this recommendation and offers corrective action. TNTP has already taken steps to resolve these findings. In July 2011, a full time Seasonal Staff Associate was dedicated to the sole purpose of ensuring that the personnel files of non-salaried personnel are complete and current. This person will monitor the development of new hire or rehire packages as well as their proper retention in personnel files. A Seasonal Staff Tracker tool has been developed to monitor the completeness of the hire/rehire process. The Seasonal Staff Associate will monitor the consistency of compensation with the authorized compensation levels and documented work. Additionally, Managers and the Seasonal Staff Associate will periodically review a payroll report to confirm that seasonal staff payments conform to authorized levels. TNTP also uses the Stromberg online system for timekeeping and approval for payroll. It is configured to require supervisor approval before including the timecard in the batch for payroll. We consider this corrective action to address all components of this finding.

FINDING 5 - NSOPR SEARCHES WERE INCOMPLETE OR INAPPROPRIATELY CONDUCTED

Recommendations:

5. We recommend that the Corporation ensure that TNTP strengthens internal controls to make certain that NSOPR searches include all 50 states, use members' legal names, and that results are documented to demonstrate the members' eligibility for service.

TNTP Response:

TNTP concurs with this finding and recommendation, and offers corrective action.

TNTP has already taken steps to strengthen our procedures and staff training to ensure the accuracy and completion of NSOPR searches. It is already TNTP policy to complete all NSOPR checks on all Members using their full legal name, covering all 50 states, and doing so before the start of their service. TNTP will follow all Corporation regulations and best practices for conducting NSOPR checks and will make sure all TNTP AmeriCorps staff responsible for NSOPR searches are fully trained on this procedure.

FINDING 6 - CRIMINAL BACKGROUND AND/OR NSOPR SEARCH WERE NOT DOCUMENTED BEFORE MEMBER ENROLLMENT

Recommendation:

6. We recommend that the Corporation ensure that TNTP strengthens internal controls to make certain that criminal background checks and NSOPR searches are conducted prior to members starting service and that the search results are documented when they were conducted and reflect compliance with participating schools' policy and grant provisions.

TNTP Response:

TNTP concurs with this finding and recommendation, and offers corrective action.

TNTP maintains that the finding related to background checks is a result of documentation error and not a result of actual noncompliance with AmeriCorps requirements for background checks. As part of TNTP procedure, our partner districts submit a background check verification form to TNTP to verify that members' required background checks have been conducted and reviewed prior to teaching. Previously, there was a field for "Date Completed" on the verification form, which was intended to reflect the date that a district representative reviewed the background checks and cleared the members to serve in the classroom. However, several district representatives interpreted the "Date Completed" field to mean the date they filled out the actual form rather than the date they conducted/reviewed the background checks. This misinterpretation of the "Date Completed" field led many district representatives to mark a date that was after the day the background checks were completed, which resulted in the appearance of noncompliance. Each of our district partners confirmed prior to the school year that candidates with incomplete or pending background checks are not allowed to enter district classrooms until the background checks are complete. Although our TNTP AmeriCorps staff regrettably did not identify this error while reviewing the documentation, we are confident that the districts' followed their own documented procedures for conducting all background checks prior to member service.

TNTP has already revised the background check verification form to differentiate the date for when background checks were verified from the date the physical form was signed and submitted to TNTP. Additionally, we have strengthened our procedure to include a detailed review of all background check verification information to identify and correct any errors on the form.

Although the NSOPR checks identified in Finding 5 were initially conducted prior to member start date, the results were considered incomplete because one or more state database sites were not working at the time. Once this was brought to our attention, we conducted the checks for a second time, but at that point, the member start date had passed and we were out of compliance

as indicated in this finding. By implementing our corrective actions described under Finding 5 with regard to NSOPR checks, TNTP also will prevent non-compliance under this finding.

FINDING 7 - DOCUMENTATION OF A MEMBER'S ELIGIBILITY WAS NOT MAINTAINED

Recommendations:

7. We recommend that the Corporation ensure that TNTP strengthens internal controls to make certain that the member eligibility reviews related to citizenship or lawful permanent resident alien status are documented and reflects the date when eligibility was verified.

TNTP Response:

TNTP concurs with this finding but respectfully objects to the recommendation.

TNTP concurs with this finding but maintains that this was a unique occurrence regarding one member and was a result of administrative error. Our current internal controls and procedure adequately address this issue. Members upload their eligibility documents to their profile in TNTP's TeacherTrack system. TNTP AmeriCorps staff is trained to accurately verify each members' eligibility and to document the date of verification in administrative program records. Eligibility documentation is filed electronically and securely in TNTP's TeacherTrack system. As a result, we do not believe that we need to substantially overhaul our existing eligibility review process. Rather, we will take additional steps to ensure that it is executed with fidelity for 100% of candidates.

FINDING 8 - MEMBER SERVICE AGREEMENTS CONTAINED ERRORS, WERE NOT SIGNED BEFORE MEMBERS STARTED SERVICE AND MEMBERS' ATTENDANCE AT PRE-SERVICE ORIENTATION WAS NOT DOCUMENTED

Recommendations:

We recommend that the Corporation ensures that TNTP:

8a. Institutes a management review to make certain that member service agreements reflect the correct term of service and education award amount before being issued for the member's signature.

8b. Establishes controls to protect electronically signed contract/service agreement files from being altered.

8c. Implements a control to make certain that member service agreements are signed prior to the date that members begin service.

8d. Establish a control to make certain that member attendance to pre-service orientation is documented along with what topics were addressed during the orientation (i.e., an agenda).

TNTP Response:

TNTP concurs with this finding and recommendations, and offers corrective action.

8a/8b/8c. TNTP will implement a management review and approval procedure of the member agreement to ensure accuracy of the member agreement, as well as compliance with all AmeriCorps regulations and provisions.

8d. TNTP will implement a procedure to ensure that member attendance at orientation is documented. Member attendance of their pre-service orientation is maintained in our Teacher Track system by program staff. TNTP AmeriCorps staff will pull attendance data from the system and maintain it in our AmeriCorps files with orientation materials.

FINDING 9 - MEMBERS' END-OF-TERM EVALUATIONS WERE NOT PROPERLY COMPLETED AND DOCUMENTED

Recommendation:

9. We recommend that the Corporation ensure TNTP establishes a management review process of member evaluations to verify that the end-of-term evaluation is completed and documented in the member's file.

TNTP Response:

TNTP concurs with this finding and recommendation, and offers corrective action.

TNTP has already implemented changes to our member mid-year and end-of-year evaluation procedure to prevent future noncompliance. The instances of noncompliance included in this finding were at sites where the member corps is particularly large. For those sites, we implemented an alternative evaluation procedure that requires principals to complete and submit the member evaluations directly to TNTP. For all other sites, we strengthened the guidance provided to program staff on how to consider member performance within each criterion to accurately complete the evaluation. Additionally, we have strengthened our internal review procedure to ensure that we have a mid-year and end-of-year evaluation on file for each member, and that we follow up on any evaluation with completion or member rating concerns.

APPENDIX B

**GEORGIA COMMISSION FOR SERVICE AND VOLUNTEERISM
RESPONSE TO TNTP DRAFT REPORT**

Nathan Deal
Governor



Mike Beatty
Commissioner

April 19, 2012

Stuart Axenfeld
Assistant Inspector General for Audit
Office of Inspector General
Corporation for National and Community Service
1201 New York Avenue
Washington, DC 20525

Dear Mr. Axenfeld,

Thank you for the opportunity for the Georgia Commission for Service and Volunteerism (GCSV) to respond to the Draft Report of the audit of AmeriCorps grants awarded to The New teacher Project (TNTP).

The Georgia Commission for Service and Volunteerism (GCSV) awarded two Fixed Amount AmeriCorps Grants, 11ESHGA0010002 and 11FXHGA0020001, to TNTP in 2011. The two TNTP AmeriCorps grants awarded by GCSV are included in the agreed-upon procedures for Corporation grants awarded to TNTP for the period June 15, 2009, through September 30, 2011. GCSV has been asked to respond to one of nine findings in the draft report to the Office of Inspector General prepared by CliftonLarsonAllen.

Our response is attached. GCSV will work with TNTP, the Office of Inspector General and the Corporation to satisfactorily resolve the issue of a timekeeping waiver for a professional corps AmeriCorps grant that was raised in the Draft Report.

Sincerely,

A handwritten signature in black ink, appearing to read "John Turner".

John Turner
Executive Director
Georgia Commission for Service and Volunteerism
60 Executive Park South, NE
Atlanta, GA 30329-2231

cc: Richard Samson, OIG Audit Manager

Finding 2 – GCSV did not obtain the Corporation’s approval for an alternative timekeeping system for its grants.

GCSV does not agree with the conclusion of Finding 2 that states the TNTP timekeeping question should be noted as a non-compliance issue with the grant provision cited, the 2011 AmeriCorps Special Provisions, Section IV.C. *Member Recruitment, Selection, and Exit, Paragraph 5, Timekeeping.*

The Provisions section cited specifies the responsibilities of both the grantee and the subgrantee in the matter of timekeeping for a professional corps program. The Provisions state that a program that wants to use the timekeeping practices of its profession must get advance approval from the Corporation. Finding 3 of this report states that a TNTP timesheet waiver request was submitted to the Corporation on November 28, 2007, and was approved by the Corporation on February 21, 2008. Finding 3 further states that costs and education awards are not being questioned regarding this issue because the Corporation approved the waiver request.

GCSV concurs with recommendations 2b. and 2c. regarding Finding 2 and will work with the Corporation and TNTP to implement them. GCSV will review alternative timekeeping system or procedure requests from any subgrantees, seek Corporation approvals of the requests, and amend grants to include any waivers that are approved by the Corporation. GCSV will work with TNTP to resolve the question of appropriate timekeeping records for AmeriCorps members serving under grants 11ESHGA001 and 11FXHGA002.

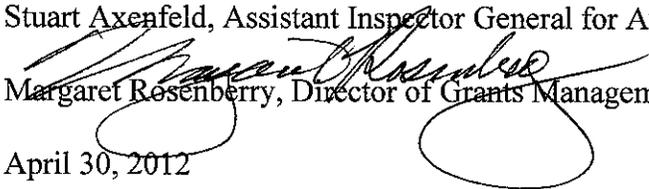
As noted in Finding 2, GCSV did not disburse any federal grant funds to TNTP from grants 11ESHGA0010002 or 11FXHGA0020001 during the period of the audit review, but did permit TNTP to begin the program upon receipt of the two grant awards from the Corporation. TNTP is a professional corps program that supports AmeriCorps members who are teachers serving in public school systems. The TNTP programs supported by grants 11ESHGA0010002 and 11FXHGA0020001 involve the same member service activities and organizational structure as the programs supported by grant 10EDHNY002 and the earlier grant, 07NDHNY002.

GCSV agrees that the issue raised in recommendation 2a regarding a timekeeping waiver obtained for a professional corps program that is first funded as a National Direct by the Corporation, in this case 07NDHNY002, and then subsequently becomes a subgrantee of a state commission, needs clarity. If the Corporation determines that a new timekeeping waiver is necessary in this instance, GCSV will require a timekeeping waiver request from TNTP, review it for adequacy and forward it to the Corporation for approval.

APPENDIX C

**CORPORATION FOR NATIONAL AND COMMUNITY SERVICE
RESPONSE TO TNTP DRAFT REPORT**

Corporation for
**NATIONAL &
COMMUNITY
SERVICE** 

To: Stuart Axenfeld, Assistant Inspector General for Audit
From: 
Margaret Rosenberry, Director of Grants Management
Date: April 30, 2012
Subject: Response to OIG Draft Report on the Audit of the Corporation for
National and Community Service (CNCS) Grants Awarded to The New
Teacher Project (TNTP)

Thank you for the opportunity to review the draft audit report of the CNCS's grants awarded to TNTP. We will work with TNTP to ensure its corrective action plan adequately addresses the findings. We will respond with our management decision after we receive the final report and the auditor's working papers.

Cc: Douglas H. Hilton, Acting Chief Financial Officer
Rosa Moreno-Mahoney, Acting Director AmeriCorps* State and National
Valerie E. Green, General Counsel