Office of the Inspector General
Corporation for National and Community Service

Pre-Audit Survey Report of the Delaware Community Service Commission

OIG Audit Report Number 00-06
October 8, 1999

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This report was issued to Corporation management on May 18, 2000. Under the laws and regulations governing audit follow up, the Corporation must make final management decisions on the report's findings and recommendations no later than November 14, 2000, and complete its corrective actions by May 18, 2001. Consequently, the reported findings do not necessarily represent the final resolution of the issues presented.

Office of Inspector General
Corporation for National and Community Service

CORPORATION
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SERVICE

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Delaware Community Service Commission
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Introduction

The Corporation for National and Community Service, pursuant to the authority of the National and Community Service Act, awards grants and cooperative agreements to state commissions, nonprofit entities, tribes and territories to assist in the creation of full and part time national and community service programs. Currently, in accordance with the requirements of the Act, the Corporation awards approximately two-thirds of its AmeriCorps State/National funds to state commissions. The state commissions in turn fund, and are responsible for the oversight of, subgrantees who execute the programs. Through these subgrantees, AmeriCorps Members perform service to meet educational, human, environmental, and public safety needs throughout the nation.

Thus, state commissions play an important role in the oversight of AmeriCorps programs and expenditures. The Corporation has indicated that it intends to give them greater responsibility. However, the Corporation lacks a management information system that maintains comprehensive information on its grants including those to state commissions and subgrantees. Moreover, although the Corporation began state commission administrative reviews in 1999, the Corporation, historically, has not carried out a comprehensive, risk-based program for grantee financial and programmatic oversight and monitoring. It is also unlikely that AmeriCorps programs are subject to compliance testing as part of state-wide audits under the Single Audit Act due to their size relative to other state programs.

Therefore, CNS OIG has initiated a series of pre-audit surveys intended to provide basic information on the state commissions' operations and funding. The surveys are designed to provide a preliminary assessment of the commissions' pre-award and grant selection procedures, fiscal administration, monitoring of subgrantees (including AmeriCorps Member activities and service hour reporting), and the use of training and technical assistance funds. For each survey, we will issue a report to the state commission and to the Corporation communicating the results and making recommendations for improvement, as appropriate.

We engaged Urbach Kahn & Werlin PC to perform the pre-audit survey of the Delaware Community Service Commission. As a result of the survey procedures performed, UKW reports that while the Commission appears to have adequate controls related to training and technical assistance, its fiscal administrative controls and subgrantee monitoring procedures are inadequate. Because of a lack of supporting documentation, UKW was unable to determine whether the Delaware Commission has an open and competitive process to select national service subgrantees. The report includes numerous recommendations for improvements in the Commission's subgrantee selection, grants administration and monitoring processes. The report also includes recommendations for follow-up

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on corrective actions by the Corporation for National Service and revision of the Corporation's guidance on subgrantee monitoring to specify minimum procedures to be performed and minimum documentation requirements. Finally the report recommends a full scope financial audit of the funds awarded to the Commission for 1995 through the current program year.

We have reviewed the report and work papers supporting its conclusions, and we agree with the findings and recommendations presented. In its response (Appendix A), the Delaware Commission's response disagreed with many of the report's findings and conclusions.

Office of the Inspector General
Corporation for National and Community Service

Pre-Audit Survey Report of the
Delaware Community Service Commission

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UK &W Urbach Kahn & Werlin PC
CERTIFIED PUBLIC ACCOUNTANTS

Inspector General
Corporation for National and Community Service

At your request, Urbach Kahn and Werlin PC performed a pre-audit survey of the Delaware Community Service Commission. The primary purpose of this survey was to provide a preliminary assessment of:

- the adequacy of the pre-award selection process;
- the fiscal procedures at the Commission;
- the effectiveness of monitoring Delaware State Commission subgrantees, including AmeriCorps Member activities and service hours; and
- the controls over the provision of technical assistance.

We were also asked to report on the recommended scope of additional audit procedures to be performed at the Delaware Commission.

RESULTS IN BRIEF

Based on the results of the limited procedures performed, we have made the following preliminary assessments regarding the Commission's systems for administering grants received from the Corporation.

- We were unable to determine if the Commission has an open and competitive process to select national service subgrantees and whether the related systems and controls are functioning as designed, due to the lack of supporting documentation.
- The Commission does not have an adequate process in place for the fiscal administration of grants.
- The Commission does not have adequate controls in place to evaluate and monitor subgrantees.
- The Commission appears to have adequate controls in place to ensure that training and technical assistance are made available and provided to subgrantees.

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Based on our preliminary assessments, we recommend that the OIG perform a full-scope financial audit of the funds awarded to the Delaware Commission for 1995 through the current program year. Procedures should also include verification of reported Member service hours and matching amounts by subgrantees. In addition, we recommend that the Corporation follow up with the Commission to determine that appropriate corrective actions are put in place to address the conditions reported herein and that the Corporation consider these conditions in its oversight and monitoring of the Delaware Commission.

BACKGROUND

The National and Community Service Trust Act of 1993, P.L. 103-82, which amended the National and Community Service Act of 1990, established the Corporation for National and Community Service.

The Corporation, pursuant to the authority of the Act, 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 programs. Through these grantees, AmeriCorps Members perform service to meet the educational, human, environmental, and public safety needs throughout the nation, especially addressing those needs related to poverty. In return for this service, eligible Members may receive a living allowance and post-service educational benefits.

Currently, the Corporation awards approximately two-thirds of its *AmeriCorps State/National* funds to State Commissions. State Commissions are required to include between 15 and 25 voting members. Each Commission has a responsibility to develop and communicate a vision and ethic of service throughout the State.

The State Commissions provide AmeriCorps funding to approved subgrantees for service programs within their states and are responsible for monitoring these subgrantees' compliance with grant requirements. The State Commissions are also responsible for providing training and technical assistance to AmeriCorps State and National Direct programs and to the broader network of service programs throughout the state. The Commissions are prohibited from directly operating national service programs.

The Corporation's regulations describe standards for financial management systems that must be maintained by State Commissions. The standards require, in part, that the State Commissions maintain internal controls that provide for accurate, current, and complete disclosure of the financial and programmatic results of financially assisted activities, as well as effective control and accountability for all grant and subgrant cash, real and personal property, and other assets.

OVERVIEW OF THE DELAWARE COMMISSION

The Delaware Community Service Commission is headquartered in New Castle, Delaware. The Commission has been providing national and community service programs in its current form since 1995. The Commission reported that it received funding from the Corporation totaling $729,302 in 1995; $986,426 in 1996; $920,941 in 1997; $889,751 in 1998, and $964,704 in 1999. Additional information on the Commission's funding is presented in Appendix A.

The Commission currently has three full-time staff consisting of an Executive Director, a Program Officer, and an Administrative Assistant. In addition, the Commission has a part time Fiscal Officer and a Youth Advisor. The Commission's AmeriCorps and Learn and Serve Program Officers monitor subgrantee program and fiscal activities.

As part of the State of Delaware, the Commission is included in the state's annual OMB Circular A-133 audit. There have been no questioned costs or findings identified at the Commission to date. However, it was not considered or tested as a major program.

The majority of the Commission's subgrantees are state agencies, which fall under the state A-133 audit; however, even at the agency level, the Corporation-funded programs have not been identified as major programs. The Commission provided the following information regarding subgrantee A-133 audits:

Program Year	Total Amount of Corporation Funds Subgranted	Number of Subgrantees	Number of Subgrantees Subject To A-133 Audit Requirements
1999	$687,193	4	2
1998	665,936	5	3
1997	746,686	6	3
1996	797,832	5	3
1995	480,689	2	2

Determination of the number of subgrantees subject to OMB Circular A-133 audit requirements is based on information received from the Commission and the dollar value of federal awards passed through the Commission during the program year. Other subgrantees could be subject to an OMB Circular A-133 audit if additional federal funds were received from other sources during the program year.

During March 1999, the Delaware Community Service Commission engaged Walker & Company, LLP to provide financial management consulting services and address specific fiscal issues such as the Corporation's reporting process. Their review included: procedures for invoicing the "Learn & Serve" programs; administrative and PDAT Funds; federal and state regulations; budget preparation; reimbursement requests; and the grant process. This review

resulted in several recommendations that have been implemented by the Delaware Commission during the 2000 program year.

OBJECTIVES, SCOPE AND METHODOLOGY

We were engaged by the Office of the Inspector General for the Corporation for National and Community Service, to provide a preliminary assessment of the systems and procedures in place at the Commission for administering grants and for monitoring the fiscal activity of subgrantees.

The primary purpose of this survey was to provide a preliminary assessment of:

- the adequacy of the pre-award selection process;
- the fiscal procedures at the Commission;
- the effectiveness of monitoring of Delaware State subgrantees, including AmeriCorps Member activities and service hours; and
- the controls over the provision of technical assistance.

We were also asked to report on the recommended scope of additional audit procedures to be performed at the Commission.

Our survey included the following procedures:

- reviewing Corporation laws, regulations, grant provisions, the *Reference Manual for Commission Executive Directors and Members,* and other information to gain an understanding of legal, statutory and programmatic requirements;
- reviewing OMB Circular A-133 audit reports and current program year grant agreements for the Commission;
- obtaining information from Commission management to complete flowcharts documenting the hierarchy of Corporation grant funding for program years 1995 through 1999; and
- performing the procedures detailed in Appendix B, in connection with the Commission's internal controls, selection of subgrantees, administration of grant funds, evaluation and monitoring of grants, and technical assistance process.

As part of the procedures performed, we documented and tested certain internal controls in place at the Commission using inquiry, observation, and examination of a sample of source documents. Finally, we summarized our observations and developed the findings and recommendations presented in this report. We discussed all findings with Commission management during an exit

conference on October 8, 1999. We also provided Commission personnel with documentation to support these findings and allowed them additional time to provide us with supporting documentation to resolve certain findings.

Our procedures were performed in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to, and did not perform an audit of any financial statements, and the procedures described above were not sufficient to express an opinion on the controls at the Commission or its compliance with applicable laws, regulations, contracts, and grants. Accordingly, we do not express an opinion on any such financial statements or on the Commission's controls and compliance. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We provided a draft of this report to the Delaware Commission and the Corporation for National and Community Service. The Commission's responses to our findings and recommendations are included as Appendix C. In order to address certain concerns raised by the Commission in its response, we have clarified certain findings and recommendations. The Corporation did not respond within the thirty-day comment period.

FINDINGS AND RECOMMENDATIONS

Selection of Subgrantees

According to *A Reference Manual for Commission Executive Directors and Members*, Section 3.2, "Commissions are expected to develop a fair and impartial process for reviewing and selecting applicants for potential funding." The Delaware Commission has developed various procedures to meet this responsibility. The Delaware Commission announces the availability of funds through direct mailings and newspaper advertisements. Potential subgrantees attend a pre-bid meeting to gain an understanding of the available funds, as well as to receive an application.

A Program Oversight Committee then evaluates each application on the following: objectives and goals of the program; ways the program will strengthen the community, develop its members, and monitor and evaluate its continuing improvement; programs' organizational capacities; and cost-effectiveness and sustainability. The Committee also personally interviews all applicants. Once the interview process is completed, the Oversight Committee ranks each applicant and makes recommendations to the Commission Board.

However, based on the results of our testing, we do not believe the documentation maintained by the Commission to support the selection process is adequate. We have identified the following areas for improvement.

The Commission did not maintain signed conflict of interest forms as required.

Section 3.6 of the *Reference Manual for Commission Executive Directors and Members* states "Commissions should strive to achieve the greatest objectivity and impartiality possible in the review and selection of grantees in the state." The section continues to state "As defined by the Act, a Commission member or review panel member is considered to have a conflict of interest if the member is currently, or was within one year of the submission of a grant application to the Commission: an officer, a director, a trustee, a full-time volunteer or an employee of an organization submitting a grant application to the State Commission."

Page 3-30 of Section 3.6 states "If a Commission member has a conflict of interest, the member must recuse himself/herself from the Commission's administration of the grant program, including such activities as any discussions or decisions by the Commission regarding the provision of funds or education awards to *any program or entity funded under the same funding category.*"

The Commission was unable to provide signed conflict of interest statements for the 1995 through 1998 program years during our fieldwork. Subsequent to the completion of our fieldwork, Commission personnel located some signed conflict of interest statements. However, these statements did not include the dates of signature; therefore, we were unable to determine the program year to which they relate.

Because the Commission could not provide all signed and dated conflict of interest statements, we were unable to determine whether conflict of interest statements were properly completed by all Commission and peer review panel members during the grantee selection process and whether or not the individual reviewer maintained a conflict of interest.

We recommend that the Commission actively check for conflicts of interest and ensure that signed and dated conflict of interest forms are maintained for each grant applicant on file in accordance with the Corporation requirements.

Some documentation was unavailable to support grant-making decisions.

The Commission was also unable to provide us with requested documentation related to application rejections and award prior to the 1998 selection process. Therefore, we were unable to determine whether the Commission followed Corporation guidelines regarding the selection of subgrantees.

We recommend that the Commission enforce current policies and procedures requiring the retention of documentation supporting the award or rejection of subgrantee applicants.

Lack of assessment of subgrantee applicants' Financial Systems during the selection process

According to *A Reference Manual for Commission Executive Directors and Members,* Section 4.2, Commissions are responsible for maintaining "appropriate financial management systems to disburse funds and track Commission and program expenditures according to legal and grant requirements." In order to comply with this requirement, the Commission must be able to ensure that subgrantees have systems in place to accurately track expenditures, as this information forms the basis of a majority of the Commission's expenditure reporting.

However, based on our testing, we found that selection officials do not consider the adequacy of the applicants' financial systems during the Commission's subgrantee selection process. The grant application form provided by the Corporation does not specifically address the applicant's financial systems. In addition, Commission selection procedures do not require Commission personnel to request information from the applicants related to their financial systems or to otherwise assess an applicant's financial system. As a result, grant funds may be provided to an organization that does not have financial systems in place to properly account for the Corporation funds received or to ensure compliance with related requirements.

We recommend the Commission evaluate and document the adequacy of the applicants' financial systems during the selection process to ensure that applicants have systems in place to properly account for grant funds and comply with related grant requirements.

The Commission did not advertise the availability of funds for the 1998 program year.

A Reference Manual for Commission Executive Directors and Members, page 3-9, states "Just as the process for developing the Unified State Plan must be open and accessible to all interested parties, so too must the process by which the Commission solicits funding applications. The Commission is expected to widely publicize the availability of funds, distribute a clear and easily understood application packet, and offer technical assistance to potential applicants. The application instructions should reflect the themes and priorities of the state and those established by the Corporation."

The Director of Social Service Centers stated that the Commission did not believe the full competitive process was required if the state had eligible renewal subgrantee candidates. While an open and competitive process is required under Corporation guidance, the Corporation allows the State Commissions to award funds to subgrantees without announcing the availability of funds if they have limited resources and eligible renewal candidates. However, the Commission did not document their reasons for failing to announce the availability of funds during the selection process.

We recommend that the Commission revise procedures to document the reasoning for not announcing the availability of funds, during the selection of subgrantees.

Administering Grant Funds

As part of the grant administration process, "Commissions must evaluate whether subgrantees comply with legal, reporting, financial management and grant requirements and ensure follow through on issues of non-compliance" (*A Reference Manual for Commission Executive Directors and Members*, Section 4.3). Based on the results of our testing, we identified the following areas for improvement related to the evaluation of subgrantee compliance with reporting and grant requirements.

Lack of evidence of Financial Status Report review, including matching recalculation

Commission procedures indicate that subgrantees Financial Status Reports are reviewed, and matching requirements are recalculated. However, no supporting documentation exists that this review was performed. In addition, Commission personnel do not compare the FSRs to the subgrantees' accounting systems or other supporting documentation during site visits.

Because of these conditions, errors on the FSRs may occur and remain undetected. Although all subgrantees are on a reimbursement only basis, if subgrantee FSRs are not agreed to the subgrantees' accounting system, there is an increased risk that subgrantees are incorrectly reporting amounts on their FSRs and the Commission lacks reasonable assurance that subgrantees are correctly reporting amounts on their FSR.

We recommend the Commission establish procedures that require subgrantees submit reimbursement requests and FSRs at the same time, as recommended by Walker & Company, during their March 1999 review. In addition we recommend the Commission develop standard procedures to review subgrantee FSRs, recalculate matching requirements and to document the results of this review. Also, the Commission should implement site visit monitoring procedures that require the reconciliation of the subgrantees' FSRs to the subgrantees' accounting systems along with other supporting documentation (e.g. invoices).

Inability to determine timeliness of receipt of FSRs

The Commission does not routinely date-stamp FSR reports from subgrantees as they are received. Thus, the Commission can not routinely verify whether these documents are submitted timely in compliance with the grant agreement.

Our testing also identified the following deficiencies:

- Four instances where subgrantees did not submit FSRs timely to the Delaware Commission;
- Ten instances where FSRs were submitted more than ten days late to the Corporation; and

- Four instances where we were unable to determine whether the subgrantees' FSRs were submitted in a timely manner.

On October 1, 1999, the Commission began using the Web Based Reporting System which electronically records the date subgrantees submit their FSRs to the Commission. As a result, no recommendation is required at this time related to recording the date of the receipt of FSRs.

The Commission did not maintain all required FSRs.

AmeriCorps Provision #17 states "Commissions and Parent Organizations are required to submit quarterly Financial Status Reports and three Progress Reports to the Corporation. Commissions and Parent Organizations must submit these reports by the following dates and include three copies along with the original." It continues to state "AmeriCorps State programs and most AmeriCorps National sites that receive subgrants must submit at least four Financial Status Reports to their respective Commission or Parent Organization. In general, if a site has a Corporation-approved budget then the submission of an FSR for that site/sub-Grantee is required. Commissions/Parent Organizations are required to forward Financial Status Reports from programs and budgeted sites to the Corporation's Grants Office 30 days after the close of each calendar quarter. Annual Financial Reports shall be submitted within 90 days of completion and will compare actual expenditures to budgeted amounts using the line item categories in the grant budget form."

We identified several deficiencies during our testing of the Delaware Commission's administration of grants. Specifically, in a sample of 15 subgrantees, we identified the following deficiencies regarding Financial Status Reports submitted by subgrantees, as well as FSRs submitted to the Corporation:

- We were unable to locate all FSRs for nine subgrantees because FSRs were not maintained in the Commission subgrantee file;

- Several instances where we could not determine the accuracy of the FSRs submitted to the Corporation because portions of the FSRs were missing for various program years; and

- One instance where FSRs were not prepared on a quarterly basis, as required.

The lack of documentation relates to grants awarded during the 1995, 1996 and 1997 grant years. We received all supporting documentation for grants awarded during 1998.

In addition, we were unable to determine the accuracy of prior quarter amounts reported (or amounts carried forward) on FSRs submitted to the Delaware Commission by subgrantees, as well as the accuracy of FSRs submitted by the Commission to the Corporation, due to various missing quarterly FSRs.

While the new Web-Based Reporting System should alleviate the documentation and accuracy issues, we recommend that the Commission reemphasize the requirement that all FSRs submitted by subgrantees, as well as FSRs submitted by the Commission to the Corporation, be maintained and be available for review. In addition, the Commission should ensure that data collection is accurate and timely.

Lack of budget controls over Administrative and Program Development and Training Funds

During a March 1999 review of fiscal procedures by Walker & Company, it was noted that the Commission does not track their Administrative and Program Development and Training funds using budget line items and it was recommended that the Department of Health and Social Services Financial Management System be modified to track the budget categories using the Federal Aid Master Category worksheet. As of October 1999, the accounting system had not yet been modified.

Evaluating and Monitoring Grants

As discussed above, the Commission is responsible for evaluating whether subgrantees comply with legal, reporting, financial management and grant requirements and ensuring corrective action when noncompliance is found. However, the Commission was unable to provide us with requested information on the number of program operating sites for each year under review and other financial information until after the issuance of our draft report.

We identified additional areas for improvement related to the evaluation and monitoring of subgrantees as follows:

The evaluating and monitoring system for subgrantees needs to be improved at the Commission.

According to OMB Circular No. A-133, *Audit of States, Local Governments, and Non-Profit Organizations,* as amended, Subpart D § 400 (d)(3) pass through entities are required to "Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved." In addition, § 400 (d)(4) requires that pass through entities "ensure that subrecipients expending $300,000 or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of this part for that fiscal year."

The monitoring tool, currently in place at the Delaware Commission was created under the guidelines established by the Corporation, as well as guidelines and recommendations received from a CNS contractor. However, during our review of monitoring folders for subgrantees, we determined that certain information was excluded from the site visit documentation. Specifically, the names of the Member files reviewed, and identification of Member files where exceptions

noted were not included. For example, one file contained the following statement "some Member files contained social security cards and some did not". We also determined that comments included on the program review instrument were general in nature. Therefore, we were unable to reperform or otherwise review the monitoring procedures performed by Delaware Commission personnel.

We recommend that the Commission revise written policies and procedures to require that specific information be included in the documentation for site visits (for example, sample sizes, exceptions, recommendations, follow up on recommendations, and number of program operating sites). This will allow the Corporation to assess the Commission's oversight of subgrantees when it performs its planned Commission administrative reviews.

In addition, we recommend that the Corporation for National and Community Service revise its guidance on subgrantee monitoring to specify minimum procedures to be performed, as well as minimum documentation requirements.

Lack of documentation of review of OMB Circular A-133 reports or other audit reports from subgrantees

As discussed in the previous finding, OMB Circular No. A-133, *Audit of States, Local Governments, and Non-Profit Organizations,* as amended, Subpart D § 400 (d)(3) requires that pass through entities " Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved." In addition, § 400 (d)(4) requires that pass through entities "ensure that subrecipients expending $300,000 or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of this part for that fiscal year."

While Commission procedures indicate that the Commission obtains and reviews OMB A-133 audit reports from subgrantees annually, this review is not documented as part of the monitoring process. Therefore, we were not able to determine if the Commission routinely reviews these reports to determine if auditors have identified control weaknesses or instances of non-compliance related to the AmeriCorps program. In addition, during a site visit on November 20, 1998, the Corporation staff also noted that subgrantee program audit reports were not being reviewed. As a result of these findings, during the 1999 program year, the Commission developed procedures to review subgrantee A-133 audit reports.

We recommend the Commission ensure the procedures established during 1999 are implemented and followed by Commission personnel. We also recommend that the Corporation require that the Commission maintain documentation supporting the review of OMB Circular A-133 and other audit reports.

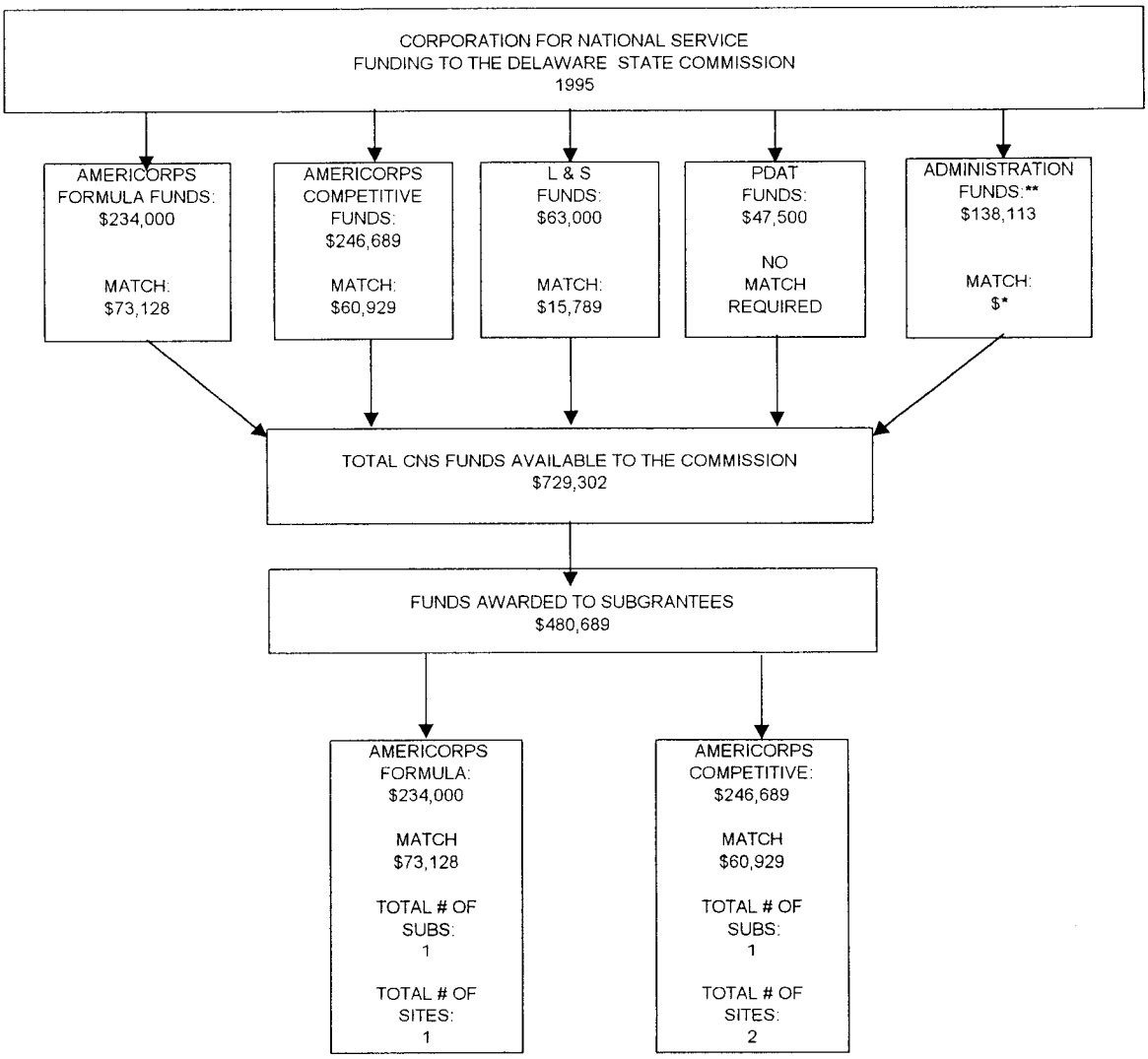
Providing Technical Assistance

Annually, the Commission receives grant funds to provide technical assistance to its subgrantees. Procedures are in place at the Commission to (1) identify training needs of subgrantees through periodic staff meetings with the program directors and a needs assessment survey; (2) notify subgrantees of training programs; and (3) provide needed training to subgrantees. Except for issues identified with the monitoring of training funds, we identified no significant areas for improvement within this process.

This report is intended solely for the information and use of the Office of the Inspector General, management of the Corporation for National and Community Service, the Delaware Commission on National and Community Service, and the United States Congress and is not intended to be and should not be used by anyone other than these specified parties.

Urbach Kahn & Werlin PC

Washington, DC
October 8, 1999

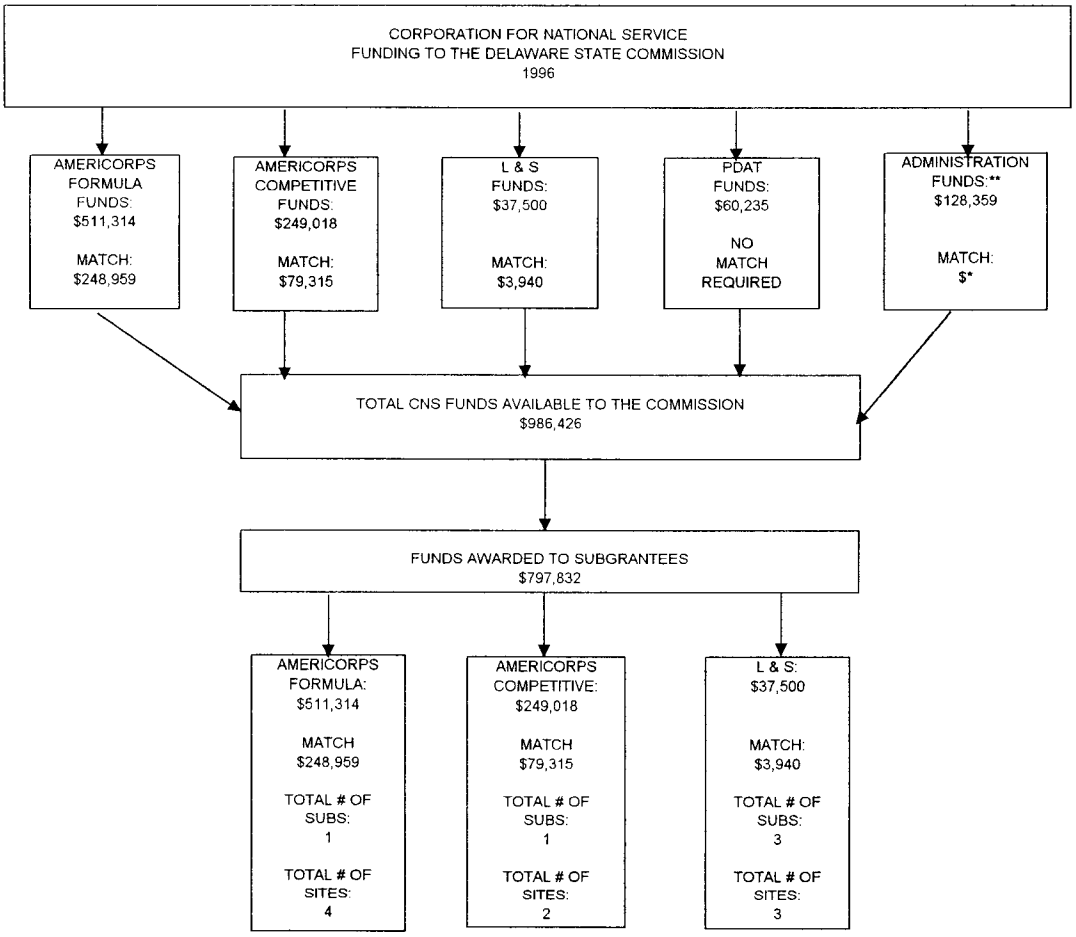


Total Carryovers for 1995 (Not included in the current year funding amounts above):

Administration:	$	29,873
AmeriCorps:		40,000

* Information not received from the Commission

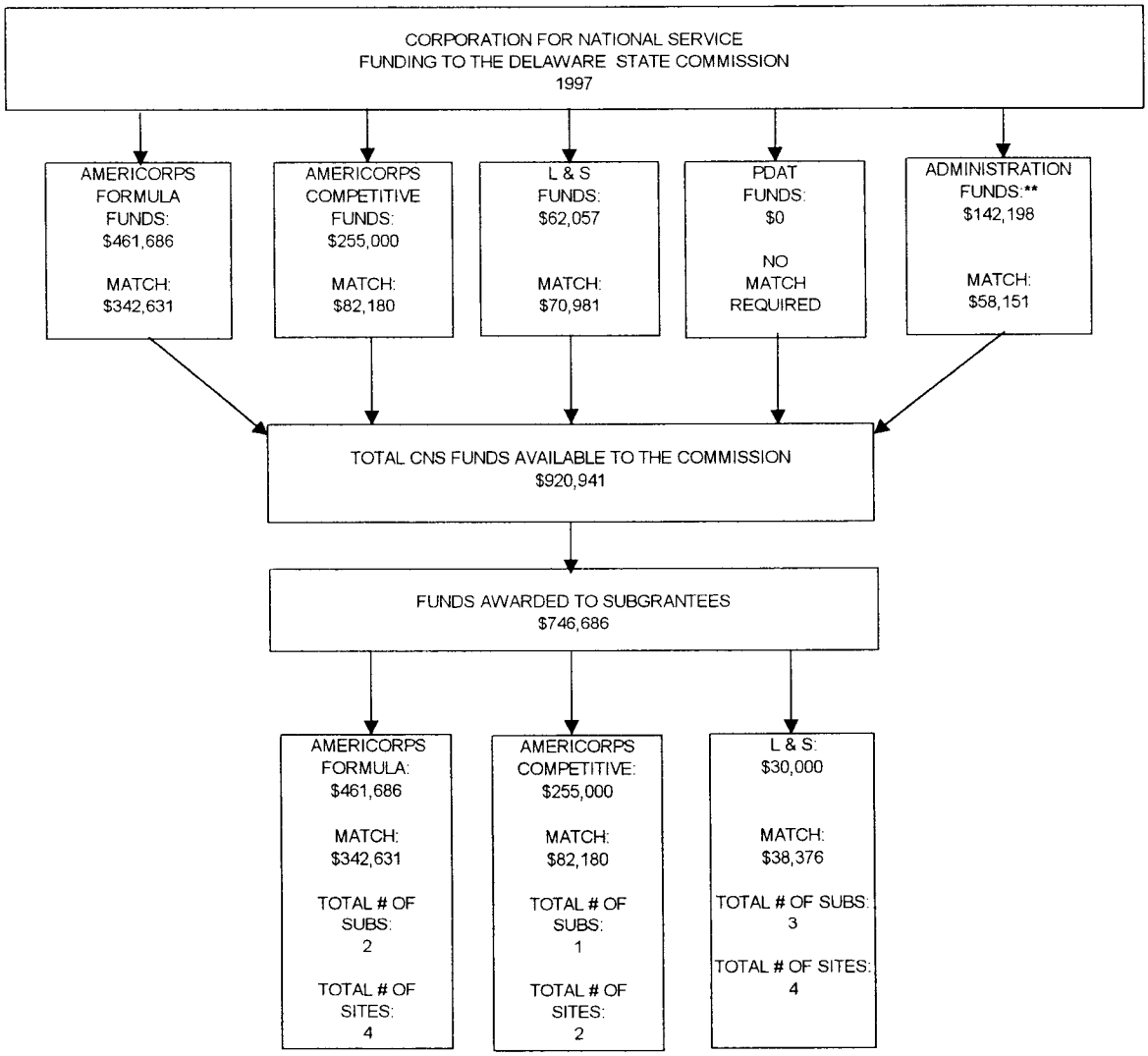
** Disability funds included in grant award



Total Carryovers for 1996 (Not included in the current year funding amounts above):

PDAT:	$	45,140
AmeriCorps:		8,022

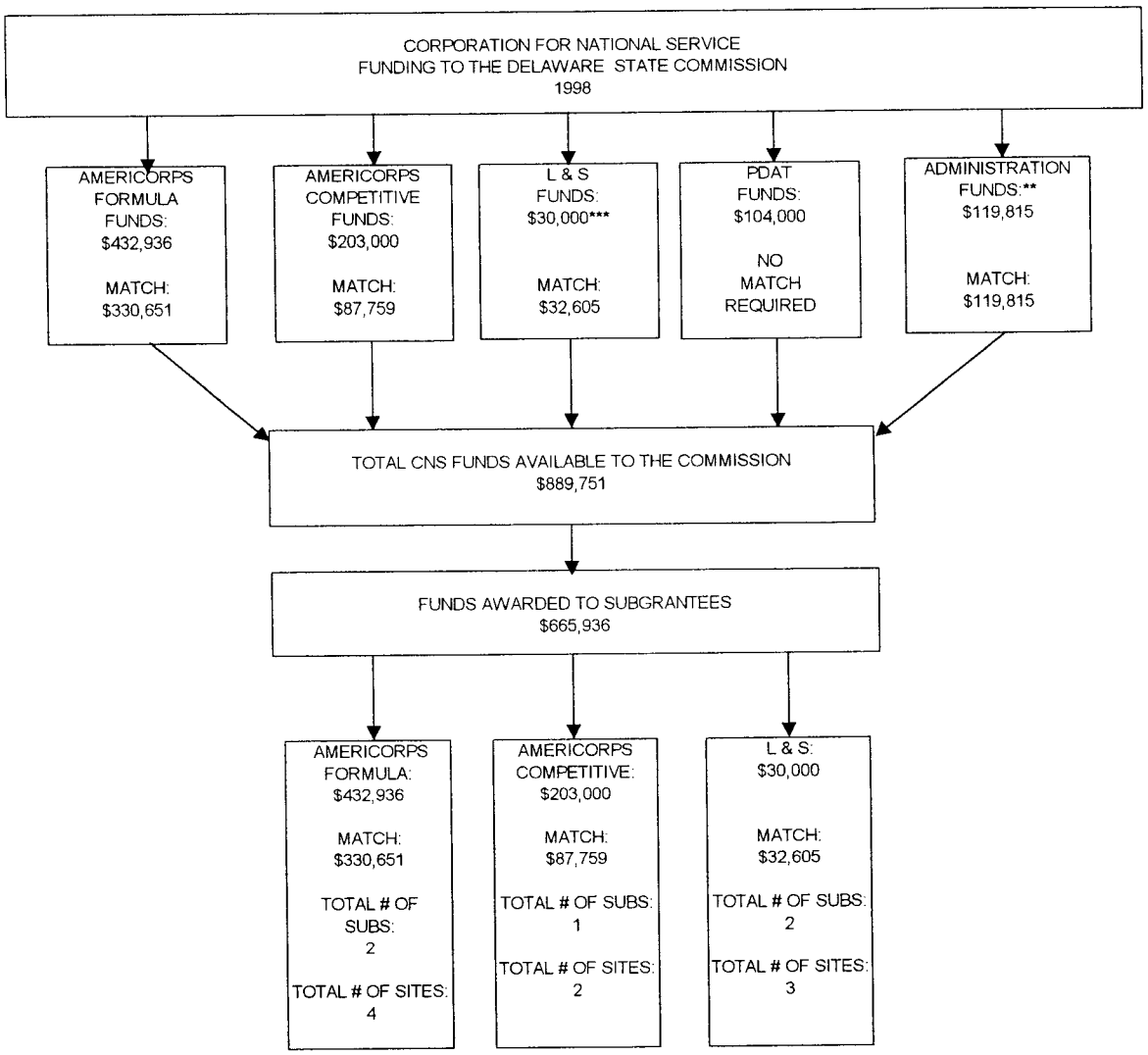
* Information not received from the Commission
** Disability funds included in grant award



Total Carryovers for 1997 (Not included in the current year funding amounts above):

AmeriCorps: $ 32,262

** Disability funds included in grant award

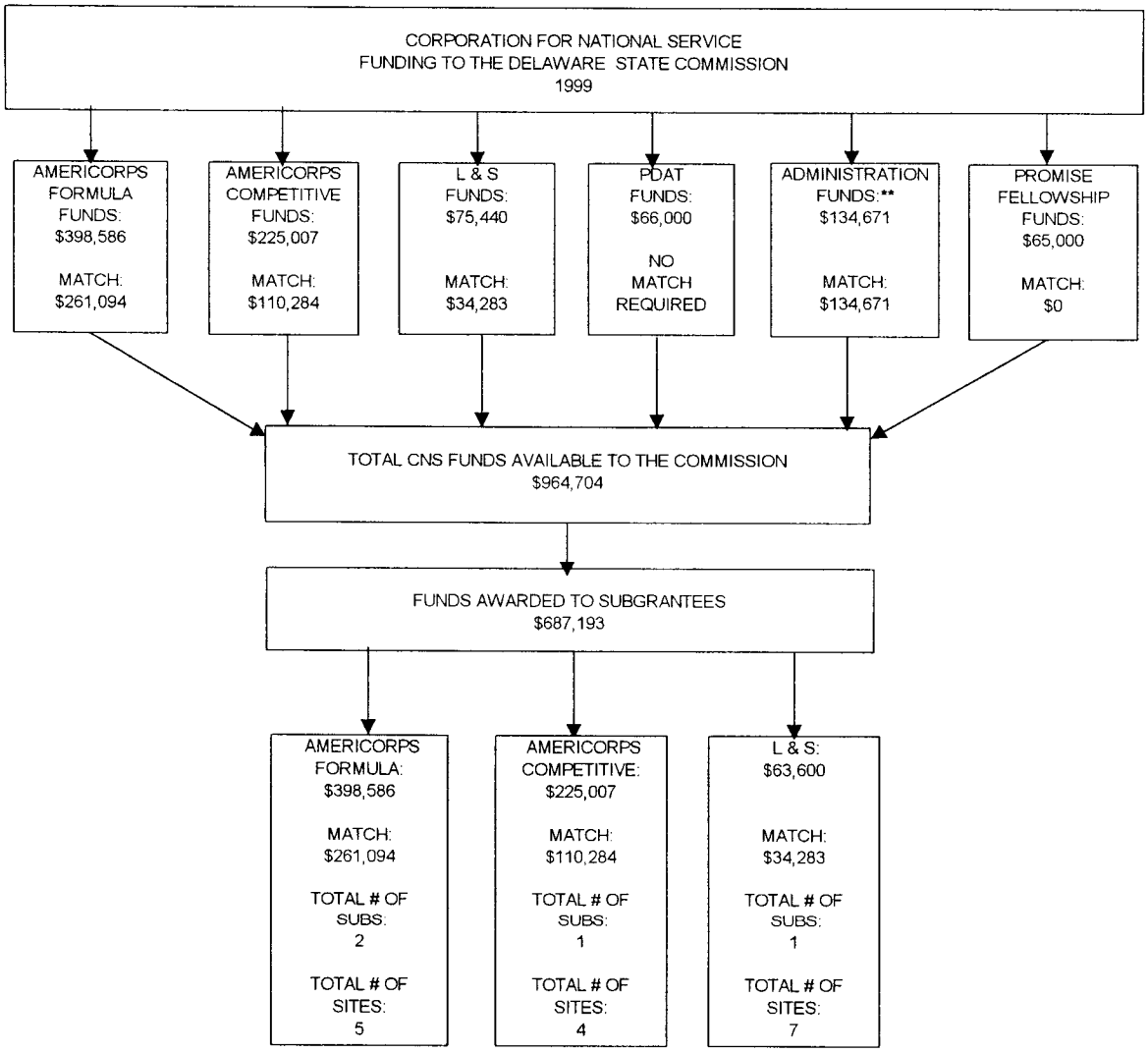


Total Carryovers for 1998 (Not included in the current year funding amounts above):

PDAT:	$	21,000
AmeriCorps:		25,000

** Disability funds included in grant award

*** Learn & Serve amount represents funds from 1997. A no cost extension was awarded for the 1998 program year and the funds were used to renew the subgrantee from the prior year.



Total Carryovers for 1999 (Not included in the current year funding amounts above):

PDAT: $ 20,000

** Disability funds included in grant award

Internal Controls

Our objective was to make a preliminary assessment of the adequacy of the Commission's financial systems and documentation maintained by the Commission to provide reasonable assurance that transactions are properly recorded and accounted for to: (1) permit the preparation of reliable financial statements and Federal reports; (2) maintain accountability over assets; and (3) demonstrate compliance with laws, regulations, and other compliance requirements.

In order to achieve the above objectives, we interviewed key Commission personnel to assess the Commission's internal controls surrounding the following to ensure compliance with Part 6 of A-133, Internal Control of the Compliance Supplement to *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*: overall control environment; activities allowed or unallowed and allowable costs; cash management; eligibility; equipment and real property management; matching; period of availability of Corporation funds; procurement and suspension, debarment; program income; and reporting by the Commission to the Corporation.

Selection of Subgrantees

Our objectives were to:

- conduct a preliminary survey of the systems and controls utilized by the Commission to select national service subgrantees to be included in any application to the Corporation;

- make a preliminary assessment as to whether the Commission evaluated the adequacy of potential subgrantee financial systems and controls in place to administer a Federal grant program prior to making the award to the subgrantees; and

- make a preliminary assessment as to whether the Commission's involvement in the application process involved any actual or apparent conflict of interest.

In order to achieve the above objectives, we interviewed key Commission management and documented procedures performed by the Commission during the pre-award financial and programmatic risk assessment of potential subgrantees. We also reviewed documentation to ensure that conflict of interest forms for each subgrantee applicant tested were signed by all peer review members annually and maintained by the Commission.

Administering the Grant Funds

Our objectives were to:

- conduct a preliminary survey of the systems and controls utilized by the Commission to oversee and monitor the performance and progress of funded subgrantees;
- make a preliminary assessment as to whether the Commission's organizational structure and staffing level and skill mix is conducive to effective grant administration and whether the commission has a properly constituted membership;
- make a preliminary assessment as to whether the Commission provided adequate guidance to subgrantees related to maintenance of financial systems, records, supporting documentation, and reporting of subgrantee activity;
- conduct a preliminary survey of financial systems and documentation maintained by the Commission to support oversight of subgrantees and required reporting to the Corporation (including Financial Status reports, enrollment and exit forms); and
- make a preliminary assessment as to what procedures the Commission has in place to verify the accuracy and timeliness of reports submitted by the subgrantees.

In order to achieve the above objectives, we reviewed Financial Status Reports submitted by subgrantees, as well as Financial Status Reports submitted by the Commission to the Corporation, to preliminarily assess the accuracy of submitted Financial Status Reports. We also determined whether the Commission has implemented the Web Based Reporting System.

Evaluating and Monitoring Grants

Our objectives were to:

- conduct a preliminary survey of the systems and controls utilized by the Commission, in conjunction with the Corporation, to implement a comprehensive, non-duplicative evaluation and monitoring process for their subgrantees;
- make a preliminary assessment as to whether the Commission has a subgrantee site visit program in place and assess the effectiveness of its design in achieving monitoring objectives;
- conduct a preliminary survey of the Commission's procedures used to assess subgrantee compliance with Corporation regulations (e.g., those governing eligibility of Members, service hour reporting, prohibited activities, payment of living

allowances to Members and allowability of costs incurred and claimed under the grants by subgrantees (including reported match));

- conduct a preliminary survey of the Commission's procedures for obtaining, reviewing and following up on findings included in the subgrantee single audit reports, where applicable;

- determine whether program goals are established and results are reported and compared to these goals; and

- conduct a preliminary survey of the procedures in place to evaluate whether subgrantees are achieving their intended purpose.

In order to achieve the above objectives, we documented the procedures performed by the Commission to evaluate and monitor individual subgrantees. In addition, we judgmentally selected subgrantees and obtained the Commission's documentation for site visits. We reviewed the documentation to preliminarily assess the adequacy of the procedures performed by the Commission to assess financial and programmatic compliance and related controls at the sites. We also determined whether the Commission received and reviewed A-133 audit reports from subgrantees.

Providing Technical Assistance

Our objectives were to:

- conduct a preliminary survey of the systems and controls utilized by the Commissions to provide technical assistance to subgrantees and other entities in planning programs, applying for funds, and implementing and operating programs;

- make a preliminary assessment as to whether a process is in place to identify training and technical assistance needs; and

- make a preliminary assessment as to whether training and technical assistance is provided to identified subgrantees.

In order to achieve the above objectives, we documented the procedures performed by the Commission to identify and satisfy training needs for the subgrantees and Commission employees. We also obtained a summary of all training costs incurred during the current year to ensure they properly related to training activities which were made available to all subgrantees.

Delaware Health and Social Services
Division of State Service Centers
Office of the Director

April 26, 2000

Ms. Luise S. Jordan
Inspector General
Office of Inspector General
1201 New York Avenue, NW
Washington, DC 20525

Dear Ms. Jordan:

Enclosed is our response to the draft report on the pre-audit survey of the Delaware Community Service Commission in which we have attempted to address areas and issues that we feel deserve additional attention. We appreciate the time and efforts that your organization has invested in ensuring the adequacy of our Commission's systems.

We realize that all organizations have room for improvement and we welcome this opportunity as one, which will allow our State Commission to improve our existing policies and procedures.

We appreciate and anticipate any input and advice that your Office is able to provide our Commission in our efforts to maintain exemplary standards and systems.

If you have any questions please do not hesitate to contact me at 302-577-4961.

Sincerely,

Anne M. Farley
Director, Division of State Service Centers

Enclosures
Cc: Cynthia Lovell, State Office of Volunteerism
Joseph Duffy, Delaware Community Service Commission
Jarvis Berry, Delaware Community Service Commission

1901 N. DuPont Hwy. • New Castle • Delaware • 19720 • Telephone: (302) 577-4961

Delaware Community Service Commission

Pre-Audit Survey Report Response
of the Delaware Community Service Commission

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General Comments

Based on the pre-audit process, procedures and outcomes, we have made the following general comments:

1. We accept full responsibility on any areas where we were remiss in our capacity as a State Commission, but we also believe that part of the responsibility rests on external issues beyond our control such as unforeseen staff transition, and redeveloping Corporation for National Service policies and requirements.

2. The timeframe prior to and leading up to the pre-audit survey was unorganized and confusing. Beyond receiving notice of our pre-audit survey date, there was insufficient information to prepare us for what to expect from the audit, whom to have present, the purpose of the pre-audit, specific information to be reviewed, or how the pre-audit would be performed (i.e. an agenda).

3. The pre-audit process itself was unorganized and confusing. Requests were made via "word of mouth' as opposed to written communication. Discrepancies in what was requested along with differences in language usage (accounting vs National Service) often led to inaccurate presentation of documentation. Throughout the pre-audit process there was uncertainty as to what was expected from us as a Commission: No agendas were presented; last minute and on-the-spot requests for information that would take time to produce (i.e. Commission Members and past employees); and the reliance of hearsay over actual evidence.

4. The Delaware Commission has taken great strides to rectify any deficiencies in our systems over the past two years, despite staff transition and other challenges. Many of our deficiencies have been eliminated and we are constantly in a quest to improve upon areas that would benefit. In the two prior "findings" letters that we received from UKW there was information included which documented that our current systems/procedures has greatly improved over the previous years, although these statement were omitted in this draft report.

5. We have an overall concern with statements presented throughout this draft report in which the pre-audit team has made several undocumented leaps from the specific to the general, which we have outlined below.

RESULTS IN BRIEF

In general, the *Results in Brief* are misleading and contain generalizations and assumptions that don't align with the actual "findings" that we were initially presented and with those listed in this document. There are several occasions where leaps from the general to the specific were made by the pre-audit team.

1. " We were unable to determine if the Commission has an open and competitive process to select national service subgrantees and whether the related systems and controls are functioning as designed, due to lack of supporting documentation".
   - The Delaware Community Service Commission has a very sound open and competitive subgrantee selection process. We have documented these procedures since the inception of our State Commission. We comply strictly with the State of Delaware subgrantee selection process, which goes beyond the requirements mandated by the Corporation for National Service.
   - The Delaware Commission has experienced some loss of documentation over the past years, due to the office being moved three times. We have become aware that during those transitional periods some loss of files and documentation has occurred. Despite this challenge, we have undertaken an action plan (Appendix A) that will aid us in recovering missing documentation. Also, we have placed great emphasis on ensuring that all present and future files, documentation and systems are sufficiently maintained.

2. "The Commission does not have an adequate process in place for the fiscal administration of grants".
   - The Delaware Community Service Commission is on secure financial and programmatic footing. Any challenges and deficiencies that we may have encountered in the past have already been remedied or are in the process of being corrected. Included in *Appendix A section 4* is the Pre-Audit Survey Action Plan which outlines the steps which have been and shall be taken to ensure sound fiscal systems.
   - This conclusion in general made by the pre-audit team is an assumption made without verification of its validity. Much of the fiscal procedures reviewed by the pre-audit team consisted of interviews of various staff, involved and not involved in fiscal management. Absent from these interviews were past Delaware Community Service Commission Executive Directors who were integrally involved in past fiscal management. The pre-audit team did not contact these Executive Directors although the team was provided with contact information and requests to contact past Executive Directors.

3. "The Commission does not have adequate controls in place to evaluate and monitor subgrantees".
   - The Delaware Community Service Commission has a very sound and thorough monitoring system and controls. Over the past year a lot of effort and great detail has been placed on revising monitoring procedures. We believe that our monitoring system is, if anything, too comprehensive. The pre-audit team has

listed one specific area of improvement on our monitoring tool ("more specificity in our documentation of subjects monitored") and we have since incorporated that recommendation into our standard monitoring protocol. The pre-audit team, based on one very specific recommendation, has made an unjustified general statement, that our monitoring controls are inadequate.

- The Delaware Community Service Commission monitors all subgrantees at a minimum of once per year, at which time all files, records, systems, policies, and procedures are reviewed to ensure compliance.

We invite the Office of the Inspector General to perform a full scope financial audit on our funds, processes and procedures, and we look forward to improving our fiscal administration and program oversight based on any recommendation that you might have.

We have incorporated various corrective actions to address the above issues and would welcome the Office of the Inspector General's input in determining their adequacy in meeting the legal, programmatic and federal requirements.

OVERVIEW OF THE DELAWARE COMMUNITY SERVICE COMMISSION

The Delaware Community Service Commission is headquartered in New Castle, Delaware within the State Office of Volunteerism. The State Office of Volunteerism is under the management of the Delaware Division of State Service Centers, which is within the Delaware Department of Health and Social Services (see organizational chart Appendix B).

Whereas the pre-audit team stated that the Delaware Community Service Commission has a staff of six full time persons, the Delaware Community Service Commission only maintains, at its capacity, three full time and two quarter-time staff persons, consisting of an Executive Director, a Program Officer, an Administrative Support Person (all full-time) and a Fiscal Officer and Youth program Advisor (both ¼ time). At the time of the pre-audit survey the Delaware Community Service Commission staff consisted of a full-time "Acting" Executive Director, and a ¼-time Fiscal Officer. (We also were utilizing a temporary secretary). We believe that the pre-audit team may have had difficulty performing their pre-audit duties because of their inexperience of dealing with a State Commission within a state agency. The Delaware Community Service Commission complies with all federal regulations, and we also comply with State fiscal policies. This structure created some of the confusion that the pre-audit team encountered.

The Delaware Community Service Commission uses a fair and equitable subgrantee selection process, which complies with both State of Delaware and federal mandates. Not during any grant year has a majority of the Delaware Community Service Commission's subgrantees been state agencies. The Commission has been very cognizant of funding state agencies, and has only done so when they were initiatives of the Governor and/or when there lacked the presence of an agency to provide the systematic and programmatic needs of an applying program. (see Appendix C – listing of Delaware Community Service Commission subgrantees).

In March of 1999 the Delaware Community Service Commission engaged Walker & Company, LLP to provide financial management consulting services and address specific fiscal issues. All of the recommendations have either been implemented by the Delaware Community Service Commission or has become a part of the "action plan" incorporated once the new Executive Director was in place at the Delaware Community Service Commission. This included the placement of fiscal responsibilities under the management of a new fiscal officer, which has incorporated very specific process, as recommended by Walker & Company. One of the challenges the Delaware Community Service Commission has faced has been the timeliness of programmatic Financial Status Reports. There have been several reasons behind this challenge. The primary challenge faced by the Delaware Community Service Commission has to do with the opposing structures and fiscal reporting requirements of the State of Delaware and the Corporation for National Service. The State of Delaware uses a draw-down method whereas CNS requires a forecast method for expenditures. This has created some complications for the Delaware Community Service Commission and the State of Delaware. With the addition of the Corporation for National Service's Web-Based Reporting System, this challenge has been overcome. It allows the programs to submit their complete (forecasted) expenditures, while the State can submit to CNS their drawn-down/paid out expenditures. The Delaware Community Service Commission continues to place a great emphasis on subgrantees to submit their FSRs in a timely manner, and the importance of said timeliness.

OBJECTIVES, SCOPE AND METHODOLOGY

Although the pre-audit team was engaged by the Office of the Inspector General with the purpose of providing a preliminary assessment of the systems and procedures in place at the Delaware Community Service Commission for administering grants and subgrantee fiscal activity monitoring, an inordinate amount of pre-audit team review procedures and testing included the reliance on hearsay as opposed to actual evidence. During an exit conference this concern was expressed to the pre-audit team.

FINDINGS AND RECOMMENDATIONS

Selection of Subgrantees

The Commission did not maintain signed conflict of interest forms as required

The Commission has always required Commission members to maintain signed conflict of interest forms upon their appointment by the Governor. The Delaware Community Service Commission had incorporated and maintained a recusal process and conflict of interest process before the Corporation for National Service had policies and procedures pertaining to such in place. As evidence of such, the Delaware Community Service Commission maintains on file records of payments to an attorney who provided a conflict of interest and ethics training to Commission members. The pre-audit team has stated that our conflict of interest forms were submitted after-the-fact and without dates, as though

we had them created in an effort to appease the pre-audit team's needs. This is not the case. The need to have these documents reviewed was not brought to the attention of the Delaware Community Service Commission until the conclusion of the pre-audit proceedings. We were told to forward them to the pre-audit team under separate cover, which we did. After forwarding these documents to the pre-audit team, they provided us with a response that these forms should have been dated. Our policy was to have Commission Members, as a part of their initial orientation, complete a conflict of interest form, which would commence and run through their term of service as a Commission Member. We have since updated our Commission conflict of interest forms and procedures to include the date on the forms. Any additional outside reviewers are also required to sign conflict of interest forms.

Lack of assessment of subgrantee applicants' Financial Systems during the selection process

In compliance with Corporation for National Service requirements the Delaware Community Service Commission requires all submitting applicants to provide the Delaware Community Service Commission with a 3-year budget and statement of fiscal policies and procedures. These documents were presented to the pre-audit team and they made a notation on their 'preliminary draft report' that current Delaware Community Service Commission policies and procedures required such. Yet, this statement has been omitted from this draft report.

The Commission did not advertise the availability of funds for the 1998 program year.

The Delaware Community Service Commission was fully aware (and presented to the pre-audit team our awareness) that the Corporation for National Service did not mandate an annual Request for Proposal (RFP). In accordance with the pre-audit team's recommendation we have since incorporated as policy, that documentation be maintained as to why an RFP was not conducted during a particular grant year.

Administering Grant Funds

Lack of evidence of Financial Status Report review, including matching recalculation.

As standard procedures, the Delaware Community Service Commission does review subgrantee FSRs, recalculate matching requirements and document the results. We also have procedures in place which allow for the reconciliation of subgrantees' FSRs to the subgrantee's accounting system and other supporting documentation. Under the recommendation of Walker & Company, and other State Commissions we request monthly Request for reimbursements (RFRs) from subgrantees, which allows us to calculate and verify subgrantees' FSRs.

Inability to determine timeliness of receipt of FSRs

As stated previously, one of the challenges faced and overcome by the Commission has been with the opposing structures of fiscal reporting requirements and structures of the State of Delaware and the Corporation for National Service (see page 5).

The Commission did not maintain all required FSRs.

Additional complications faced by the pre-audit team in determining past FSR accuracy stemmed from the fact that between 1995 – 1997 the Delaware Community Service Commission has submitted FSRs directly to the Corporation for National Service and not through the Delaware Financial Management System (DFMS). This has led to some unverifiable FSRs, but this process has since been rectified.

Lack of budget controls over Administrative and Program Development & Training Funds

The Delaware Community Service Commission, under the advice of Walker & Company does maintain and track all fiscal expenditures by line item.

Evaluating and Monitoring Grants

The evaluation and monitoring system for subgrantees needs to be improved at the Commission.

The Delaware Community Service Commission incorporates strict measures to ensure subgrantee compliance with state and federal requirements. The above statement made by the pre-audit team directly contradicts the statement presented in the "Results in Brief" section. The Delaware Community Service Commission is consistently seeking to improve our systems. As stated here, an area of improvement (monitoring tool) has been brought to our attention, but to liken an entire system that contains one flaw as inadequate (as stated in the *draft report*, page 1, *Results in Brief*, bullet number 3) is an undocumented leap from the specific to the general.

Lack of documentation of review of OMB Circular A-133 Reports or other audit reports from subgrantees.

The Delaware Community Service Commission has in the past and currently reviews, when appropriate, the A-133 Reports of subgrantees at least annually, with procedures in place to address any findings within the A-133s.

APPENDIX A

Delaware Community Service Commission
Audit Findings Action Plan

1. Signed Conflict of Interest Forms must be maintained by the Commission.

ACTION	DATE TO BE COMPLETED	BY WHOM
Current DCSC Conflict of Interest Forms (CIFs) shall be updated to include dates.	9/99	JB
CNS conflict of interest information and new DCSC CIFs shall be distributed to DCSC Commission Members for updating.	9/99	JB
CNS conflict of interest information and new DCSC CIFs shall be mailed to DCSC Commission Members for updating.	3/20/00	LM
Signed, updated CIFs shall be placed on file at DCSC.	4/3/00	LM
A standardized CIF procedure shall be created utilizing: ▪ The signing of forms at the September/October Commission Meeting of year (coinciding with the programmatic year). ▪ The mailing of CIFs to Commission Members who are not present at the September/October meeting. ▪ Maintaining the (annual) signed CIFs in the DCSC central file.	4/12/00	JB
Standardized CIF procedures shall be placed in the DCSC Policies and Procedures Manual.	5/1/00	JB
Standardized CIF procedures shall be placed on the DCSC annual calendar.	5/1/00	JB

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2. **Files should be maintained so that supporting documentation for grants awarded are accessible and up-to-date.**

ACTION	DATE TO BE COMPLETED	BY WHOM
DCSC staff shall review the current DCSC filing system, with missing items being documented.	4/7/00	JB, KH, SS, LM
All missing items shall be retrieved if possible (from archives, CNS, DMS, DSSC, etc) and placed in the file.	4/12/00	JB, KH, SS, LM
Any irretrievable documents shall be noted and documented in a memorandum, which shall be placed in the corresponding file.	4/14/00	LM
DCSC secretary shall be shown the six-part filing system utilized by Cindy Ridenour.	3/7/00	CR
The current and prior year contracts/grants shall be incorporated into a six-part filing folder system.	4/3/00	LM
Additional subgrantee information shall be kept in the DCSC Central Filing cabinets.	Ongoing	LM
A weekly file checklist shall be created to ensure that all documents are present in the filing system.	4/5/00	JB
Initially, (the 1st 6 months after incorporation) the secretary shall complete a weekly file checklist to ensure that all documents are present in the filing system.	Beginning 4/14/00	LM
DCSC staff shall perform a bi-annual filing audit, which shall consist of taking apart the central file and ensuring its completeness and non-duplicity ▪ The first audit shall be performed by the DCSC secretary ▪ The DCSC Administrator and Program Officer shall perform the final audit. Documentation of the audits shall be maintained.	1st audit - 4/7/00 & annually 2nd audit - 9/9/00 & annually	JB, KH JB, KH

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3. **Monitoring and Evaluation of Programs must be specific, to include names, social security numbers, or other identifiers which will create a "paper trail" and allow for accurate follow-up proceedings to be performed.**

ACTION	DATE TO BE COMPLETED	BY WHOM
Current DCSC Monitoring Tool will be re-evaluated for its effectiveness and updated to include space for including member names, social security numbers and other identifiers.	11/99	JB, KH
DCSC Monitoring Team (PO & OO) will be trained to use the DCSC Monitoring Tool & perform site visits, including posting full documentation.	2/20/00 3/6/00 & 3/7/00	JB KH
DCSC Monitoring System/Procedures shall be revised to include: ▪ DCSC Administrator shall review site visit feedback forms prior to being submitted to programs. ▪ DCSC Program Oversight Committee (POC) shall review site visit reports after they have been submitted to programs with an action plan.	4/17/00	JB
DCSC Monitoring Tool & system shall be placed in the DCSC Policies & Procedures Manual.	5/1/00	JB
DCSC Monitoring Tool & system shall be reviewed and evaluated by staff for its effectiveness and then sent to TASC for review.	5/3/00 & 5/8/00	KH, JB, SS
DCSC staff will be trained to utilize the updated monitoring tool.	6/14/00 (annually)	KH, OO
The annual evaluation of the DCSC Monitoring Tool/system and the training of Monitoring staff shall be placed on the DCSC annual calendar.	5/1/00	JB

4. **The maintenance of proper financial systems needs to be improved. This includes procedures to effectively review FSRs, procedures to effectively track program expenditures, procedures to ensure the timeliness of FSRs at both the grantee and sub-grantee level, and maintenance of FSRs on file.**

ACTION	DATE TO BE COMPLETED	BY WHOM
Reviewing FSRs		
▪ Program Officer shall receive initial FSR reviewing training from DCSC Administrator	2/23/00	KH
▪ Administrator and Program Officer shall review the level of comfort with reviewing FSRs.	3/22/00	JB, KH
▪ [If necessary] Corland Forrestor shall perform a DCSC FSR review training, which shall include setting up additional systems and database.	4/00	JB Walker & Co
▪ Program Officer reviews FSR using the DCSC FSR checklist.	10th of each qtr due	KH
▪ FSRs are forwarded to fiscal (Cindi Ridenour)	11th of each qtr due	KH
▪ FSRs are forwarded to CNS.	25th of each qtr due	T. Rhodes
Tracking Program Expenditures		
▪ RFRs are sent to Program Officer the 10th of each month	10th of every month	Subgrantee
▪ RFRs are checked by the Program Officer, using the DCSC RFR checklist.	11th of every month	PO
▪ RFRs and the checklist are filed in the DCSC Central File cabinets.	11th of every month	PO
▪ FSRs are posted on WBRS by the program each quarter.	10th of every month	Subgrantee
▪ The Program Officer checks the FSR against the RFRs for the quarter and ensures that the amounts "match up".	11th of each qtr due	KH
▪ If any discrepancies are found, they are documented and resolved by the Program Officer and the subgrantee.	12th of each qtr due	KH
Ensuring subgrantee & DCSC FSR timeliness		
▪ Programs are provided with annual FSR due dates		
1. At the annual Program Director's Training	Annually in July	KH
2. As a part of the subgrantee contract workplan	Annually between July & September	JB
3. At a 1st quarter Program Director's Meeting	Annually in October	KH
▪ Subgrantees shall receive a FSR notice on the 1st of the month for which an FSR is due.	1st of due qtr.	KH
▪ Subgrantees are then required to post an FSR on WBRS.	10th of the month due	Subgrantee

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▪ Subgrantees submit a signed original to DCSC.	10th of the month due	Subgrantee
▪ DCSC Program Officer pulls a copy of the FSR, checks it and forwards it to fiscal (Cindi Ridenour)	10th of the month due	PO
▪ If subgrantee FSRs are a day late, the lateness is documented and they receive a telephone call from the PO	11th of the month due	PO
▪ If the FSR is five (5) days late they receive a letter from DCSC stating such and its potential effect on future funding.	15th of the month due	JB
▪ Lateness shall be taken into account for the next funding cycle.	-------	-------
Maintaining FSRs on file.		
▪ DCSC staff shall review the current DCSC filing system, with missing FSRs being documented.	4/7/00	JB, KH, SS, LM
▪ All missing FSRs shall be retrieved if possible (from archives, CNS, Controller, DSSC, etc) and placed in the file.	4/14/00	JB, KH, SS, LM
▪ Any irretrievable FSRs shall be noted and documented in a memorandum, which shall be placed in the corresponding file.	4/20/00	LM

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5. **An open, competitive sub-grantee selection process must be performed if any additional programs are added to a grant year. If no selection process is required and performed during a particular year, it should be properly documented.**

ACTION	DATE TO BE COMPLETED	BY WHOM
DCSC will perform an open, competitive process for the 2000-2001 Grant Year.	10/1/00-4/30/00	Ongoing
DCSC will create a standardized, annual subgrantee selection process which shall include: ▪ A standardized narrative of the subgrantee selection & review process. ▪ A standardized timeline of the subgrantee selection & review process. ▪ Written policies that clearly state when an open, competitive subgrantee selection process is not necessary. ▪ Procedures to be followed when an open, competitive subgrantee selection process is not held.	5/1/00	JB, SS
The DCSC standardized, annual subgrantee selection process shall be placed in the DCSC Policies and Procedures Manual.	5/1/00	JB
The DCSC standardized, annual subgrantee selection process shall be placed on the DCSC annual calendar.	5/1/00	JB

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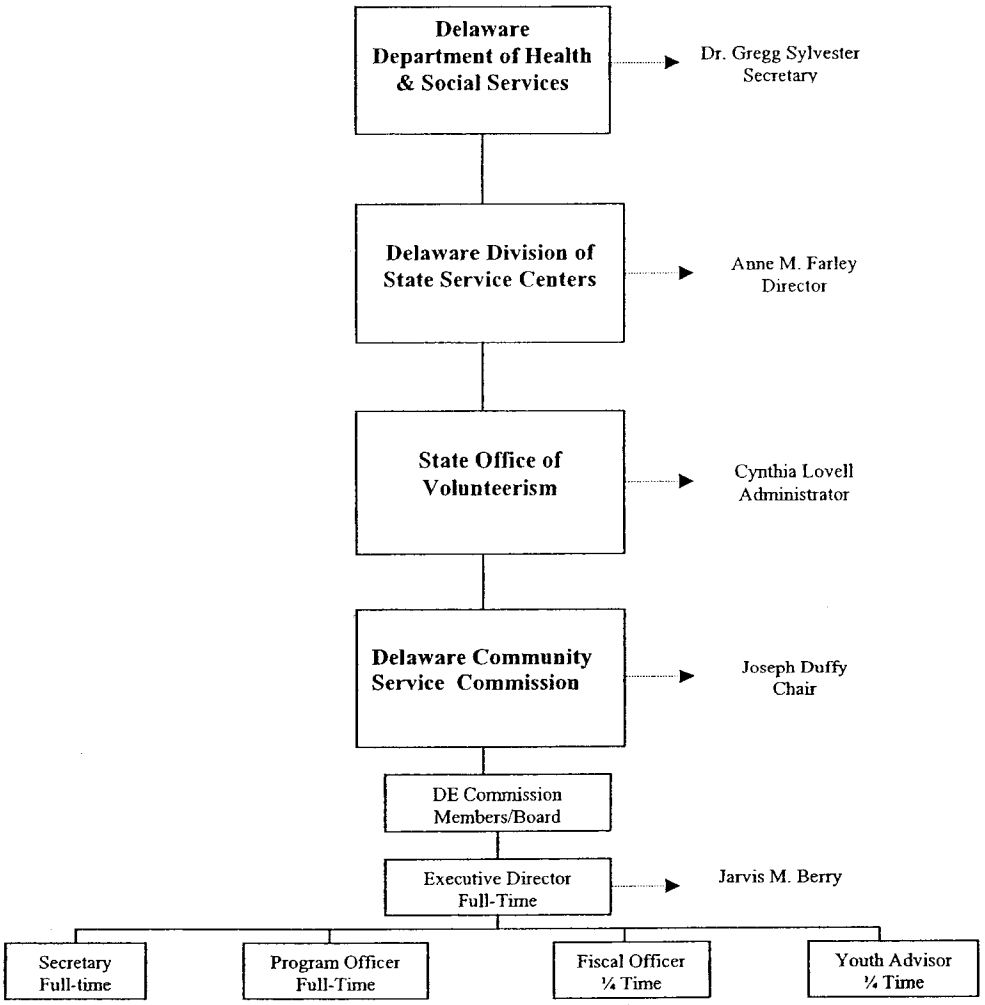
APPENDIX B

DELAWARE COMMUNITY SERVICE COMMISSION
ORGANIZATIONAL CHART



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APPENDIX C

Delaware Community Service Commission
Listing of Subgrantees, 1995 Through 1999

1999
1. Delaware KickStart (state agency)
2. First State Mentor Corps (state agency)
3. SODAT (non-profit agency)
4. Neighborhood Ambassadors (non-profit agency)
5. TEENCorps (non-profit agency)

1998
1. Delaware KickStart (state agency)
2. First State Mentor Corps (state agency)
3. Resource Mothers (non-profit agency)
4. SODAT (non-profit agency)

1997
1. Delaware KickStart (state agency)
2. First State Mentor Corps (state agency)
3. Resource Mothers (non-profit agency)
4. SODAT (non-profit agency)

1996
1. Delaware KickStart (state agency)
2. First State Mentor Corps (state agency)
3. Resource Mothers (non-profit agency)
4. Dover Housing Authority (municipal agency)

1995
1. Dover Housing Authority (municipal agency)
2. Resource Mothers (non-profit agency)

APPENDIX D – CORPORATION RESPONSE

The Corporation did not provide a response within the thirty-day comment period.