

# FLORIDA COMMISSION ON COMMUNITY SERVICE

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## Operational Audit

For the Period July 2006 Through August 2008  
and Selected Actions Through May 2009



## FLORIDA COMMISSION ON COMMUNITY SERVICE

Pursuant to Section 14.29, Florida Statutes, the Florida Commission on Community Service is to be composed of no fewer than 15 and no more than 25 voting members to be appointed on a bipartisan basis by the Governor and confirmed by the Senate. The following individuals served as Commission Chair and Vice Chair during the audit period:

Michael W. Andrew, Jr.	Chair from July 2009
Lt. General Robert F. Milligan	Chair from July 2008 to July 2009
Lee A. Cockerell	Chair from July 2007 to July 2008
David B. Ramsay	Chair from July 2006 to July 2007
Carl Weinrich	Chair from July 2005 to July 2006
The Honorable Scott Clemons	Vice Chair from July 2009
Michael W. Andrew, Jr.	Vice Chair from July 2008 to July 2009
Lt. General Robert F. Milligan	Vice Chair from July 2007 to July 2008
Lee A. Cockerell	Vice Chair from July 2006 to July 2007
Robert Ruano	Vice Chair from July 2005 to July 2006

The audit team leader was Chris Stanisci, CPA, and the audit was supervised by Karen Van Amburg, CPA. Please address inquiries regarding this report to Jane Flowers, CPA, Audit Manager, by e-mail at [janeflowers@aud.state.fl.us](mailto:janeflowers@aud.state.fl.us) or by telephone at (850) 487-9136.

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**FLORIDA COMMISSION ON COMMUNITY SERVICE**

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**SUMMARY**

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This operational audit of the Florida Commission on Community Service (Volunteer Florida) covered the period July 2006 through August 2008 and selected actions through May 2009. Our audit disclosed the following:

**Finding No. 1:** Volunteer Florida's fiscal monitoring of subgrantees needed improvement.

**Finding No. 2:** Subgrantees did not always complete the AmeriCorps member evaluations required by Federal law.

**Finding No. 3:** Volunteer Florida reimbursed subgrantees for undocumented and unallowable costs.

**Finding No. 4:** Subgrantees did not always obtain documentation required to support salary costs charged to the AmeriCorps Program.

**Finding No. 5:** Commission meetings were held in various Florida cities during the audit period at hotels selected by Volunteer Florida. The hotels provided rooms, meeting rooms, meals, and various other services. We found that Volunteer Florida did not maintain documentation of quotes to demonstrate the economy of the total costs associated with the venues selected. In addition, some meeting expenditures were not authorized by law and rules.

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**BACKGROUND**

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State law<sup>1</sup> provides that the Florida Commission on Community Service (Volunteer Florida) shall be administratively housed within the Executive Office of the Governor and shall independently exercise the responsibilities required to comply with the Florida Volunteer and Community Service Act of 2001, the National and Community Service Trust Act of 1993,<sup>2</sup> and other provisions of State law. State law specifies the number and categories of voting Commission members who are to be appointed on a bipartisan basis by the Governor subject to confirmation by the Senate. The law provides that any number of nonvoting members may be appointed by the Governor.

In the 2007-08 fiscal year, Volunteer Florida reported revenue of \$1,231,941 from State funds, \$5,330,961 from Federal funds, and \$1,695,803 from in-kind donations. Federal funds were received through grants from the U.S. Corporation for National and Community Service (CNCS) and included three AmeriCorps grants.<sup>3</sup> Volunteer Florida subgranted Federal funds totaling approximately \$4.1 million to 31 subgrantees. Subgrantees included, for example, nonprofit organizations and governmental entities such as district school boards, community colleges, city governments, and State agencies. Through the funding provided by the American Recovery and Reinvestment Act of 2009, Volunteer Florida expects to receive during the 2009-10 fiscal year a substantial increase in the amount of AmeriCorps grant moneys.

During the audit period, each subgrantee entered into a *Standard Contract* with Volunteer Florida that required the subgrantee to comply with State law and Federal grant requirements. Subgrantees received funding on a cost-reimbursement basis by submitting Periodic Expense Reports (PERs) to Volunteer Florida.

Volunteer Florida reported that during 2008, subgrantees partnered with 685 AmeriCorps volunteers (members) who were provided \$2.2 million in college scholarships and childcare assistance totaling \$58,860. The AmeriCorps

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<sup>1</sup> Section 14.29(2), Florida Statutes.

<sup>2</sup> Public Law 103-82, The National and Community Service Trust Act of 1993, created the Corporation for National Community Service which manages three main programs: Senior Corps, AmeriCorps, and Learn and Serve America.

<sup>3</sup> Grant Nos. 06AFHFL001, 06AFHFL002, and 06ACHFL001.

members served in the areas of mentoring and tutoring, serving human needs, and disaster and environmental programs.<sup>4</sup>

Pursuant to State law, Volunteer Florida established a direct-support organization, the Volunteer Florida Foundation, Inc., to receive, hold, and administer property and funds and to make expenditures to or for the benefit of Volunteer Florida programs.<sup>5</sup> The Foundation is required by law to obtain an annual financial audit, conducted by an independent certified public accountant, of its accounts and records.<sup>6</sup> Reports on this audit may be obtained from the Foundation.

Tallahassee Community College (TCC) served as custodian of funds and fiscal agent for Volunteer Florida through a contract executed in 1996. Under the terms of the contract, TCC was responsible for the receipt and disbursement of funds, as well as accounting for all transactions and providing financial reports and data to Volunteer Florida.

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## FINDINGS AND RECOMMENDATIONS

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### **Finding No. 1: Fiscal Monitoring of Subgrantees**

Federal law requires state entities, in concert with CNCS, to implement comprehensive, nonduplicative evaluation and monitoring of subgrantees.<sup>7</sup> Comprehensive monitoring includes both programmatic and fiscal monitoring elements. Prior to April 2008, Volunteer Florida procedures included conducting programmatic monitoring site visits at least once a year for each subgrantee. Although the programmatic monitoring instrument that was used included a limited number of fiscal management questions, the questions were very general in nature. In April 2008, Volunteer Florida staff developed a separate, more comprehensive fiscal monitoring tool. During the period April 2008 through May 2009, subsequent to the implementation of the fiscal monitoring tool, Volunteer Florida conducted fiscal monitoring site visits for 6 of the 31 subgrantees.

In response to our inquiry, Volunteer Florida staff indicated that the lack of staff resources had limited the number of fiscal monitoring site visits and that other review procedures were performed that provided assurances regarding subgrantee financial performance. These other procedures included comparing the PER to the approved budget and reviewing the PER for compliance with grant requirements, as well as comparing final expenses reported by subgrantees to submitted subgrantee accounting system reports. Volunteer Florida staff also indicated that financial training was conducted for subgrantee program directors and Volunteer Florida staff.

While the procedures identified by Volunteer Florida staff may provide coverage of some fiscal management risks, these procedures did not routinely include the tracing of amounts claimed on subgrantee PERs to supporting documentation, such as invoices and payroll records. As described in finding No. 3, we noted instances in which expenditures claimed by subgrantees and reimbursed by Volunteer Florida were unallowable or unsupported. Improved fiscal monitoring efforts would provide Volunteer Florida with greater assurance of subgrantee compliance.

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**Recommendation: Volunteer Florida should increase the frequency of subgrantee fiscal monitoring.**

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<sup>4</sup> Volunteer Florida's *Year in Review 2008*.

<sup>5</sup> Section 14.29(9), Florida Statutes.

<sup>6</sup> Section 215.981, Florida Statutes.

<sup>7</sup> Title 45, Section 2550.80, Code of Federal Regulations.

**Finding No. 2: AmeriCorps Member Evaluations**

For the purposes of determining an AmeriCorps member’s eligibility for an AmeriCorps educational award, Federal regulations require that subgrantees conduct evaluations of member performance through the use of mid-term and end-of-term evaluations.<sup>8</sup>

Our examination of support for reviews conducted by subgrantees for 20 AmeriCorps members disclosed that, for 3 of the members, documentation was not available to evidence that the evaluations were completed upon term of service. These members were approved to receive educational awards. Absent required member evaluations, the risk is increased that ineligible members will receive educational awards.

**Recommendation: Volunteer Florida should ensure the completion of required evaluations for all AmeriCorps members.**

**Finding No. 3: Expenditures**

U.S. Office of Management and Budget (OMB) Circular A-87, Attachment A, Subsection C., *Basic Guidelines*, establishes for Federal funds allowable cost requirements. To be allowable, costs must be necessary and reasonable, adequately documented, and authorized or not prohibited under State law.

We examined 15 payments to subgrantees totaling \$700,680 related to 31 PERs submitted during the audit period. For 8 of the payments, we noted unallowable or unsupported items totaling \$10,434.80, as shown in Table 1.

**Table 1**  
**Subgrantee Expenditure Payments**  
**July 1, 2006, Through August 31, 2008**

Subgrantee Payment	Unallowable Costs	Unsupported Costs	Totals <sup>a</sup>
1	\$2,245.74	\$3,235.00	\$5,480.74
2	581.01	90.00	671.01
3	56.97		56.97
4	334.26		334.26
5		1,000.00	1,000.00
6	38.60		38.60
7	2,259.90		2,259.90
8	593.32		593.32
<b>Totals</b>	<b>\$6,109.80</b>	<b>\$4,325.00</b>	<b>\$10,434.80</b>

<sup>a</sup> Totals include the Federal share as well as grantee matching funds.

Examples of the unallowable or unsupported costs included in the 8 subgrantees’ PERs included:

- Allocated costs of \$3,000 for out-of-state training. The documentation for these costs did not allow for verification of the allocation method used or for tracing the costs paid to the names of individuals who attended the training.
- FICA contributions for AmeriCorps members that totaled \$1,000 more than the actual cost for the period.

<sup>8</sup> Title 45, Section 2522.220, Code of Federal Regulations.

- Expenditures totaling \$196.03 for training held at an amusement park. In response to our inquiry, the subgrantee indicated that the amusement park fee improperly included admission for four people who were not AmeriCorps members. Additionally, the training costs reported included entertainment costs for activities such as laser tag, miniature golf, and go-cart races that are unallowable under Federal guidelines. The unallowable costs for this training totaled \$155.21.
- Insurance premium costs totaling \$334.26 for former members who were no longer enrolled in AmeriCorps.
- Costs totaling \$67.17 for a lunch meeting for four people. State law authorizes travel-related meal reimbursement only. As these charges are not authorized under State law, the cost of the lunch was unallowable.

Subgrantees are to submit PERs monthly to Volunteer Florida via a Web-based system and, pursuant to the *Standard Contract* between Volunteer Florida and the subgrantees, all reports for reimbursement are due within the month following the period covered by the report. The *Standard Contract* requires subgrantees to submit supporting documentation for all expenditures for the first quarter of the grant period, and submit documentation for subsequent months upon request by Volunteer Florida staff. However, we noted that in practice, Volunteer Florida did not require subgrantees to comply with these requirements. Specifically, we noted that:

- Ten of the 15 subgrantees included in our testing did not submit monthly PERs in the month following the period of report. Instead, these subgrantees submitted PERs that covered two to five months.
- When the subgrantee did not provide supporting documentation for first quarter expenditures, Volunteer Florida staff did not always request the documentation. In addition, Volunteer Florida staff did not routinely request supporting documentation for subsequent months. As a result, the majority of subgrantee reimbursement requests were approved by Volunteer Florida staff without any review of supporting documentation.

These issues further demonstrate deficiencies in Volunteer Florida procedures for fiscal monitoring as well as deficiencies in the review and approval of subgrantee PERs and could result in the disallowance of Federal reimbursement for unallowable or unsupported costs.

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**Recommendation:** To ensure that grant funds are used only for documented allowable purposes, Volunteer Florida staff should more closely review the expenditures reported by subgrantees and routinely request subgrantees to provide PER supporting documentation. In addition, to facilitate the timely review of subgrantee expenditures, Volunteer Florida should enforce the contractual requirement for subgrantees to submit PERs monthly.

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#### **Finding No. 4: Subgrantee Salaries and Wages**

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OMB Circular A-87, Attachment B, Section 8.h.(3), *Support of Salaries and Wages*, provides that, where employees are expected to work solely on a single Federal award or cost objective, charges for salaries and wages must be supported by periodic signed certifications that the employees worked solely on that program for the period of certification. Where an employee's work benefits multiple activities or cost objectives, a distribution of the employee's salaries or wages to a Federal program must be supported by monthly personnel activity reports or equivalent documentation.

Our tests of salary and benefit costs totaling \$228,436.76 reported on subgrantee PERs for 40 employees for the audit period disclosed instances in which supporting documentation did not meet Federal requirements. Specifically:

- For 5 employees whose salaries were charged solely to the AmeriCorps Program, no payroll certifications were completed by the employee or the employee's supervisor. The amount of salaries and benefits claimed for these 5 employees totaled \$40,145.58.
- For 6 employees, a portion of the employee's pay was allocated to the AmeriCorps Program and, although time records indicated the total hours worked, the particular activities or cost objectives on which the employee worked were not identified in the time records or equivalent documentation. The amount of salaries and benefits claimed for these 6 employees totaled \$16,743.44.

Failure to comply with Federal requirements regarding documentation of employee salaries and wages could result in the disallowance of Federal reimbursement for these costs.

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**Recommendation:** Volunteer Florida should ensure that subgrantees require the completion of periodic certifications for those employees who work solely for the AmeriCorps Program and, for those employees who work on multiple activities or cost objectives, monthly activity reports or equivalent documentation. In addition, subgrantees should document the allowability of the costs identified above or restore the amounts reimbursed to the AmeriCorps Program.

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#### **Finding No. 5: Commission Meeting Expenditures**

State law provides that the Volunteer Florida Commission shall meet at the call of the chair or at the request of a majority of its voting membership, but must meet at least biannually.<sup>9</sup> During the audit period, the Volunteer Florida Commission met eight times.

Charges for hotel rooms, meeting rooms, audio visual equipment, and banquet meals were generally paid directly to the hotel or resort by Volunteer Florida on behalf of meeting attendees. Payments made by Volunteer Florida directly to the hotels for the eight Commission meetings totaled \$80,220 with the direct paid costs for the individual meetings ranging from \$3,171 to \$25,187. Other travel costs, such as airfare, rental car fees, mileage reimbursement, and per diem meal costs, were initially paid by the traveler and then reimbursed by Volunteer Florida. State law<sup>10</sup> and Department of Financial Services guidelines establish uniform travel policies applicable to all public officers, employees, and authorized persons whose travel expenditures are paid by a public agency.

Our review of the procedures for contracting for Commission meeting locations and paying for meeting costs disclosed:

- Findings regarding meal charges in excess of State rates were included in an audit performed by CNCS covering a previous period. Volunteer Florida staff indicated that the resolution process for the CNCS audit ended in 2008, and changes to travel policies to address the CNCS' final determinations had not yet been reflected in the policies and procedures and records for the meetings included in our audit.
- In some instances, hotel invoices included charges not authorized by State law. For example, one hotel invoice contained a \$467 charge for an afternoon coffee break, and two invoices contained charges totaling \$500 for chefs and bar cashiers.

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<sup>9</sup> Section 14.29(5), Florida Statutes.

- Although Volunteer Florida staff indicated that rates were negotiated with hotels to keep costs down, they did not maintain documentation to evidence the receipt and evaluation of quotes from other vendors. While the contracts may be structured to include meal costs at rates more aligned with State per diem meal rates, other contract terms for meeting rooms and incidentals also significantly impact the overall costs of the meetings. Maintaining documentation of quotes from available hotels would help to demonstrate the reasonableness of the overall costs incurred for the meetings.

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**Recommendation:** We recommend that Volunteer Florida maintain documentation in support of quotes from available vendors when planning meetings. We also recommend that procedures be enhanced to ensure compliance with State uniform travel policies.

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### OBJECTIVES, SCOPE, AND METHODOLOGY

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This operational audit focused on Volunteer Florida's compliance with State and Federal laws, rules, and regulations. Our audit did not include a review of certain Federal compliance requirements including cash management, period of availability of Federal funds, and program income. The overall objectives of the audit were:

- To evaluate the effectiveness of established internal controls in achieving management's control objectives in the categories of compliance with controlling laws, administrative rules, and other guidelines; the economic, efficient, and effective operation of State government; the relevance and reliability of records and reports; and the safeguarding of assets.
- To evaluate management's performance in achieving compliance with controlling laws, administrative rules, and other guidelines; the economic, efficient, and effective operation of State government; the relevance and reliability of records and reports; and the safeguarding of assets.
- To identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

Our audit included examinations of various records and transactions (as well as events and conditions) occurring during the period July 1, 2006, through August 31, 2008, and selected actions through May 2009. In conducting our audit we:

- Interviewed personnel and reviewed Volunteer Florida procedures.
- Obtained an understanding of internal controls and tested key processes and procedures related to Volunteer Florida's compliance with selected State and Federal laws, rules, and regulations.
- Performed various analytical reviews of Volunteer Florida accounts and financial data, including revenues and expenditures for the audit period.

- Examined travel payments totaling \$324,385 related to eight Commission meetings and two AmeriCorps conferences held by Volunteer Florida during the audit period.
- Examined 15 subgrantee expenditure payments totaling \$700,680, from the population of 318 subgrantee expenditure payments totaling approximately \$10,317,915, to evaluate subgrantee compliance with AmeriCorps and OMB allowable cost requirements.
- From the 15 subgrantee expenditure payments, examined eligibility documentation for 20 of the approximately 860 AmeriCorps members to determine subgrantee compliance with AmeriCorps eligibility requirements.
- Traced the amounts reported on Volunteer Florida’s March 2008 Federal Financial Status Report (Form FSR-269) to the supporting summary schedule, and then to the monthly PERs submitted by the subgrantees selected in our test of expenditures to evaluate Volunteer Florida’s compliance with AmeriCorps matching, level of effort, and earmarking requirements.
- For both the Financial Status Reports and the Federal Cash Transaction Reports, compared the amounts reported to supporting accounting records to determine Volunteer Florida’s compliance with AmeriCorps reporting requirements.
- Evaluated Volunteer Florida’s subrecipient monitoring process, as well as the monitoring performed for 15 subgrantees during the audit period. We also reviewed and evaluated Volunteer Florida’s follow-up activities for findings noted in subgrantee OMB Circular A-133 audits.
- Evaluated Volunteer Florida and Volunteer Florida Foundation compliance with selected provisions of Sections 14.29 and 14.295, Florida Statutes.
- Performed various other audit procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.

**AUTHORITY**

Section 11.45, Florida Statutes, requires that the Auditor General conduct an operational audit of each State agency on a biennial basis. Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.

David W. Martin, CPA  
Auditor General

**MANAGEMENT’S RESPONSE**

In a response letter dated November 30, 2009, the Chief Executive Officer of Volunteer Florida provided responses to our preliminary and tentative audit findings. The Chief Executive Officer’s response is included as EXHIBIT A.

EXHIBIT A  
MANAGEMENT'S RESPONSE



Governor Charlie Crist

Commissioners

Executive Committee

Mike Andrew  
Chairman  
Orange County

The Honorable Scott Clemons

Vice Chairman  
Bay County

Aileen Pruitt  
Treasurer  
St. Lucie County

Yolanda Londoño  
Orange County

Lt. Gen. Bob Milligan USMC (Ret.)  
Leon County

Jerry Thorpe  
Miami-Dade County

Nina Traviesa  
Hillsborough County

Debbie Carswell  
Orange County

Angela Diaz-Vidallet  
Miami-Dade County

Brody Enwright  
Leon County

Joe Follman  
Leon County

Mercia Gonzalez  
Miami-Dade County

Ted Granger  
Leon County

Joyce Hobson  
Leon County

Beverly Hougland  
Osceola County

Penny Miller  
Marion County

Suzanne Richards  
Orange County

Megan Spillane  
Alachua County

Maureen Sullivan-Hartung  
Collier County

Rosalind Tompkins  
Leon County

Susan Towler  
Duval County

Wendy Spencer  
Chief Executive Officer

November 30, 2009

Mr. David W. Martin, CPA  
Auditor General  
G74 Claude Pepper Building  
111 West Madison Street  
Tallahassee, Florida 32399-1450

Dear Mr. Martin,

Thank you for the opportunity to review and comment on the preliminary and tentative audit findings and recommendations that were prepared from your operational audit of the Florida Commission on Community Service (Volunteer Florida) for the period July 2006 through August 2008. Below is Volunteer Florida's response to your preliminary findings.

**Finding No. 1: Volunteer Florida's fiscal monitoring of subgrantees needed improvement.**

**Finding No. 3: Volunteer Florida reimbursed subgrantees for undocumented and unallowable costs.**

**Response:** Federal law requires that oversight of federal funds be conducted through a monitoring system that is comprehensive and non-duplicative. Volunteer Florida annually awards more than \$7 million in federal funds to non-profit, educational, and governmental organizations. To comply with federal law regarding oversight of these funds, Volunteer Florida employs a multi-pronged monitoring approach. The monitoring system includes:

- **Assessment of funds prior to approval to operate a program:** The subgrantee's proposed budget is reviewed for allowable costs during the proposal review process at the state and national level. New subgrantees also are required to submit an agency financial management assessment questionnaire that outlines the agency's financial management practices and allows Volunteer Florida staff to assess the risk level.
- **Review of supporting documentation for operational expenditures:** Volunteer Florida requires all subgrantees to submit supporting documentation prior to reimbursement of federal funds. Supporting documentation is reviewed to ensure that all costs reimbursed are allowable and in accordance with state and federal law. Costs identified as unallowable are not reimbursed.
- **On-site fiscal monitoring visits:** Volunteer Florida conducts on-site monitoring visits to review each subgrantee's overall financial management system and to assure their processes are in accordance with generally accepted accounting principles.



**EXHIBIT A**  
**MANAGEMENT'S RESPONSE (CONTINUED)**

Mr. David W. Martin, CPA  
November 30, 2009  
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- **Review of grantee audits:** Subgrantees are required annually to submit copies of their A-133 or other appropriate independent audits. Volunteer Florida tracks subgrantee audit findings to ensure a corrective action plan is being carried out.

As stated in the audit report, by April 2008 Volunteer Florida staff had implemented systematic improvements to our fiscal monitoring procedures not reflected in this audit, including the addition of a fiscal monitoring tool. The current process has been successful in that 98.5% of the funds examined in this audit are allowable and supported. This indicates that, since Volunteer Florida's federal audit, the number of unallowable and unsupported subgrantee cost expenditures has been reduced significantly.

As the number of subgrantee organizations in our funding portfolio continues to grow and as subgrantee staff and policies change, Volunteer Florida will continue to refine and improve its financial management process to ensure 100% of all federal funds are allowable expenditures according to federal and state guidelines.

**Finding No. 2: Subgrantees did not always complete the AmeriCorps member evaluations required by Federal law.**

**Response:** Volunteer Florida has a comprehensive programmatic training, technical assistance, and monitoring system in place to ensure that sub-grantees have all of the required documentation for member eligibility and other areas of program operation. Our system begins with training and technical assistance, includes annual on-site and desk monitoring, and ends with a Volunteer Florida close-out checklist requiring the sub-grantee to certify that member eligibility and other documentation is in place and adequately stored for audit purposes.

The Corporation for National and Community Service regulations state that members are not eligible to receive an education award unless they successfully complete the first term. Volunteer Florida agrees that a written final evaluation form is an important program compliance requirement; however, the AmeriCorps Member exit form completed by the AmeriCorps program director and submitted to the Corporation for National and Community Service at the end of a Members service year also documents that a member successfully completed their service requirement.

Sub-grantees unable to produce the written end of term performance review documentation indicated that staff turnover and lost records were the issue. Volunteer Florida will monitor all sub-grantees to ensure completion of required AmeriCorps Member written performance reviews.

**Finding No. 4: Subgrantees did not always obtain documentation required to support salary costs charged to the AmeriCorps Program.**

**Response:** Volunteer Florida currently works with each subgrantee to implement an appropriate time and effort reporting system based upon organization type. The audit findings indicated that throughout the year, some subgrantees did not secure the appropriate certification for every employee contributing time or effort to the AmeriCorps program.



**EXHIBIT A**  
**MANAGEMENT'S RESPONSE (CONTINUED)**

Mr. David W. Martin, CPA  
November 30, 2009  
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To improve our subgrantees' ability to meet this requirement at the local level, Volunteer Florida has developed and now utilizes a checklist for each subgrantee to ensure that all required components are included as a part of their time and effort reporting system. The checklist clarifies federal policy requirements. Currently, the requirements for time and effort reporting are based upon the types of organizations hosting programs, with the strictest requirements placed on non-profit organizations.

Further, Volunteer Florida is in the process of implementing a requirement that time and effort reports be submitted, along with other supporting documentation, prior to cost reimbursements. This practice will be enforced in particular with organizations that claim employees who work on multiple activities and whose time toward the AmeriCorps program is not 100%. By requiring subgrantees to submit periodic time and effort reports, Volunteer Florida ensures that subgrantees are continually using the appropriate systems to ensure compliance.

**Finding No. 5: Commission meetings were held in various Florida cities during the audit period at hotels selected by Volunteer Florida. The hotels provided rooms, meeting rooms, meals, and various other services. We found that Volunteer Florida did not maintain documentation of quotes to demonstrate the economy of the total costs associated with the venues selected. In addition, some meeting expenditures were not authorized by law and rules.**

**Response:** Volunteer Florida has developed and implemented a system to compare vendor-quoted meeting expenses easily, and maintains documentation of quotes from vendors when planning its meetings. Volunteer Florida has examined internal controls to ensure proper coding of public and private funds.

Thank you again for the opportunity to provide a response to your review. Volunteer Florida expresses its appreciation to you for the professional and helpful manner in which your staff conducted this audit.

Warmest regards,



Wendy Spencer  
Chief Executive Officer

cc: Mike Andrew, Chairman



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[www.volunteerflorida.org](http://www.volunteerflorida.org)