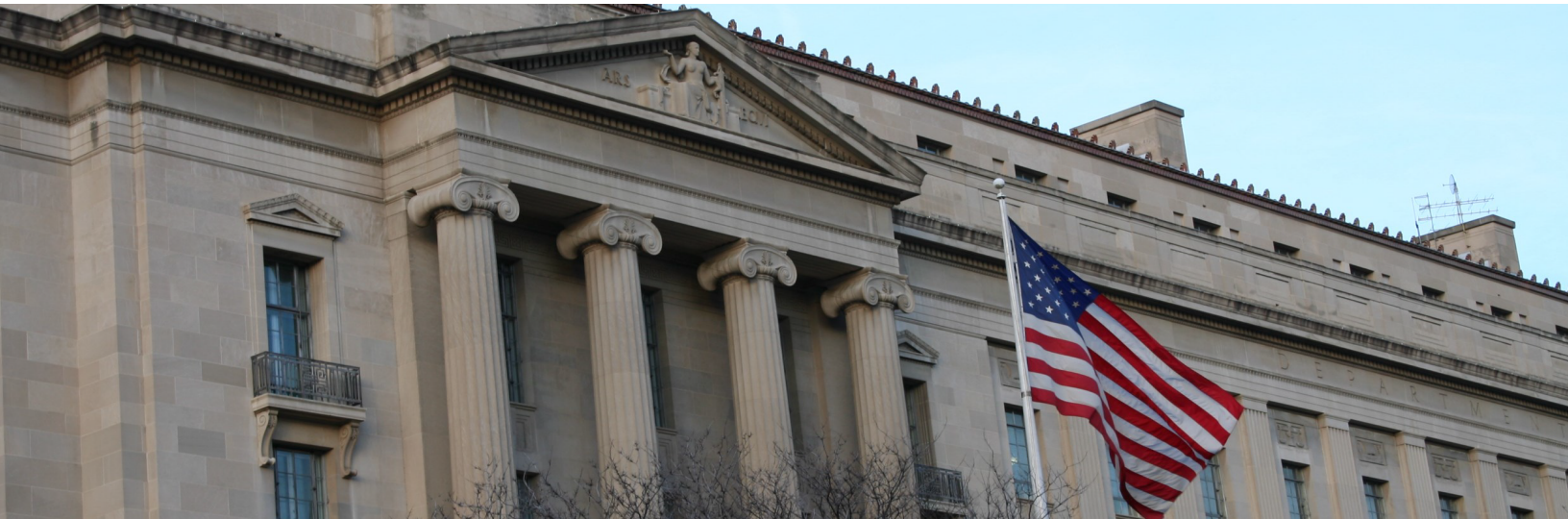




Office of the Inspector General U.S. Department of Justice

OVERSIGHT ★ INTEGRITY ★ GUIDANCE



Audit of the Office of Justice Programs Office of Juvenile Justice and Delinquency Prevention Grant Awarded to the AARP Foundation, Washington, DC

REDACTED FOR PUBLIC RELEASE

Redactions were made to the full version of this report for privacy reasons. The redactions are contained only in Appendix 3, the AARP Foundation's response, and are of an individual's name, title and government e-mail addresses.

Audit Division GR-30-19-001

November 2018



Executive Summary

Audit of the Office of Justice Programs Office of Juvenile Justice and Delinquency Prevention Grant Awarded to the AARP Foundation, Washington, D.C.

Objectives

The Office of Juvenile Justice and Delinquency Prevention (OJJDP) within the Office of Justice Programs (OJP) awarded the AARP Foundation a grant totaling \$2 million for its Experience Corps Program. The objectives of this audit were to determine whether the costs claimed under the grant were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the award; and to determine whether the grantee demonstrated adequate progress towards achieving program goals and objectives.

Results in Brief

We concluded that the AARP Foundation has a youth mentoring program in place and that it is taking the appropriate measures to ensure its program is established in several locations across the United States. However, we determined that the AARP Foundation has only partially completed its program goals of improving attendance and reducing students' disruptive behavior. Further, while the audit did not identify significant concerns regarding the AARP Foundation's budget and management control and oversight of consultants, we found that the AARP Foundation needs to comply with essential award conditions related to properly allocating charges associated with vacation time, developing policies and procedures, and reconciling progress report performance data with source documentation. Additionally, we identified a total of \$48,007 in unallowable questioned costs related to excess indirect charges and impermissible rent expenses charged to the grant.

Recommendations

Our report provides six recommendations to OJP to assist the AARP Foundation in improving its grant management and administration, and to remedy questioned costs. We provided our draft audit report to AARP and OJP, and their responses can be found in Appendices 3 and 4, respectively. Our analysis of those responses is included in Appendix 5.

Audit Results

The purpose of the OJJDP grant was to support the AARP Foundation's efforts to enhance its existing mentoring program with several subgrantees to reduce juvenile delinquency, drug abuse, truancy, and other problems and high-risk behaviors. The project period for the grant was from October 2015 through September 2018. As of February 2018, the AARP Foundation drew down \$1,592,480 of the \$2 million award.

Program Goals and Accomplishments – We found that the AARP Foundation has a mentoring program in place; however, the AARP Foundation has not yet met the grant's goals of improving attendance and reducing students' disruptive behavior. We recommend that OJP work with the AARP Foundation to evaluate measurable goals regarding student attendance and behavior as part of the final grant progress report.

Performance Reporting – We found discrepancies between performance data reported to OJJDP and data in AARP Foundation source documentation. We recommend that OJP work with the AARP Foundation to reconcile its performance data with the data it submits to OJJDP.

Personnel Costs – We found that the AARP Foundation did not consistently allocate to the grant charges associated with employee vacation time. Therefore, we recommend that OJP work with the AARP Foundation to implement internal controls that properly allocate such charges.

Indirect Costs – We found that the AARP Foundation charged an excess of \$46,181 in indirect costs to the grant and we recommend that OJP remedy these costs.

Subgrantee Expenditures – We found that an AARP Foundation subgrantee charged the grant \$1,826 in unallowable rent expenses, and we recommend that OJP remedy these costs.

Grant Financial Management – We found that the AARP Foundation lacked written grant financial management policies and procedures to guide its practices in preparing drawdown requests and federal financial reports.

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS
OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION
GRANT AWARDED TO THE AARP FOUNDATION,
WASHINGTON, D.C.**

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**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS
OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION
GRANT AWARDED TO THE AARP FOUNDATION,
WASHINGTON, D.C.**

INTRODUCTION

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of Grant Number 2015-JU-FX-0027, which was awarded by the Office of Justice Programs (OJP) Office of Juvenile Justice and Delinquency Prevention (OJJDP) to the AARP Foundation in Washington, D.C. The AARP Foundation was awarded a grant totaling \$2,000,000, as shown in Table 1.

**Table 1
Grant Awarded to AARP Foundation**

Award Number	Program Office	Award Date	Project Period Start Date	Project Period End Date	Award Amount
2015-JU-FX-0027	OJJDP	09/25/2015	10/01/2015	09/30/2018	\$2,000,000

Source: OJP’s Grants Management System (GMS)

Funding under OJJDP’s fiscal year (FY) 2015 Mentoring Opportunities for Youth Initiative, Category 2 Multistate Mentoring Program, is intended to support mentoring organization efforts to enhance existing local mentoring activities to reduce juvenile delinquency, drug abuse, truancy, and other high-risk behaviors. Mentoring activities include direct one-on-one group, peer, or a combination of services for at-risk and underserved youth populations.

The Grantee

The AARP Foundation was incorporated in 1961 and is located in Washington, D.C. It is a 501(c)(3) non-profit organization that seeks to ensure that older adults have nutritious food, affordable housing, a steady income, and strong sustaining social bonds. The organization sponsors programs that collaborate with individuals and other groups who share the same commitment to assist struggling older adults.

The purpose of Grant Number 2015-JU-FX-0027 was to support the AARP Foundation’s Experience Corps Program, a tutoring initiative where volunteers 50 and older help students in kindergarten through third grade become better readers. The purpose of the program is, in part, to inspire and empower these individuals to serve their community by making a lasting difference in the lives of young children. This program also has nearly 2,000 trained volunteers in more than 20 cities and serves over 30,000 elementary schools students. Each Experience Corps Program site operates one of three tutoring models: (1) one to one, (2) small group, and (3) literacy assistance (where volunteers tutor children and help teachers with classroom activities).

OIG Audit Approach

The objectives of this audit were to determine whether the costs claimed under the grant were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant; and to determine whether the grantee demonstrated adequate progress towards achieving the program goals and objectives. To accomplish these objectives, we assessed performance in the following areas of grant management: program performance, financial management, expenditures, consultant and subgrantee oversight, budget management and control, drawdowns, and federal financial reports.

We tested compliance with what we consider to be the most important conditions of the grant. The 2015 DOJ Grants Financial Guide and the award documents contain the primary criteria we applied during the audit.

The results of our analysis are discussed in detail later in this report. Appendix 1 contains additional information on this audit's objectives, scope, and methodology. The Schedule of Dollar-Related Findings appears in Appendix 2.

AUDIT RESULTS

Program Performance and Accomplishments

We reviewed required performance reports, the award solicitation and documentation, and data collected by the AARP Foundation. Additionally, we interviewed AARP Foundation headquarters officials, as well as AARP Foundation's branch personnel to determine whether the grantee demonstrated adequate progress towards achieving the program goals and objectives. We also reviewed the progress reports and relevant supporting documentation to determine if the required reports were accurate. Finally, we reviewed the AARP Foundation's compliance with a selection of special conditions identified in the award documentation.

Program Goals and Objectives

OJJDP awarded Grant Number 2015-JU-FX-0027 with three main goals: (1) reduce high risk, disruptive behaviors and increase positive engagement behaviors in schools, including participation and concentration in class, motivation to learn, and attendance, (2) increase academic literacy outcomes among participating mentees, and (3) enhance ongoing training and additional support for mentors to ensure strong mentor-mentee relationships. Nine Experience Corps Program subgrantee sites received funding to further the goals and objectives of the grant.

To ascertain whether the AARP Foundation met or was on target to meet the goals of Grant Number 2015-JU-FX-0027, we tested a sample of attributes and deliverables of all three major objectives. We reviewed the AARP Foundation's progress reports and tested program activities and accomplishments for the 2016-2017 school year.¹ According to the June 2017 progress report, the AARP Foundation reported that its first objective on high-risk disruptive behaviors was only partially complete. The AARP Foundation set a goal of having at least 65 percent of students enrolled in the program rated by teachers as having "moderate to high" levels of engagement in each of the five high-risk student behaviors: (1) improvement in participation in class, (2) improvement in motivation to learn, (3) improvement in concentration in class, (4) improvement in attendance, and (5) reduction in disruptive behavior. As shown in Table 2, the AARP Foundation reached its targets for improving mentee participation in class, motivation to learn, and concentration in class; however it had not reached its targets for improving in attendance and reducing disruptive behavior.

¹ The AARP Foundation program metrics are dependent on the completion of a school year. As such, this was the first program year that the AARP Foundation had complete program data available for us to review.

Table 2
Experience Corps Program Levels of Engagement Behaviors

Metric Tested	Percentage of Students Reported by Teachers as having Moderate to High Levels of Engagement
Improvement in participation in class	78.4
Improvement in motivation to learn	77.8
Improvement in concentration in class	73.2
Improvement in attendance	52.8
Reduction in disruptive behavior	50.6

Source: OJP's Grants Management System (GMS)

AARP Foundation progress reports acknowledged that the results of both the attendance and disruptive behavior metrics were likely lower because many mentees did not start the academic year with attendance or behavior problems, resulting in a smaller number of potential mentees that could demonstrate improvement in these two metrics. In this same progress report, the AARP Foundation stated that it would continue to assess this issue and that it was possible that these two metrics were not appropriate for the specific program model. We interviewed the program director at a branch location and she confirmed that student behavior could change throughout the school year, which would affect reported results.

According to progress reports, the AARP Foundation met its second objective of increasing academic literacy outcomes among participating mentees. To support this objective, the AARP Foundation stated that the Experience Corps Program provided enhanced best practices in mentor training to ensure robust literacy instruction. We interviewed AARP Foundation staff and determined that best practices for training materials and toolkits were distributed during training.

In addition, the AARP Foundation reported that it exceeded its third objective of enhancing ongoing training and providing additional support for mentors to ensure strong mentor-mentee relationships. We selected a judgmental sample of mentors from a branch location and reviewed sign-in sheets, training agendas, and materials for the school year 2016–2017 to confirm that mentors attended trainings and meetings.

Based on our selected sample of attributes and deliverables of all grant goals and objectives, we found that the AARP Foundation has a program in place and is taking what we consider to be appropriate measures to ensure its program is established in suitable locations, that its mentors are current on trainings, and that both mentors and mentees have the resources they need. However, the AARP Foundation has not yet met the grant's goals of improving attendance and reducing disruptive behavior in 65 percent of student mentees. Considering: (1) the difficulty that the AARP Foundation reported in measuring improvement on these metrics and (2) the conclusion of the grant's performance period, we recommend that OJP work with the AARP Foundation to evaluate and report measurable goals regarding student attendance and behavior as part of its final grant progress report.

Required Performance Reports

According to the 2015 DOJ Grants Financial Guide, the funding recipient should ensure that valid and auditable source documentation is available to support all data collected for each performance measure specified in the program solicitation. In order to verify the information in OJJDP’s Data Collection and Technical Assistance Tool (DCTAT) Performance Data Reports, we selected a sample of six performance measures from semiannual periods ending December 2016 and June 2017. We then traced these measures to supporting documentation maintained by the AARP Foundation.

We identified discrepancies between data reported to OJJDP and AARP Foundation source documentation. Table 3 shows that five of six performance measures reported from July 2016 through December 2016, and six of six performance measures reported from January 2017 through June 2017 did not reconcile with source documentation.

Table 3
AARP Foundation Youth Mentoring Grant Program
Progress Report Performance Measures Reviewed
July 2016 – June 2017

No.	Performance Measures Tested	July 2016 – December 2016		January 2017 – June 2017	
		Reported to OJJDP	AARP Foundation Data	Reported to OJJDP	AARP Foundation Data
1	Mentors who left the program	12	8	16	14
2	Mentors during the reporting period	395	443	456	421
3	Youth enrolled at beginning of the period	0	5	1,511	1,487
4	New youth added during the period	1,508	1,902	504	441
5	Youth exiting with successful completion	0	0	1,011	1,004
6	Youth exiting (successful or unsuccessful)	32	214	2,015	1,946

Source: OIG analysis of OJJDP’s DCTAT data and AARP Foundation data

AARP Foundation official responsible for compiling progress reports exports data from the Foundation Impact System (FIS), which is the AARP Foundation’s data collection repository.² This official told us that the Experience Corps Program sites set their reporting parameters differently in FIS, which caused these discrepancies. For example, Experience Corps Program sites set different start and end dates when they generated data in FIS for DCTAT reports. In July 2017, before our audit began, the AARP Foundation implemented a corrective action plan to reconcile differences prior to submitting data to OJJDP and allow data to be consistent across all Experience Corps Program sites. However, in our opinion, any

² FIS is the online, cloud-based system used for Experience Corps’ Program and member management.

future inability to adhere to this corrective action plan would increase the risk of the AARP Foundation not accurately tracking its performance related to the youth mentoring program grant. Therefore, we recommend that OJP work with the AARP Foundation to ensure that submitted DCTAT data reconciles with data collected and exported from FIS.

Compliance with Special Conditions

Special conditions are the terms and conditions that OJJDP included with the award. We evaluated the special conditions of Grant Number 2015-JU-FX-0027 and selected a judgmental sample of the following four requirements that we considered significant to grant performance: (1) training, including training materials, must adhere to the OJP Training Guiding Principles for Grantees and Subgrantees; (2) appropriate criminal background screening procedures in place to evaluate individuals expected to have direct substantial contact with minor children; (3) attendance at new grantee conference, regional conference, or on-line training; and (4) submission of all interim and final reports to OJJDP.

Based on our sample, we did not identify any instances of the AARP Foundation not meeting these reviewed special conditions.

Grant Financial Management

According to the 2015 DOJ Grants Financial Guide, all grant recipients and subrecipients are required to establish and maintain adequate accounting systems and financial records and to accurately account for funds awarded to them. To assess the AARP Foundation's financial management of Grant Number 2015-JU-FX-0027 and ensure that it adequately safeguarded grant funds, we interviewed financial staff, examined relevant policy and procedures, and inspected grant documents. We also reviewed the AARP Foundation's Single Audit Reports for FYs 2015 and 2016 to identify internal control weaknesses and significant non-compliance issues related to federal awards.

Based on our review, we concluded that the AARP Foundation's grant financial management related to personnel costs, indirect costs, subgrantee expenditures, drawdown of federal funds, and federal financial reports could be improved. Specifically, we found that the AARP Foundation did not consistently allocate to the grant charges associated with employee vacation time, exceeded the approved indirect costs budget, and lacked policies and procedures for preparing drawdown funding requests and federal financial reports. Also, we found that a subgrantee charged unallowable rent expenses to the grant. These deficiencies are discussed in more detail in the Personnel Costs, Indirect Costs, Monitoring of Subgrantees, Drawdown, and Federal Financial Reports sections of this report.

Single Audit

The Single Audit Act of 1984, as amended, provides for recipients of federal funding above a certain threshold to receive an annual audit of their financial statements and federal expenditures. Under 2 C.F.R. 200, *Uniform Administrative*

Requirements, Cost Principles, and Audit Requirements for Federal Awards, entities that expend \$750,000 or more in federal funds within the entity's fiscal year must have a "single audit" performed annually covering all federal funds expended that year. We did not identify material deficiencies or weaknesses specifically related to the AARP Foundation's internal controls over financial reporting and federal programs.

Grant Expenditures

For Grant Number 2015-JU-FX-0027, AARP Foundation's approved budget included personnel and fringe, travel, supplies, contractual, indirect, and other direct costs. To determine whether costs charged to the award was allowable, supported, and properly allocated in compliance with award requirements, we tested a sample of transactions. As of January 2018, AARP Foundation's life to date expenditures in its accounting records totaled \$1,835,507. Our sample selection included a total of 64 transactions totaling \$229,749 charged to the award. We reviewed documentation, accounting records, and performed verification testing related to grant expenditures. As described in the following sections, we recommend that OJP work with the AARP Foundation to implement payroll procedures to allocate properly charges associated with employee vacation time, and remedy \$46,181 in indirect costs that exceeded the approved grant budget.

Personnel Costs

The 2015 DOJ Grants Financial Guide states that costs must be reasonable, allocable and necessary to the project, and comply with the funding statute and agency requirements. Further, charges made to federal awards for salaries, wages, and fringe benefits must be based on records that accurately reflect the work performed and comply with the established policies and practices of the organization. Charges must be supported by a system of internal controls that provides reasonable assurance that the charges are accurate, allowable, and properly allocated. Also, documentation for charges must be incorporated into the official records of the organization.

We reviewed and tested the timesheets, including paystubs of two different pay periods for six employees who worked on Grant Number 2015-JU-FX-0027, to confirm whether the AARP Foundation complied with the approved grant budget. Based on our review, we found that the salary and associated fringe benefits allocated to the grant generally reflected the work performed and were adequately supported by the payroll records. However, of the six employees tested, we found that the AARP Foundation allocated the cost of 24 hours of vacation time associated with one employee to the grant. We compared this allocation to other employees who had recorded vacation time on their timesheets and found that the AARP Foundation allocated no other employee's vacation time to the DOJ grant. Furthermore, while we determined that the timesheet in question was approved by the employee's supervisor, the billing of these vacation hours was not consistently allocated to the grant. Considering the AARP Foundation's potential to receive future OJJDP awards, we recommend that OJP work with the AARP Foundation to

implement internal controls that properly allocate payroll charges for AARP Foundation employees who work on DOJ grants.

Consultant Costs

As part of our sample, we reviewed five consultant transactions totaling \$1,382. Per the 2015 DOJ Grants Financial Guide, compensation for consultant services maximum hourly or daily rate for an 8-hour workday is \$650. The grant budget approved expenses for \$450 per day for each grant year, totaling \$2,250. In addition, the consultant statement of work authorized payments of \$2,250 for Grant Number 2015-JU-FX-0027. We traced costs to invoices and other supporting documents and verified that the rates and total costs were in accordance with those allowed in the approved budget. We did not identify any discrepancies related to these costs.

Other Direct Costs

As part of our sample, we reviewed a total of 35 other direct cost transactions totaling \$190,133. The transactions reviewed included various travel, supplies, and contractual costs. For each transaction, we reviewed accounting records, receipts, and associated documents. Based on our review of supporting documentation and discussions with AARP Foundation officials, we determined that these costs were properly authorized by grantee officials, properly supported, accurately recorded, and were allowable per the grant award.

Indirect Costs

Indirect costs are costs incurred by an organization that are not readily assignable to a particular project, but are necessary to the operation of the organization and the performance of the project. According to the 2015 DOJ Grants Financial Guide, a grant recipient may include in its indirect cost basis charged to the grant the first \$25,000 in indirect costs for each subaward.³

We reviewed the AARP Foundation's indirect cost agreement included with the grant application and approved grant budget. We also requested and obtained the most recently approved indirect cost rate. We tested the indirect cost charges from the inception of the grant to January 2018. Based on our calculation, the total allowable indirect costs was \$62,016 for Grant Number 2015-JU-FX-0027. We compared our total to the AARP Foundation accounting records and found that the AARP Foundation charged \$108,197 in indirect costs to the grant, resulting in an excess of \$46,181. We asked an AARP Foundation official about their indirect cost allocation practices, and we were told that its financial system does not allow for the identification of direct budget line items under the indirect cost pool. Additionally, the AARP Foundation financial system does not specifically capture the indirect cost amount up to the first \$25,000 of each subaward. As a result, the AARP Foundation can only make manual adjustments to indirect costs charges. The

³ The indirect cost basis excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward in excess of \$25,000.

AARP Foundation acknowledged that it exceeded the amount approved in the budget for indirect costs and plans to take corrective action accordingly. Therefore, we question \$46,181 in unallowable indirect costs that exceeded the approved grant budget and recommend that OJP work with the AARP Foundation to remedy these costs.

Monitoring of Subgrantees

According to the 2015 DOJ Grants Financial Guide, as the primary grant recipient the AARP Foundation is responsible for monitoring its subrecipients and verifying that they fulfill all financial and programmatic responsibilities. Furthermore, primary recipients must confirm that subrecipient financial management systems are sufficient to ensure grant funds are used in accordance with OJP guidance. The 2015 DOJ Grants Financial Guide also requires primary recipients to have written subgrantee monitoring policies and procedures.

We sought to determine whether the AARP Foundation monitored its nine Experience Corps Program subgrantees to ensure compliance with its monitoring manual and OJP guidelines. According to AARP Foundation officials, its Experience Corps Program subgrantees that received Grant Number 2015-JU-FX-0027 award funds have been DOJ OJJDP subgrantees in the past. As such, AARP Foundation officials told us that they had previously verified the financial management systems and associated policies of these subgrantees.

We determined that the AARP Foundation implemented monitoring policies and procedures to its Experience Corps Program subgrantees. Subgrantee monitoring procedures included requirements for program participant file audits, program performance reports, and desk reviews and onsite visits. Moreover, the AARP Foundation required subgrantees to submit monthly financial reports for review to ensure that expenditures were both allowable and supported.

To evaluate the subgrantees financial controls over expenditures, we reviewed a sample of transactions to determine whether the charges were accurate, allowable, and in accordance with their approved grant budgets. As of January 2018, the AARP Foundation reimbursed a total of \$1,300,831 in grant funds to seven Experience Corps Program subgrantees. We judgmentally selected 35 transactions totaling \$21,961 for our sampling purposes. The transactions we reviewed included costs in the following categories: (1) personnel, (2) fringe and benefit, (3) travel (4) rent, (5) consultant, (6) mentor stipend, and (7) operating costs. We found that one of the seven subgrantees charged a total of \$1,826 in rent expenses to the grant; however, this operational cost was not in the approved budget. As a result, we question, \$1,826 in unallowable rent payment, and recommend that OJP remedy these costs.

Budget Management and Control

According to the 2015 DOJ Grants Financial Guide, each grant recipient is responsible for establishing and maintaining an adequate accounting system, which includes the ability to compare actual expenditures or outlays with budgeted

amounts for each award. We compared grant expenditures to the approved budgets to determine whether the AARP Foundation transferred funds among budget categories in excess of 10 percent. We determined that the cumulative difference between category expenditures and approved budget category totals was not greater than 10 percent.

Drawdowns

According to the 2015 DOJ Grants Financial Guide, grant recipients must establish an adequate accounting system and maintain documentation to support all receipts of federal funds. If, at the end of the grant award, recipients have drawn down funds in excess of federal expenditures, unused funds must be returned to the awarding agency. As of February 2018, the AARP Foundation had drawn down a total of \$1,592,480 from Grant Number 2015-JU-FX-0027.

To assess whether the AARP Foundation managed grant receipts in accordance with federal requirements, we reviewed written policies and procedures for preparing drawdown funding request and compared the total amount reimbursed to the total expenditures in the accounting records.

Our testing confirmed that the AARP Foundation's total expenditures exceeded its cumulative drawdowns, which indicates that the AARP Foundation drew down award funds on a reimbursement basis, and the funds were electronically deposited into a bank account.

A drawdown package for the AARP Foundation is created and submitted to the Controller. After the Controller reviews and approves the drawdown package, the Controller submits the information for processing and payment. The Controller told us that the AARP Foundation has not drawn down funds every month because they wait until they get to a reasonable level to request drawdowns. Despite this process, we found that the grantee lacked written policies and procedures for preparing drawdown funding requests. Moreover, the Controller confirmed that the AARP Foundation does not have written policies and procedures or a rule for drawing down funds. Because staffing or other personnel changes may take place, future drawdowns could be compromised if the current undocumented practices for drawing funds are not performed consistently. We recommend that OJP work with the AARP Foundation to develop written policies and procedures for making drawdown requests.

Federal Financial Reports

According to the 2015 DOJ Grants Financial Guide, grant recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period on each Federal Financial Report (FFR) as well as cumulative expenditures. To determine whether the AARP Foundation submitted accurate FFRs, we assessed written policies for preparing FFRs and compared four reports to the AARP Foundation's accounting records for the grant. We found that the grantee also lacked written grant administration policies and procedures for preparing and reporting of FFRs. Further, as shown in Table 4, we found that amounts listed on

the FFRs did not match the AARP Foundation’s accounting records for Grant Number 2015-JU-FX-0027.

Table 4
Accuracy of AARP Foundation’s Federal Financial Reports
Grant Number 2015-JU-FX-0027

Report No.	Reporting Period	Expenditures Reported on FFR (\$)	Award-Related Expenditures per the Account Records (\$)	Difference Between FFRs and Accounting Records (\$) ^a
6	01/01/17-03/31/17	251,736	280,147	28,410
7	04/01/17-06/30/17	210,568	217,585	7,017
8	07/01/17-09/30/17	282,578	244,903	(37,675)
9	10/01/17-12/31/17	171,945	182,719	10,774
Total		\$916,827	\$925,354	\$8,527

^a Some totals adjusted due to rounding.

Source: OIG analysis of OJP data and AARP Foundation’s accounting records

We asked AARP Foundation officials to identify the reasons for the discrepancies between the FFRs and accounting records. An AARP Foundation official advised that the variances were due to transactions deemed as erroneous expenses coded to the DOJ grant and not reported on the FFRs. This official also confirmed that adjustments are tracked with subsidiary records; however, subsequent updates to the accounting records did not occur until after the close out of the grant. Based on our review of the subsidiary records, we could not reconcile the FFRs to the subsidiary records and therefore were unable to test the accuracy of FFRs. It is important that the AARP Foundation develop written policies and procedures for preparing financial reporting to ensure that OJP has valid and reliable financial information to report on its federal grant funds. This is particularly true for the final financial report that the AARP Foundation will need to prepare to close out the grant. We therefore recommend that OJP ensure that the AARP Foundation develops written policies and procedures to ensure compiling accurate financial reports.

CONCLUSION AND RECOMMENDATIONS

We assessed the AARP Foundation's program performance, grant financial management, expenditures, budget management and control, consultant and subgrantee oversight, drawdowns, and federal financial reports. We did not identify significant issues regarding AARP Foundation's budget and management control and oversight of its consultant. However, as a result of our audit testing, we found that the AARP Foundation did not consistently allocate charges associated with employee vacation time to the grant, and exceeded the approved indirect costs budget by \$46,181. We also found \$1,826 in unallowable rent expenses charged to the grant by a subgrantee. In addition, we found that the AARP Foundation did not meet all of its program goals and objectives, did not comply with essential award conditions related to grant financial management policies and procedures, and did not reconcile progress report performance data with its source documentation. As a result, identified \$48,007 in total-dollar relating findings, and we provide six recommendations to OJP and AARP Foundation to address the noted deficiencies.

We recommend that OJP:

1. Work with the AARP Foundation to evaluate and report measurable goals regarding student attendance and behavior as part of its final grant progress report.
2. Work with the AARP Foundation to ensure that submitted DCTAT data reconciles with data collected and exported from FIS.
3. Work with the AARP Foundation to implement internal controls that properly allocate payroll charges for AARP Foundation employees who work on DOJ grants.
4. Remedy \$46,181 in unallowable indirect costs that exceeded the approved grant budget.
5. Remedy \$1,826 in unallowable rent charged to the grant by a subgrantee.
6. Ensure that the AARP Foundation develops written policies and procedures to guide the making of drawdown requests and the compiling of accurate financial reports.

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

The objectives of this audit were to determine whether the costs claimed under the grant were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant; and to determine whether the grantee demonstrated adequate progress towards achieving the program goals and objectives. To accomplish these objectives, we assessed performance in the following areas of grant management: program performance, financial management, expenditures, consultant and subgrantee oversight, budget management and control, drawdowns, and federal financial reports.

Scope and Methodology

We conducted this performance 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 was an audit of the Office of Justice Programs grant awarded to the AARP Foundation under the Office of Juvenile Justice and Delinquency Prevention fiscal year 2015 Mentoring Opportunities for Youth Initiative, Category 2 Multistate Mentoring Program. The AARP Foundation was awarded a grant, 2015-JU-FX-0027, totaling \$2,000,000 and as of February 2018, the AARP Foundation had drawn down \$1,592,480 of the total grant funds awarded. Our audit concentrated on, but was not limited to October 2015, the award start date for Grant Number 2015-JU-FX-0027, through September 2018, which is when we concluded our audit work.

To accomplish our objectives, we tested compliance with what we consider to be the most important conditions of AARP Foundation’s activities related to the audited grant. We performed sample-based audit testing for grant expenditures including payroll and fringe benefit charges, financial reports, progress reports, special conditions, consultant, and subgrantee expenditures. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grant reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The DOJ Grants Financial Guide and the award documents contain the primary criteria we applied during the audit.

During our audit, we obtained information from OJP’s Grants Management System, as well as the AARP Foundation’s accounting system specific to the management of DOJ funds during the audit period. We did not test the reliability of those systems as a whole, therefore any findings identified involving information from those systems were verified with documentation from other sources.

APPENDIX 2

SCHEDULE OF DOLLAR-RELATED FINDINGS

<u>Description</u>	<u>Amount</u>	<u>Page</u>
Questioned Costs:		
Unallowable Indirect Costs	\$46,181	9
Unallowable Subgrantee Rent	\$1,826	9
Total Questioned Costs⁴	\$48,007	

⁴ **Questioned Costs** are expenditures that do not comply with legal, regulatory, or contractual requirements; are not supported by adequate documentation at the time of the audit; or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, the provision of supporting documentation, or contract ratification, where appropriate.

**THE AARP FOUNDATION'S RESPONSE TO
THE DRAFT AUDIT REPORT**



October 22, 2018

Mr. John Manning
Regional Audit Manager
Washington Regional Audit Office
Office of the Inspector General
US Department of Justice
Jefferson Plaza, Suite 900
Arlington, VA 20530

via email: [REDACTED]@usdoj.gov

Dear Mr. Manning,

This communication is in response to the draft audit report, received October 1, 2018, issued by the Department of Justice (DOJ), Office of the Inspector General (OIG), Washington Regional Audit Office, through the Office of Justice Programs (OJP) related to an Office of Juvenile Justice and Delinquency Prevention (OJJDP) Grant Award 2015-JU-FX-0027 in the amount of \$2,000,000 awarded to AARP Foundation. The OIG requested that AARP Foundation submit a written response prior to its issuance of the final audit report.

The following response from AARP Foundation includes explanations and supporting documentation regarding its consideration of the OIG recommendations and its subsequent actions to remedy findings and ensure compliance with the recommendations in subsequent events and transactions.

AARP Foundation's response is being submitted electronically as instructed. The response is structured as follows:

Response to Auditors' Recommendations, Draft Audit Report, page 12:

1. Program Goals and Accomplishments
2. Performance Reporting
3. Personnel Costs
4. Remedy \$46,181 Costs
5. Remedy \$1,826 Costs
6. Grant Financial Management

AARP Foundation has appreciated the opportunity to serve under the OJJDP's Mentoring Initiative, and it remains committed to producing results that enhance OJJDP's goals.

Sincerely,


Patricia D. Shannon, CPA, CGMA
Chief Financial Officer and SVP Strategy, Innovation, Finance, Grants, Operations and Technology
AARP Foundation

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A. Response to Auditor’s Recommendations

1. Work with the AARP Foundation to evaluate and report measurable goals regarding student attendance and behavior as part of its final grant progress report

Auditors’ observation: Draft Audit Report, page 4. Based on our selected sample of attributes and deliverables of all grant goals and objectives, we found that the AARP Foundation has a program in place and is taking what we consider to be appropriate measures to ensure its program is established in suitable locations, that its mentors are current on trainings, and that both mentors and mentees have the resources they need. However, the AARP Foundation has not yet met the grant’s goals of improving attendance and reducing disruptive behavior in 65 percent of student mentees. Considering: (1) the difficulty that the AARP Foundation reported in measuring improvement on these metrics and (2) the conclusion of the grant’s performance period, we recommend that OJP work with the AARP Foundation to evaluate and report measurable goals regarding student attendance and behavior as part of its final grant progress report.

Questioned Cost: None

Grantee’s response: AARP Foundation acknowledges that the 65 percent performance target was not met for two behavior metrics (Improved Attendance; Reduced Disruptive Behavior) over the course of the grant. However, the overall grant goal of reducing high-risk disruptive student behaviors and increasing positive engagement in schools was achieved for the following behavior metrics: Improved Participation in Class, Improved Motivation to Learn, and Improved Concentration in Class. Actual results for these metrics were 73.4%, 72.8% and 66.3%, respectively, which exceeded the 65 percent performance target goal (see table below). AARP Foundation has performed an analysis to identify specific programs that negatively impacted overall disruptive behavior outcomes. AARP Foundation is addressing the issue by incorporating increased behavioral management training for DOJ mentors into the annual targeted technical assistance plans that are developed with these programs. AARP Foundation has also adjusted attendance targets for the current grant to more appropriately reflect the population of students served.

Goal #1: Reduce high-risk student behaviors: By the end of the school year, 65% of students will be rated by teachers as having “moderate” to “high” levels of engagement for five critical behaviors.	% of Students Reported by Teachers as having Moderate to High Levels of Academic Engagement Behaviors	
	2015-2018	
Improved Participation in class	73.4	Exceeded
Improved Motivation to learn	72.8	Exceeded
Improved Concentration in class	66.3	Exceeded
Improved Attendance	51.7	Did Not Meet
Reduced Disruptive Behavior	55.6	Did Not Meet

2. Work with the AARP Foundation to ensure that submitted DCTAT data reconciles with data collected and exported in FIS.

Auditors' observation: Draft audit report, page 5-6. We identified discrepancies between data reported to OJJDP and AARP Foundation source documentation... AARP Foundation official responsible for compiling progress reports exports data from the Foundation Impact System (FIS), which is the AARP Foundation's data collection repository. This official told us that the Experience Corps Program sites set their reporting parameters differently in FIS, which caused these discrepancies. For example, Experience Corps Program sites set different start and end dates when they generated data in FIS for DCTAT reports. In July 2017, before our audit began, the AARP Foundation implemented a corrective action plan to reconcile differences prior to submitting data to OJJDP and allow data to be consistent across all Experience Corps Program sites. However, in our opinion, any future inability to adhere to this corrective action plan would increase the risk of the AARP Foundation not accurately tracking its performance related to the youth mentoring program grant. Therefore, we recommend that OJP work with the AARP Foundation to ensure that submitted DCTAT data reconciles with data collected and exported from FIS.

Questioned Cost: None

Grantee's response: AARP Foundation concurs that some discrepancies existed between figures reported on the Jul-Dec'16 and Jan-Jun'17 DCTAT performance measure reports and supporting documentation from AARP Foundation's program management database – Foundation Impact System (FIS). However, actual figures reported in the DCTAT were correct for both periods. As noted in the audit report, in July of 2017, AARP Foundation had already discovered these few discrepancies and created and documented new procedures to ensure such discrepancies would not occur in subsequent grant periods. AARP Foundation has since adhered to this policy, generating aligned DCTAT and FIS output data in both the Jul-Dec'17 and Jan-Jun'18 reporting periods. This recommendation has been addressed.

3. Work with AARP Foundation to implement internal controls that properly allocate payroll charges for AARP Foundation employees who work on DOJ grants.

Auditors' observation: Draft audit report, page 7. Based on our review, we found that the salary and associated fringe benefits allocated to the grant generally reflected the work performed and were adequately supported by the payroll records. However, of the six employees tested, we found that the AARP Foundation allocated the cost of 24 hours of vacation time associated with one employee to the grant. We compared this allocation to other

employees who had recorded vacation time on their timesheets and found that the AARP Foundation allocated no other employee's vacation time to the DOJ grant. Furthermore, while we determined that the timesheet in question was approved by the employee's supervisor, the billing of these vacation hours was not consistently allocated to the grant.

Questioned Cost: None

Grantee's response: AARP Foundation's policy and guidelines were updated to specify that staff who are fully-funded by a single federal grant may charge leave to the federal grant and all other staff must continue to not charge leave to federal grants. Additionally, staff charging time to DOJ federal grants will complete an annual Federal Grants refresher training that highlights policies and procedures critical to federal grant compliance.

4. Remedy \$46,181 in unallowable indirect costs that exceeded the approved grant budget.

Auditors' observation: Draft audit report, page 8. We tested the indirect cost charges from the inception of the grant to January 2018. Based on our calculation, the total allowable indirect costs was \$62,016 for Grant Number 2015-JU-FX-0027. We compared our total to the AARP Foundation accounting records and found that the AARP Foundation charged \$108,197 in indirect costs to the grant, resulting in an excess of \$46,181. We asked an AARP Foundation official about their indirect cost allocation practices, and we were told that its financial system does not allow for the identification of direct budget line items under the indirect cost pool. Additionally, the AARP Foundation financial system does not specifically capture the indirect cost amount up to the first \$25,000 of each subaward. As a result, the AARP Foundation can only make manual adjustments to indirect costs charges.

Questioned Cost: \$46,181

Grantee's response: AARP Foundation acknowledges excess indirect cost charges were recorded in the accounting records. However, the amount reported to DOJ in the FFR reflected the accurate and allowable indirect costs. AARP Foundation never charged the grant indirect costs that were unallowable. AARP Foundation's accounting records were adjusted to reflect the proper indirect costs charges in July 2018. The final federal financial report (FFR) will tie to the general ledger. The Foundation will revise its process for indirect cost charges to ensure that the amount recorded in the accounting records does not exceed the amount allowed under grant award terms and conditions while adhering to final rate determinations as issued through AARP Foundation's negotiated indirect cost rate agreement by the cognizant federal agency. The recommendation has been remedied.

5. Remedy \$1,826 in unallowable rent charged to the grant by a subgrantee.

Auditors' observation: Draft audit report, page 9. We found that one of the seven subgrantees charged a total of \$1,826 in rent expenses to the grant; however, this operational cost was not in the approved budget. As a result, we question, \$1,826 in unallowable rent payment, and recommend that OJP remedy these costs.

Questioned Cost: \$1,826

Grantee's response: AARP Foundation concurs with the recommendation to question unallowable rent expense in the amount of \$1,826. The questioned cost has been reduced from the final reimbursement claim submitted by subgrantee, thereby effectively recovering questioned costs. The recommendation has been remedied.

6. Ensure that the AARP Foundation develops written policies and procedures to guide the making of drawdown requests and the compiling of accurate financial reports.

Auditors' observation: Draft audit report, page 11. It is important that the AARP Foundation develop written policies and procedures for preparing financial reporting to ensure that OJP has valid and reliable financial information to report on its federal grant funds. This is particularly true for the final financial report that the AARP Foundation will need to prepare to close out the grant. We therefore recommend that OJP ensure that the AARP Foundation develops written policies and procedures to ensure compiling accurate financial reports.

Questioned Cost: None

Grantee's response: AARP Foundation acknowledges the importance of having written policies and procedures for preparing financial reporting to ensure valid and reliable financial information is reported on its federal grant funds. AARP Foundation has finalized and adopted a drawdown policy and financial reporting policy, respectively. The two policies include pertinent details related to procedures, roles, dates, etc. to collectively ensure accurate financial reports and appropriate drawdowns. The recommendation has been addressed.

OFFICE OF JUSTICE PROGRAMS' RESPONSE TO THE DRAFT AUDIT REPORT⁵



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

OCT 31 2018

MEMORANDUM TO: John J. Manning
Regional Audit Manager
Washington Regional Audit Office
Office of the Inspector General

FROM: *for* Ralph E. Martin *Jerry A. Atab*
Director

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs, Office of Juvenile Justice and Delinquency Prevention, Grant Awarded to the AARP Foundation, Washington, D.C.*

This memorandum is in reference to your correspondence, dated October 1, 2018, transmitting the above-referenced draft audit report for the AARP Foundation. We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains **six** recommendations and **\$48,007** in questioned costs. The following is the Office of Justice Programs' (OJP) analysis of the draft audit report recommendations. For ease of review, the recommendations are restated in bold and are followed by our response.

- 1. We recommend that OJP ensure that the AARP Foundation evaluate and report measurable goals regarding student attendance and behavior as part of its final grant progress report.**

OJP agrees with the recommendation. We will work with the AARP Foundation to ensure that measurable performance goals regarding student attendance and behavior are evaluated and reported in its final grant progress report.
- 2. We recommend that OJP work with the AARP Foundation to ensure that submitted DCTAT data reconciles with data collected and exported from FIS.**

OJP agrees with the recommendation. We will work with the AARP Foundation to ensure that data submitted in Office of Juvenile Justice and Delinquency Prevention's Data Collection and Technical Assistance Tool (DCTAT) reconciles with data collected and exported from its Foundation Impact System (FIS).

⁵ Attachments to this response were not included in this final report.

- 3. We recommend that OJP work with the AARP Foundation to implement internal controls that properly allocate payroll charges for AARP Foundation employees who work on DOJ grants.**

OJP agrees with the recommendation. We will coordinate with the AARP Foundation to obtain a copy of written policies and procedures, developed and implemented, to ensure that payroll charges for AARP Foundation employees who work on Department of Justice grants are properly allocated, and the supporting documentation is maintained for future auditing purposes.

- 4. We recommend that OJP remedy the \$46,181 in unallowable indirect costs that exceeded the approved grant budget.**

OJP agrees with the recommendation. However, to remedy the \$46,181 in questioned costs, related to unallowable indirect costs that exceeded the approved budget for Grant Number 2015-JU-FX-0027, the AARP Foundation provided documentation to support that it had removed all excess indirect costs, totaling \$73,578, that were charged to the grant (see Attachment). Accordingly, the Office of Justice Programs requests closure of this recommendation.

- 5. We recommend that OJP remedy the \$1,826 in unallowable rent charged to the grant by a subgrantee.**

OJP agrees with the recommendation. We will review the \$1,826 in questioned costs, related to subgrantee unallowable rent costs charged to Grant Number 2015-JU-FX-0027, and will work with the AARP Foundation to remedy, as appropriate.

- 6. We recommend that OJP ensure that the AARP Foundation develops written policies and procedures to guide the making of drawdown requests and the compiling of accurate financial reports.**

OJP agrees with the recommendation. We will coordinate with the AARP Foundation to obtain a copy of written policies and procedures, developed and implemented, to ensure that drawdowns of Federal grant funds are based on actual expenditures incurred, or are the minimum amounts needed for disbursements to be made immediately or within 10 days of draw down; and the amounts requested for reimbursement are reconciled to adequate supporting documentation. We will also coordinate with the AARP Foundation to obtain a copy of written policies and procedures, developed and implemented, to ensure that future Federal Financial Reports are accurately prepared, and reviewed and approved by management prior to submission; and the supporting documentation is maintained for future auditing properly prepared.

We appreciate the opportunity to review and comment on the draft audit report. If you have any questions or require additional information, please contact Jeffery A. Haley, Deputy Director, Audit and Review Division, on (202) 616-2936.

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OFFICE OF THE INSPECTOR GENERAL ANALYSIS AND SUMMARY OF ACTIONS NECESSARY TO CLOSE THE AUDIT REPORT

The Department of Justice (DOJ) Office of the Inspector General (OIG) provided a draft of this audit report to the Office of Justice Programs (OJP) and the AARP Foundation. The AARP Foundation’s response is incorporated in Appendix 3, and OJP’s response is incorporated in Appendix 4 of this final report. In response to our draft audit report, OJP concurred with all of our recommendations, and as a result, the status of the report is resolved. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

Recommendations for OJP:

- 1. Work with the AARP Foundation to evaluate and report measurable goals regarding student attendance and behavior as part of its final grant progress report.**

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will work with the AARP Foundation to ensure that measurable performance goals regarding student attendance and behavior are evaluated and reported in its final grant progress report.

In its response, the AARP Foundation acknowledges the performance target was not met for two behavior metrics over the course of the grant. The AARP Foundation also responded that it has identified specific programs that negatively impacted overall disruptive behavior outcomes and it is incorporating increased behavioral management training for DOJ mentors into its program’s annual targeted technical assistance plans. Nevertheless, the AARP Foundation stated in its response that it has adjusted the attendance targets for the current grant to more appropriately reflect the population of students served.

This recommendation can be closed when we receive documentation demonstrating that the AARP Foundation has reported measurable goals regarding student attendance and behavior as part of its final grant progress report.

- 2. Work with the AARP Foundation to ensure that submitted DCTAT data reconciles with data collected and exported from FIS.**

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will work with the AARP Foundation to ensure that it submits to the Office of Juvenile Justice and Delinquency Prevention’s Data Collection and Technical Assistance Tool (DCTAT) reconcilable data collected and exported from its Foundation Impact System (FIS).

In its response, the AARP Foundation confirms that some discrepancies existed between figures reported on the July 2016 through December 2016, and the January 2017 through June 2017 DCTAT performance measure reports and supporting documentation from FIS. The AARP Foundation also stated that it: (1) implemented new procedures to ensure discrepancies would not occur in subsequent grant periods, and (2) aligned DCTAT and FIS output data in both the July 2017 through December 2017, and January 2018 through June 2018 reporting periods.

This recommendation can be closed when OJP provides evidence that the AARP Foundation's submitted DCTAT data reconciles with data collected and exported from FIS.

3. Work with the AARP Foundation to implement internal controls that properly allocate payroll charges for AARP Foundation employees who work on DOJ grants.

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will coordinate with the AARP Foundation to obtain a copy of written policies and procedures, developed and implemented, to ensure that payroll charges for AARP Foundation employees who work on DOJ grants are properly allocated, and the supporting documentation is maintained for future auditing purposes.

In its response, the AARP Foundation stated that its policy and guidelines were updated to specify that staff who are fully-funded by a single federal grant may charge leave to the federal grant and all other staff must continue to not charge leave to federal grants. The AARP Foundation also stated in its response that staff charging time to DOJ federal grants will complete an annual Federal Grants refresher training that highlights policies and procedures critical to federal grant compliance.

This recommendation can be closed when we receive documentation demonstrating that the AARP Foundation implemented internal controls that properly allocate payroll charges for its employees who work on the DOJ grants.

4. Remedy \$46,181 in unallowable indirect costs that exceeded the approved grant budget.

Resolved. OJP concurred with our recommendation. OJP stated in its response the AARP Foundation provided documentation to support that it had removed all excess indirect costs charged to the grant, which totaled \$73,578. OJP therefore requested closure of this recommendation.

In its response, the AARP Foundation acknowledged excess indirect cost charges were recorded in its accounting records; however, its accounting records were adjusted to reflect the proper indirect costs charges in July 2018 and that the final Federal Financial Report (FFR) will tie to the general

ledger. The AARP Foundation also responded that it will revise how it allocates future indirect costs to ensure that the amount recorded in its accounting records does not exceed the amount allowed under grant terms and conditions. The AARP Foundation anticipates that this process will adhere to final rate determinations as issued through its negotiated indirect cost rate agreement by the cognizant federal agency.

As stated in our report, the total allowable indirect costs was \$62,016. Based on our calculation we found that the AARP Foundation charged a total of \$108,197 in indirect costs to the grant, resulting in an excess of \$46,181. The AARP Foundation provided documentation purporting to show that it reversed indirect costs totaling \$73,578, which it had previously allocated to the grant. However, the AARP Foundation did not provide support showing how it determined the \$73,578 in reversal entries, which is necessary to demonstrate that the excess indirect costs had been adjusted properly.

Considering that the grant's performance period ended on September 30, 2018, this recommendation can be closed once we receive the cumulative detailed general ledger that includes all adjustments to the grant and the final FFR, demonstrating that OJP remedied the \$46,181 in questioned costs.

5. Remedy \$1,826 in unallowable rent charged to the grant by a subgrantee.

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will review the \$1,826 in questioned costs, related to subgrantee unallowable rent costs charged to Grant Number 2015-JU-FX-0027, and will work with the AARP Foundation to remedy these costs, as appropriate.

The AARP Foundation concurred with our recommendation and stated in its response that the questioned costs have been reduced from the final reimbursement claim submitted by subgrantee, thereby effectively recovering questioned costs. However, we did not receive documentation that this amount has been offset and that OJP verified the offset.

This recommendation can be closed once we receive documentation demonstrating that OJP remedied the \$1,826 in questioned costs.

6. Ensure that the AARP Foundation develops written policies and procedures to guide the making of drawdown requests and the compiling of accurate financial reports.

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will coordinate with the AARP Foundation to ensure that its policies and procedures result in requesting drawdowns appropriately and accurately. Also, OJP stated in its response that it will ensure that future FFRs are accurate and approve prior to submission; and the AARP Foundation maintains supporting documentation.

In its response, the AARP Foundation stated that it has finalized and adopted both a drawdown policy and financial reporting policy.

This recommendation can be closed once we receive support from OJP that the new policies have been implemented to guide how the AARP Foundation makes drawdown requests and compiles accurate financial reports.



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U.S. DEPARTMENT OF JUSTICE OFFICE OF THE INSPECTOR GENERAL

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