



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



Audit of the Office of Justice Programs Grants Awarded to Jobs for Delaware Graduates, Inc. Dover, Delaware

AUDIT OF THE OFFICE OF JUSTICE PROGRAMS GRANTS AWARDED TO JOBS FOR DELAWARE GRADUATES, INC. DOVER, DELAWARE

EXECUTIVE SUMMARY*

The Department of Justice Office of the Inspector General, Audit Division (OIG), has completed an audit of the Office of Justice Programs (OJP) Office of Juvenile Justice and Delinquency Prevention (OJJDP) grant numbers 2009-JL-FX-0255 and 2010-JL-FX-0458 awarded to Jobs for Delaware Graduates, Inc. (JDG). These grants were funded from OJJDP's Earmarks Program for Fiscal Years 2009 and 2010.

The objective of the audit was to determine whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the awards. To accomplish this objective, we assessed performance in the following areas of grant administration and management: internal control environment, budget management and control, expenditures, funding requests, reporting, and program performance and accomplishments.

Grant funding for JDG was to support a graduation and school-to-work transition programs within middle schools and high schools throughout Delaware. We found that the majority of grant funding, or over 86 percent, was used to pay JDG classroom specialists who provided services to middle and high school students within 24 Delaware schools. However, we determined JDG did not fully comply with essential award requirements in the areas we tested, including: (1) grant financial management, (2) budget management and control, (3) grant expenditures, (4) financial and programmatic reporting, and (5) program performance and accomplishments.

Based on the results of this audit, we identified \$82,809 in questioned costs and make seven recommendations to OJP regarding the use of award funds. Our audit objective, scope, and methodology appear in Appendix I.

We discussed the results of our audit with JDG officials and have included their comments in the report, as applicable.

We discussed the results of our audit the JDG officials, as applicable. In addition, we requested responses to the draft report from JDG and OJP and their responses are appended to this report as Appendix 3 and 4, respectively. Our

* Redactions were made to the full version of this report for privacy reasons. The redactions are contained only in Appendix 3, the grantee's response, and are of an individual's identity.

analysis of the responses, as well as a summary of actions necessary to close the recommendations can be found in Appendix 5 of this report.

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INTRODUCTION

The Department of Justice Office of the Inspector General, Audit Division (OIG), has completed an audit of the Office of Justice Programs (OJP) Office of Juvenile Justice and Delinquency Prevention (OJJDP) grant number 2009-JL-FX-0255 and 2010-JL-FX-0458 awarded to Jobs for Delaware Graduates, Inc. (JDG). These grants were funded from OJJDP's Earmarks Program for Fiscal Years 2009 and 2010. As shown in the table below, OJP awarded JDG a total of \$2,353,000 through the two grants.

Table 1
JDG Office of Justice Programs Awards

Award	Grant Award Date	Grant Award End Date	Grant Award Amount
2009-JL-FX-0255	09/08/2009	09/30/2013	\$ 1,353,000
2010-JL-FX-0458 ^a	08/25/2010	07/31/2013	1,000,000
Total			\$2,353,000

^a OJP closed out this grant and de-obligated \$106,032 of the original \$1,000,000 award amount.

Source: OJP award documents

Office of Justice Programs

The Office of Justice Programs (OJP), within the Department of Justice, provides the management and oversight of the grants we audited. According to its website, OJP provides innovative leadership to federal, state, local, and tribal justice systems, by disseminating state-of-the art knowledge and practices across America, and providing grants.

Office of Juvenile Justice and Delinquency Prevention

The Office of Juvenile Justice Delinquency and Prevention (OJJDP), within OJP, works to contribute to the reduction of youth crime and violence through comprehensive and coordinated efforts at the federal, state, and local levels.

Jobs for Delaware Graduates, Inc.

JDG's mission is to enable students to achieve academic, career, personal, and social success and, according to award documentation, operates Graduation and School-to-Work Transition Programs in middle schools and high schools throughout Delaware. These programs are provided as a separate class integrated in the students' regular school schedule and are designed to teach students job attainment and retention skills, as well as life skills such as budgeting and time

management by JDG classroom specialists. Upon successful completion of the JDG program, students receive an elective credit and are provided career counseling and placement assistance for a minimum of 12 months after graduation.

JDG serves as 1 of the 31 state organizations within the Jobs for America's Graduates network. During the grant periods, JDG employed 33 classroom specialists that served in 24 schools around Delaware.

Audit Approach

We tested JDG's compliance with what we considered to be the most important conditions of the grants. Unless otherwise stated in our report, we applied the OJP Financial Guide and the grant award documentation as our primary criteria. The OJP Financial Guide is the primary reference manual for grant recipients as it compiles a variety of laws, rules, and regulations that affect the financial and administrative management of awards. The areas of grant administration we tested included:

- **Grant Financial Management** to determine whether the financial accounting system and related internal controls were adequate to safeguard grant funds and ensure compliance with the terms and conditions of the grants.
- **Budget management and control** to determine the overall acceptability of budgeted costs by identifying any budget deviations between the amounts authorized in the OJP grant budget and the actual costs incurred for each budget category.
- **Grant expenditures** to determine whether the costs charged to the grants, including payroll, fringe benefits, and other expenditures were properly allocated, allowable, supported, necessary, and reasonable to ensure compliance with the terms and conditions of the grants.
- **Drawdowns (requests for grant funding)** to determine whether JDG's requests for funding were adequately supported and if JDG managed its grant receipts in accordance with federal requirements.
- **Reporting** to determine if the required periodic Federal Financial Reports and Progress Reports were submitted on time and accurately reflected grant activity.
- **Program performance and accomplishments** to determine whether JDG achieved the grants' objectives and to assess performance and grant accomplishments.

When applicable in our grant audits, we also test for compliance in the areas of indirect costs, matching funds, and program income. For these grants, we

determined there were no indirect costs, matching funds were not required, and we found no evidence that the grants generated program income.

FINDINGS AND RECOMMENDATIONS

COMPLIANCE WITH ESSENTIAL GRANT REQUIREMENTS

In performing our audit, we determined that JDG used the majority of the \$2.2 million in grant funding to pay the salaries of its classroom specialists in 24 high schools and middle schools across Delaware. Although we determined that JDG provided services for middle and high school students consistent with the purposes of these grants, we identified questioned costs related to: (1) using \$39,600 for unallowable personnel expenditures, and (2) using a flawed and noncompliant cost allocation methodology for distributing \$43,209 in select expenditures. We also identified problems with JDG's progress and financial reporting that impeded OJJDP monitoring, and problems with JDG's management of grant extensions that resulted in OJJDP's deobligation of \$106,032 in grant funding.

Grant Financial Management

According to the OJP Financial Guide, all grant recipients are required to establish and maintain adequate accounting systems and financial records and to accurately account for funds awarded to them. We reviewed the Single Audit Reports for fiscal years (FY) 2010 through 2013 to identify any control weaknesses and assess the risk of non-compliance with laws, regulations, guidelines, and the terms and conditions of the grants.¹ We also reviewed JDG's financial management and administration of the grants to determine whether JDG's grant related financial management processes adequately safeguard grant funds and ensure compliance with the terms and conditions of the grant.

We determined that JDG lacked adequate internal controls to ensure compliance with all of the grant-related requirements. Specifically, we identified deficiencies related to JDG's progress and financial reporting, budgeting, performance, and general grant administration. In the remaining sections of this report we discuss control activities related to those areas as necessary.

Prior Audits and Review

As part of our audit we reviewed single audits of JDG completed during FYs 2010, 2011, 2012, and 2013 when the grants were active. The Single Audit Report

¹ Single audit refers to an audit that includes both the entity's financial statements and the federal awards as described in Office of Management and Budget (OMB) Circular No. A-133.

for FY 2012 determined that JDG failed to submit timely progress reports related to both grants. In addition, this finding was repeated in the Single Audit Report for FY 2013 along with an additional finding related to untimely financial reporting. We determined JDG's failure to provide progress reports in a timely manner was initially identified by OJP in site visits conducted in September 2011 and September 2012.

Although JDG took timely corrective action with regard to its financial reporting, JDG did not respond to repeated OJP requests to submit required progress reports – these reports were not submitted until 2013, with some reports being more than 2 years late. OJP records showed that JDG attributed its failure to provide these progress reports on the temporary absence, due to illness, of the person responsible for preparing and submitting these reports. The related Single Audit Report findings cited a lack of internal controls surrounding the reporting process as the cause.

As of May 2014, we determined that JDG implemented written procedures to ensure that future progress and financial reports are submitted on a timely basis. We believe these new controls are appropriately designed and if strictly adhered to should facilitate the timely submission of future progress and financial reports. However, as discussed later in this report, we determined that these controls should be defined in greater detail to ensure progress reports are accurate and adequately supported. In the progress and financial reporting sections of this audit report we discuss our analysis of the reporting issues in greater detail.

The FY 2013 Single Audit Report also contained audit findings related to JDG's lack of budget monitoring for both OJP grants. The Single Audit Report attributed this control shortcoming to JDG's lack of a process to reconcile actual expenditures to the associated cost categories as authorized in the OJP-approved grant budget. As a result, JDG used grant funding for personnel expenditures in excess of amounts budgeted for these costs for both grants.

As of September 2014, we determined that JDG implemented written procedures to ensure that proper budgeting controls over federal grants are established and maintained. We believe these new controls are appropriately designed and if strictly adhered to should help ensure that actual JDG grant spending avoids exceeding the grant budget categories approved by OJP. In the Budget Management and Control section of this audit report we discuss our analysis of budget monitoring issues in greater detail.

Financial Management and Administration of Grants

While our audit did not assess JDG's overall system of internal controls, we did review the internal controls of JDG's financial management system specific to the administration of grant funding during the period under review. According to the OJP Financial Guide, all recipients of OJP funding should establish and maintain adequate accounting systems and financial records to accurately account for grant

funds separately. We found that JDG tracked each grant separately within its accounting system.

However, we also determined that JDG did not comply with OJP Financial Guide requirements related to (1) periodic certifications for salaried employees, (2) the use of grant funding to pay personnel expenditures of staff not specifically provided for in its grant budgets approved by OJP, and (3) the use of a flawed methodology to allocate certain administrative type expenditures. Each of these internal control deficiencies are discussed in the expenditure section of this report.

In addition to reviewing how JDG's accounting system tracked grant-related expenditures, we reviewed how JDG identified grant-related expenditures. We determined that the grants were used to sustain its programs due to the loss of funding from JDG's traditional sources. At the time JDG applied for both OJP grants, it planned to use the grant funding to expand its operations in middle schools and high schools. However, JDG scaled back its expansion plans and used grant funding to replace funding for existing programs. Because we determined that the reduction in non-federal funding occurred for reasons other than the receipt or expected receipt of these OJP grants, we determined that JDG did not violate the supplanting provisions in the OJP Financial Guide. In the program performance section of this report we analyze in detail JDG's grant funded results.

We also reviewed JDG's use of grant funding within the timeframes established by OJP. We determined that grant 2009-JL-FX-0255 was awarded with a performance period of 3 years ending on September 30, 2012. According to the OJP Financial Guide, OJP grantees may request no-cost extensions of grant performance periods; these extension requests are to be made no later than 30 days prior to the end of the award.

On September 27, 2012, JDG requested a no-cost extension for grant 2009-JL-FX-0255. At that time JDG had \$282,348 in remaining grant funding, or more than 20 percent of the \$1,353,000 approved grant budget. Although this extension request was not made at least 30 days prior to the end of the award period, OJP approved the extension and allowed JDG to use the remaining grant funding. In its written extension request, JDG explained that the failure to make its request in a timely manner was an oversight due to the extended illness of the staff person responsible for these duties.

We also determined that JDG failed to use all of its available funding from grant 2010-JL-FX-0458. At the end of this grant's 3-year performance on July 31, 2013, JDG had \$106,032 in remaining grant funding, or 11 percent of the \$1,000,000 approved grant budget. JDG officials could not explain why a no-cost extension was not made to OJP. JDG officials said that a former official made the decision not to request a no-cost extension but that the basis and rationale for that

decision was not well documented.² As a result, the remaining funds were deobligated by OJP.

In performing our audit, we determined that JDG allowed grant funding to be deobligated because of poor internal controls regarding general grant administration. In this instance, the failure of the JDG official with primary responsibility for overall grant administration as well as the JDG Board of Directors' failure to oversee that official contributed to the deobligation of funds that JDG admitted it could have used for grant authorized purposes. Specifically, JDG controls were lacking in that there was no alternate JDG staff designated and authorized to ensure ongoing grant administration and act in place of the responsible JDG official during periods of their temporary and sometimes long-term absences.

As previously discussed, JDG had no effective budget procedures in place that included a process for requesting additional time to spend grant funds through a no-cost extension when it became apparent additional time was needed and likely warranted. We determined that the written budget procedures implemented by JDG in response to prior audit findings did not adequately address controls related to requesting grant extensions. We recommend OJP ensure JDG implements controls related to monitoring budgets and requesting necessary grant extensions on a timely basis in accordance with OJP requirements.

Budget Management and Control

According to the OJP Financial Guide, the grant recipient is responsible for establishing and maintaining an adequate system of accounting and internal controls, which includes presenting and classifying projected historical cost of the grant as required for budgetary and evaluation purposes. JDG received approval from OJP to spend grant funding according to cost categories and the granting agency provided an approved budget for each of the grants audited. Following approval of grant budgets, grantees must request permission to modify these budgets, when (1) the proposed cumulative change is greater than 10 percent of the total award amount, (2) there is any dollar increase or decrease to the indirect cost category of an approved budget, (3) the budget modification changes the scope of the project, or (4) budget adjustment affects a cost category that was not included in the original budget.

We determined that JDG exceeded the budget cost category by more than the allowable 10 percent in personnel expenditures for both grants. The following tables present our comparison of budget to actual expenditures for both grants.

² After the end of the granting periods, outside the scope of the audit, the JDG senior administration changed. During the finalization of this report, the OIG has been working with the new JDG administration.

Table 2
Budget vs. Actual Expenditures by Category
For 2009-JL-FX-0255 Grant

Cost Category	2009-JL-FX-0255 Award		Actual Over/ (Under) budget	Percent Budget Deviation
	Budget	Actual		
Personnel	\$ 950,520	\$ 1,138,561	\$188,041	14
Fringe Benefits	218,620	133,712	\$(84,908)	-6
Travel	32,205	25,119	\$(7,086)	-1
Supplies	63,885	15,767	\$(48,118)	-4
Professional Svcs.	50,540	26,492	\$(24,048)	-2
Other	37,230	13,349	\$(23,881)	-2
Total	\$1,353,000	\$1,353,000		

Source: JDG and OJP

Table 3
Budget vs. Actual Expenditures by Category
For 2010-JL-FX-0458 Grant

Cost Category	2010-JL-FX-0458 Award		Actual Over/ (Under) budget	Percent Budget Deviation
	Budget	Actual		
Personnel	\$ 505,750	\$ 725,230	\$219,480	22
Fringe Benefits	121,380	65,545	\$(55,835)	-6
Travel	157,911	92,005	\$(65,906)	-7
Supplies	38,109	650	\$(37,459)	-4
Professional Svcs.	57,550	3,994	\$(53,556)	-5
Other	119,300	6,543	\$(112,757)	-11
Total	\$1,000,000	\$ 893,967^a		

Note: Here and elsewhere in this report, totals may not equal due to rounding.

^a As described previously in the Grant Financial Management section, JDG was unable to access remaining funding because it failed to request a no-cost extension, resulting in the deobligation of \$106,032.

Source: JDG and OJP

As shown in the preceding tables, JDG overspent in the Personnel cost category for both grants in excess of 10 percent of the award total. As previously discussed in this report, as of September 2014 we determined that JDG implemented written procedures to ensure that adequate budget controls were in place and if strictly adhered to should ensure JDG avoids exceeding the funding amounts authorized by the individual cost categories approved by OJP.

Grant Expenditures

Between April 2010 and July 2013, JDG charged a total of \$2,246,968 in expenditures for both grants on a combined basis. These expenditures included personnel, fringe benefits, supplies, travel, professional services, and other direct costs. The following table summarizes this information.

Table 4

Expenditure Summary for JDG Grants from April 2010 through July 2013

Expenditure Type	2009-JL-FX-0255	2010-JL-FX-0458	Total
Classroom Specialists- Personnel and Fringe Benefits	\$ 1,170,086	\$ 761,771	\$ 1,931,857
Other Staff – Personnel and Fringe Benefits	102,187	29,005	131,191
Other Than Personnel and Fringe Benefit Expenditures	80,727	103,192	183,920
Total	\$1,353,000	\$893,968	\$2,246,968

Source: OJP

We found that JDG did not comply with the OJP Financial Guide’s documentation requirements for personnel expenditures and used a flawed cost allocation methodology in distributing costs, which resulted in \$43,209 of unallowable questioned costs.

Personnel and Fringe Benefit Expenditures

We tested classroom specialist’s personnel expenditures and fringe benefits charged to the grants by judgmentally sampling two non-consecutive pay periods totaling \$15,375. We reviewed supporting documentation to determine: (1) if the positions paid with grant funds appeared reasonable with the stated intent of the program, and were consistent with the OJP-approved budget and JDG policies; (2) whether the personnel expenditures of the employees paid with grant funds were necessary and within a reasonable range; and (3) if the personnel expenditures and fringe benefits were adequately supported.

We determined JDG failed to document classroom specialist time and effort reporting according to OJP requirements. Specifically, the OJP Financial Guide states that after-the-fact certifications that an employee worked 100 percent of their time on grant-funded activities must be prepared no less frequently than every 6 months, and must be signed by the employee and supervisory official having firsthand knowledge of the work performed. Although JDG did not meet this requirement, we reviewed other personnel documentation, including annual performance appraisals and reviews of classroom specialists that showed these specialists were engaged in grant-related activities. These performance appraisals and reviews were also signed by the employee and their supervisor.

JDG officials told us that they were not aware of the OJP Financial Guide requirement that certification documentation must be prepared every 6 months when an employee is paid with grant funding and works 100 percent on that grant. Without a certification, it is difficult to determine that an employee worked 100 percent of their time on grant-related activities. We recommend that OJP ensure JDG implements after-the-fact certifications every 6 months for employees working 100 percent of their time on DOJ grant awards.

In addition to using grant funding for classroom specialists, JDG used \$131,191 from both grants to pay personnel expenditures related to 11 other staff, including the JDG President, staff within the Finance and Human Resources Office, and a Data Management Coordinator. We determined that JDG's methodology of identifying the amounts to charge the OJP grants for these personnel included reviews of employee timesheets and preparation of monthly internal accounting journal entries to capture and record these grant-related charges.

JDG provided us with a listing of all employees whose personnel expenditures were paid from the OJP grants and we reviewed supporting documentation related to two monthly journal entries totaling \$4,892. We determined that the journal entries were adequately supported and properly allocated. However, we also determined that grant funding was used to fund six positions that were not approved by OJP in either grant budget. The personnel and fringe benefit expenditures associated with these positions totaled \$39,600 and we consider these unallowable questioned costs.

Other than Personnel and Fringe Benefit Expenditures

As shown in table 4, JDG received reimbursement for a total of \$183,920 in grant funding for expenditures that included costs such as telephone, supplies, training and professional services. We found that \$140,710 of these expenditures were for the sole benefit of the grant-related programs, while the remaining \$43,209 represented a portion of a larger pool of expenditures claimed to benefit the grant-related programs as well as non-grant programs. In order to calculate the portion of these expenditures charged to each grant, JDG used the funding amounts from all sources related to all of its different programs and allocated costs on a proportional basis. For example, \$11,596 in telephone expenses were allocated to the OJP grants in the proportion of funding provided from those grants relative to all JDG funding sources for the affected years.

In our view this cost allocation methodology is flawed as it assigns reimbursement of organizational costs based on available funding rather than direct effort or usage that correlates to grant specific funding, such as grant-funded positions, square footage, staff hours, or some other method that directly correlates to the benefit of the grant rather than the availability of grant funds. We also believe this cost allocation approach is noncompliant because it is inconsistent with OMB Circular A-122, Cost Principles for Non-Profit Organizations, which defines an allocable cost as one that benefits both the award (grant program) and other work, and can be distributed in reasonable proportion to the benefits received. JDG officials told us that they were unaware of the requirements that the use of grant funds should be directly associated with a specific grant output, or an indirect cost rate be approved where that is not possible.

Because JDG used a flawed and noncompliant process to allocate costs, we question \$43,209 of unallowable expenditures and recommend that OJP ensure JDG establish and implement a methodology that allocates grant expenditures based on

the benefit derived from the grant or appropriately apply an approved indirect cost rate.

Drawdowns

The term drawdown is used to describe the process when a grant recipient requests funding under a grant award agreement. According to the OJP Financial Guide, recipients should request funds based upon immediate disbursement or reimbursement requirements. Recipients should time their drawdown requests to ensure that federal cash on hand is the minimum needed for disbursements or reimbursements to be made immediately or within 10 days.

From our review we determined that JDG requested funding on a reimbursement basis. We tested a sample of drawdowns for both grants and determined that JDG had in place a process that complied with the OJP Financial Guide's federal cash on hand requirement and the funding requests were supported by adequate documentation.

Reporting

Federal Financial Reports

The financial aspects of OJP grants are monitored through Federal Financial Reports (FFR).³ FFRs summarize federal monies spent, unliquidated obligations incurred, and unobligated balances of federal funds for each calendar quarter. According to the OJP Financial Guide, FFRs should be submitted within 30 days of the end of the most recent quarterly reporting period and the final report must be submitted within 90 days following the end of the grant period. Funds or future awards will be withheld if reports are not submitted or are delinquent.

We reviewed JDG's process for completing and submitting FFRs and determined that all the reports submitted by JDG were accurate. However, as discussed in the Grant Financial Management section of this report, the FY 2013 Single Audit identified late FFR submissions as a problem. Because JDG had taken timely corrective action to address its deficient FFR activities, we determined it was not necessary to include a similar recommendation in this audit report.

³ Effective for the quarter beginning October 1, 2009, grant recipients must report expenditures online using the Federal Financial Report (FFR-425) Form no later than 30 days after the end of each calendar quarter. The final report must be submitted no later than 90 days following the end of the grant period. These reports are no longer called Financial Status Reports.

Progress Reports

JDG was required to submit two types of progress reports for both grants it was awarded, a Categorical Assistance Progress Report (Progress Report) and an OJJDP Data Collection Tool referred to as DCTAT Performance Data Report.

OJJDP uses the DCTAT system to aggregate performance data across grantees and grant programs. According to OJJDP, the information collected in the DCTAT reports from the OJJDP grants is used to promote the following: public confidence in the federal government by systematically holding federal agencies accountable for achieving program results; program effectiveness, service delivery, and accountability by focusing on results, service quality, and customer satisfaction; and enhanced congressional decision-making.

We reviewed the progress reports JDG submitted for each grant for timeliness and accuracy and discuss both aspects below.

Timeliness

Both types of progress reports required for these grants were to be submitted on a semiannual basis for the 6-month periods ending June 30 and December 31. These reports are due within 30 days of the end of the reporting period.

JDG was required to submit a total of 32 progress reports covering 9 semiannual periods between 12/31/2009 and 12/31/2013 for grant 2009-JL-FX 0255 and 7 semiannual periods between 12/31/2010 and 12/31/2013 for grant 2010-JL-FX-0458. We determined that JDG failed to submit 28 of the 32 progress reports within the required 30-day deadline and submitted 20 of these reports in November 2013.

We also found that OJP in its site visits had identified and repeatedly attempted to address JDG's failure to provide these reports over the grant period. JDG's FY 2012 and 2013 Single Audits also identified this issue. JDG eventually submitted the delinquent reports, although the submissions were as much as 2 years late. According to JDG, these reports were submitted late due to illness and related absences on the part of the JDG official responsible for these duties and JDG failed to assign these duties to an alternate staff person in this person's absence. During our audit, JDG provided policies and procedures to ensure timely submissions in the future. We reviewed these policies and procedures and if strictly adhered to should facilitate timely report submissions. Because JDG already took corrective action regarding this matter, we do not make a recommendation here.

Accuracy

JDG officials told us that student performance and outcomes are tracked using the DOJ's Jobs for America's Graduates Electronic National Database System (e-NDMS) and that this system was the source of performance data included in

both the Progress Reports and DCTAT reports. However, JDG officials told us they did not document, and were not able to replicate the methodology that was used to identify grant-related performance statistics from within e-NDMS. As a result, JDG officials conceded they were unable to provide us with supporting data to allow for independent verification of the statistical information included in any of the progress reports submitted to OJP over the grant periods.

In response to our inquiries regarding the accuracy of its progress reports, JDG officials told us that they had established new policies and procedures to prepare these types of progress reports. The newly implemented procedures included documenting the methodology and preserving supporting data.

We recommend that OJP ensure that JDG implement policies and procedures that will facilitate preparation and result in accurate and reliable progress reporting. Additionally, as necessary JDG should revise its Progress Reports and DCTAT Reports previously submitted.

Program Performance and Accomplishments

JDG officials told us that they anticipated that its funding from non-DOJ sources would continue to be stable and that JDG would be able to use both OJP grants to expand the organization's services. Specifically, JDG planned to establish 14 new programs in high schools and 5 new programs in middle schools with grant 2009-JL-FX-0255 and 4 new programs in high schools and 6 new programs in middle schools with grant 2010-JL-FX-0458.

JDG officials also told us that during FYs 2012 and 2013 it experienced cuts to its traditional sources of funding and it used OJP grant funding in these years to preserve 15 existing high school programs rather than establish new high school programs. We determined that JDG eventually did use OJP grant funding to establish 9 new programs in middle schools as outlined in the grant applications.

We considered the nature of grant-related expenditures that showed that the overwhelming majority of grant funding, over 86 percent, from both grants was used for classroom specialists who provided services directly to program end users, the middle and high school students at 24 schools throughout Delaware.

We considered the deobligation of award funding totaling \$106,032 associated with grant 2010-JL-FX-0458 and the impact this had on program performance. In our view the loss of approximately 11 percent of total funding from this grant likely resulted in fewer students receiving services.

As described in the progress reporting section, we found that JDG could not replicate the data that was included in its various progress report submissions. As a result we did not rely on this information to evaluate program performance. Although JDG was not able to demonstrate with complete, accurate, and verifiable data that it accomplished or was making progress towards accomplishing the goals established in the grant awards, we determined from our review that JDG provided

services for middle and high school students consistent with the original goals of the grants.

Conclusions

JDG employed classroom specialists in 24 middle and high schools throughout Delaware. We found that \$1.9 million out of the total \$2.2 million, or 86 percent of the grant funding received by JDG, was used to pay their personnel and fringe benefit expenditures. However, we identified a pattern of internal control deficiencies. Most significantly, these deficiencies resulted in questioned costs totaling \$82,809, or 4 percent of JDG total expenditures for both grants. In addition to the questioned costs, we make five recommendations to improve JDG's management of the OJP grants. Other significant deficiencies included the lack of accurate and reliable progress reporting, which prevented an evaluation of the JDG program performance. In addition, the failure to comply with budget management and general grant administration internal control deficiencies resulted in the deobligation of \$106,032.

Recommendations

We recommend OJP:

1. Remedy the \$39,600 in unallowable personnel and fringe benefit expenditures.
2. Remedy the \$43,209 in unallowable expenditures resulting from a flawed and noncompliant cost allocation methodology.
3. Ensure that JDG implements controls related to monitoring budgets and requesting timely grant extensions.
4. Ensure that JDG implements after-the-fact certifications every 6 months for employees working 100 percent of their time on DOJ grant awards.
5. Ensure that JDG implements and adheres to policies and procedures to ensure that only personnel listed in OJP-approved grant budgets are charged to the related OJP grants.
6. Ensure that JDG implements a methodology that allocates grant expenditures based on the benefit derived from the grant and is compliant with OMB requirements.
7. Ensure that JDG implements and adheres to policies and procedures that will result in accurate and reliable progress reporting and, if necessary, revise its Progress Reports and DCTAT Reports previously submitted.

OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of the audit was to determine whether costs claimed under grant 2009-JL-FX-0255 and grant 2010-JL-FX-0458 were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the awards. To accomplish this objective, we assessed performance in the following areas of grant administration and management: (1) grant financial management; (2) budget management and control; (3) grant expenditures; (4) drawdowns; (5) reporting; and (6) program performance and accomplishments. We determined that indirect costs, matching, and program income were not applicable to these grants.

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. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit concentrated on, but was not limited to, the period beginning October 1, 2009, through December 31, 2013, for all grants. JDG used the grant funding for a graduation and school-to-work transition program with the primary goal of graduation from high school for each JDG student. JDG Specialists provide school-to-work transition services in public middle and high schools throughout Delaware. Students are taught job attainment and retention skills, as well as life skills such as budgeting and time management. Career counseling and placement assistance are provided with follow-up service continuing for a minimum of 12 months after graduation.

We conducted fieldwork at the JDG Headquarters in Dover, Delaware. In addition, we conducted interviews with a JDG Middle School Supervisor and four JDG Specialists at the following schools within Delaware: Smyrna High School, Positive Outcomes Charter Middle School, Stanton Middle School, and H.B. DuPont Middle School.

We tested compliance with what we consider to be the most important conditions of the grant. Unless otherwise stated in our report, the criteria we audit against are contained in the OJP Financial Guide and grant award documents.

In conducting our audit, we performed testing of all drawdowns from both grants. We also reviewed the timeliness and accuracy of FFRs and progress reports, and evaluated the performance of the grants in relation to the grant objectives. However, we did not test the reliability of the JDG's financial management system as a whole.

We also performed sample testing for award expenditures. In this effort, we employed a judgmental sampling design to obtain exposure to numerous facets of the awards reviewed, such as dollar amounts or expenditure cost category. This judgmental sample was not designed to be projected to the population as a whole.

During our audit, we obtained information from OJP's Grant Management System (GMS) as well as JDG's accounting system. We did not test the reliability of those systems as a whole, therefore any findings identified involving information from those systems was verified with documentation from other sources.

SCHEDULE OF DOLLAR-RELATED FINDINGS

QUESTIONED COSTS: ⁵	AMOUNT	PAGE
<u>Unallowable Costs</u>		
Unallowable Personnel Fringe Benefit Expenditures	\$ 39,600	10
Unallowable Expenditures Based on Cost Allocation	43,209	10
Total Unallowable Costs	\$82,809	
TOTAL DOLLAR-RELATED FINDINGS	\$82,809	

⁵ **Questioned Costs** are expenditures that do not comply with legal, regulatory, or contractual requirements, or 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, or the provision of supporting documentation.

JOBS FOR DELAWARE GRADUATES, INC. RESPONSE TO THE DRAFT AUDIT REPORT⁶



Jobs for Delaware Graduates mission is to enable students to achieve academic, career, personal and social success.

Jobs for Delaware Graduates (JDG) was designed and incorporated in 1978 by five working groups in Delaware, drawn from business, educational, workforce, labor union, and community leadership. The purpose of the organization was to simultaneously address Delaware's unemployment and dropout rates. Together, the public and private sector leaders of the state developed the model of Jobs for Delaware Graduates.

In 1979 JDG began operations as a private, non-profit corporation designed to prepare highly at-risk high school seniors for transition from school to work. School personnel and the *Delaware Private Industry Council* encouraged JDG to expand the program to include students in grades 9, 10 and 11. As a result, in 2015, JDG has expanded to 26 programs in the high schools and 14 middle school programs throughout Delaware. JDG also established a partnership with Delaware Technical Community College, the State and County Chamber of Commerce, the banking, manufacturing and restaurant industries.

The leadership and Board members of JDG had a limited amount of knowledge of and/or involvement with the events that took place during the grant period. We respond hesitantly because a change in leadership and Board members took effect October 1, 2014, after the closing of these grants. The former President, [REDACTED] submitted her resignation, November 2013 with a commitment to remain until the search for a new president was completed. [REDACTED] remained an employee until October 30, 2014. Her last 30 days were on a contractual basis when conversations with the auditors began. Although [REDACTED] was a highly respected educator in Delaware, she was not forthcoming in her missed deadlines or lack of responses to the auditors.

In March 2015, the auditors arrived at the JDG corporate office to discuss concerns about the lateness in reporting, the deobligation of \$106,032, policy and procedures and the financial allocations. In that lengthy conversation we identified the main source of these issues and shared our minimal knowledge.

It was determined the previous President allowed information to flow only through her and she choose to share limited information with the Board and staff members. Although the former President did eventually respond with written progress reports, the large majority of reports were submitted after the deadlines.

The grants funded in 2009 and 2010 were during a difficult time for every non-profit facing funding and growth concerns. The initial concept of JDG was to identify seniors facing barriers who would not have an opportunity to a successful career pathway. As the organization evolved through the years, it was evident that our at-risk youth face barriers much earlier than their 12th grade year. We recognized the need to begin these programs as soon as a student enters into the high school level. The JDG organization developed and implemented a solution for our at-risk student ranging from 9th through 12th grade which included either post-secondary education opportunities or a value add to the work force solutions in Delaware. The idea to expand and reach as many students as possible, which would include new programs as young as the 7th grade, was in development hence the request for funding. During the 2009 and 2010 grant phases, to sustain the existing programs rather than devote the efforts into growth, the funding was reallocated in preservation of the existing programs. Although it took several years of development and safeguarding of funds, today we have had significant growth by adding 3 additional high school programs and 5 middle school programs. The 2009 and 2010 grants were instrumental in upholding our mission and sustainability to maneuver through the economic difficulties that many organizations faced.

www.jobsdegrads.org | 302.734.9341
Jobs for Delaware Graduates, Inc. | 381 W. North Street, Dover, DE 19904

⁶ Attachments to this response were not included in this final report.

JDG's choice to not utilize all of the funding of the 2010 grant, which resulted in the deobligation of \$106,032, should be viewed as a fiscally responsible decision. It would have been financially and ethically irresponsible to use those funds for non-sustainable programs. Rather than establish relationships with students that would ultimately have had negative outcomes since sustainability was not available, this was the correct decision for our students in Delaware.

Reporting was solely the responsibility of the former President, a choice she selectively made in running the operations for these particular grants. The policy and procedures at that time were loosely handled and it was the former President's decision to share information only when necessary to Board members and staff. This type of management can create problems for any organization with a small staff, however, this has since been rectified in our policy. The former President should be recognized for her ability in the education sector, in curriculum development and in recognizing JDG's need for Federal financial support. However, she lacked the skills necessary to deliver data and reports in a timely manner. Therefore, as identified in the reporting, JDG updated its policies and procedures to include better controls in delivering information including a flow chart on sharing information. *See Attachment A*

The identified salary and fringe benefits expenditures unfortunately are tied to the former President's lack of submitting a Grant Adjustment Notice (GAN) to reallocate the line items within the budget to support six key personnel. If grant guidelines had been followed, JDG could have easily requested that the line items in the budget be properly adjusted.

In the fall of 2014, JDG underwent a full transformation with the President, Chairman and Board members. This resulted in updated bylaws, strengthened outside support for the program as a value add to the schools, financial stability and a 92% of high school graduation rate for JDG students.

The new leadership, including the new President, Chairman and 22 Board members were selected from all sectors of the Delaware business community. 11 original Board members and 11 new Board members have served during the last 12 months. The new transparency allows the Board members to be better informed of the changes, sustainability and growth of the organization and its programs. JDG has held five Board meetings with extensive information shared at each meeting by the President regarding capital, financial, curriculum, and staff updates. The Board has also established committees that represent marketing and communication, education, advisory, and corporate partnerships.

The vision for JDG is to live our mission by serving students with an enriched curriculum, job shadowing, experiential learning opportunities, continuity of services, and support with post-secondary education or work experiences for 12 months following graduation. We support these efforts with 39 Specialists and 5 Career Placement Advisors.

The recommendations presented by the Office of the Inspector General regarding the Office of Justice Programs grants awarded to Jobs for Delaware Graduates, Inc. are listed below with responses provided by Jobs for Delaware Graduates.

It is recommended OJP:

1. Remedy the \$39,600 in unallowable personnel and fringe benefit expenditures.

JDG response: We concur with the recommendation. The former President of JDG failed to submit a Grand Adjustment Notice (GAN); our finance person was informed the GAN was filed. We suggest the remedy to these unallowable personnel and fringe benefit expenditures is to request that the GAN be allowed to be submitted and processed post-grant closing. The JDG personnel identified as unallowable were an integral part of the success of the programs supported by these grants. Had the GAN been submitted by the former President in a timely manner, budget lines items would have been adjusted and these costs would have been allowable.

2. Remedy the \$43,209 in unallowable expenditures resulting from a flawed and noncompliant cost allocation methodology.

JDG response: We do not concur with this finding. Based on the methodology use, the findings indicate that all allocated expenses would be unallowable, which is inaccurate. An analysis performed using an alternate methodology as described within the audit report clearly indicates that had JDG used the prescribed methodology, a larger portion of the questioned expenses would have been allowable. The method used by JDG resulted in 5% of allocated costs vs 14% of allocated costs if using the prescribed method found in the audit report. See Attachment B.

3. Ensure that JDG implements controls related to monitoring budgets and requesting timely grant extensions.

JDG response: We concur that the controls in place were loosely monitored by the former President. Based upon the findings we have ensured proper controls are in place for reporting process regulations. See Attachment C.

4. Ensure that JDG implements after-the-fact certifications every 6 months for employees working 100 percent of their time on DOJ grant awards.

JDG response: We concur with the findings presented on certification. JDG has established a certification process to be completed every 6 months by the appropriate program supervisor(s). The certification form will be signed by the employee, program supervisor(s), Human Resources Officer, and President. See Attachment D.

5. Ensure that JDG implement and adhere to policies and procedures to ensure that only personnel listed in OJP-approved grant budgets are charged to the related OJP grants.

JDG response: We concur with the findings. Based upon the findings we have ensured proper controls are in place. See Attachment E.

6. Ensure that JDG implements a methodology that allocates grant expenditures based on the benefit derived from the grant and is compliant with OMB requirements.

JDG response: We concur with the findings. Going forward, JDG will use the prescribed methodology of direct effort that correlates to grant specific funding via grant-funded positions. If that methodology is unattainable, a negotiated indirect cost rate will be pursued.

7. Ensure that JDG implement and adhere to policies and procedures that will result in accurate and reliable progress reporting and, if necessary, revise its Progress Reports and DCTAT Reports previously submitted.

JDG response: We concur with the findings. Based upon the findings, we have ensured proper controls are in place for reporting. Additionally, if so advised by the OJP, JDG will collaborate with OJP and revise its previously submitted Progress Reports and DCTAT Reports.

See Attachment F

OFFICE OF JUSTICE PROGRAMS RESPONSE TO THE DRAFT AUDIT REPORT



U.S. Department of Justice


Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

NOV - 5 2015

MEMORANDUM TO: Thomas O. Puerzer
Regional Audit Manager
Philadelphia Regional Audit Office
Office of the Inspector General

FROM: Ralph E. Martin 
Director

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs Grants Awarded to Jobs For Delaware Graduates, Inc., Dover, Delaware*

This memorandum is in reference to your correspondence, dated October 8, 2015, transmitting the above-referenced draft audit report for Jobs for Delaware Graduates, Inc. (JDG). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains **seven** recommendations and **\$82,809** 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 remedy \$39,600 in unallowable personnel and fringe benefits expenditures.

OJP agrees with the recommendation. We will coordinate with JDG to remedy the \$39,600 in questioned costs, charged to Grant Numbers 2009-JL-FX-0255 (\$23,253) and 2010-JL-FX-0458 (\$16,347).

2. We recommend that OJP remedy \$43,209 in unallowable expenditures resulting from a flawed and noncompliant cost allocation methodology.

OJP agrees with the recommendation. We will coordinate with JDG to remedy the \$43,209 in questioned costs, charged to Grant Numbers 2009-JL-FX-0255 (\$36,123) and 2010-JL-FX-0458 (\$7,086).

- 3. We recommend that OJP ensure that JDG implements controls related to monitoring budgets and requesting timely grant extensions.**

OJP agrees with the recommendation. We will coordinate with JDG to obtain a copy of written policies and procedures, developed and implemented, to ensure that an effective internal control system for administering Federal grants is established, which includes monitoring budgets and requesting grant period extensions in a timely manner.

- 4. We recommend that OJP ensure that JDG implements after-the-fact certifications every six months for employees working 100 percent of their time on DOJ grant awards.**

OJP agrees with the recommendation. We will coordinate with JDG to obtain a copy of written policies and procedures, developed and implemented, to ensure that after-the-fact certifications are completed at least every six months for employees working 100 percent of their time on Federal grant awards.

- 5. We recommend that OJP ensure that JDG implements and adheres to policies and procedures to ensure that only personnel listed in OJP-approved grant budgets are charged to the related OJP grants.**

OJP agrees with the recommendation. We will coordinate with JDG to obtain a copy of written policies and procedures, developed and implemented, to ensure that only personnel listed in OJP-approved grant budgets are charged to the related OJP grants.

- 6. We recommend that OJP ensure that JDG implements a methodology that allocates grant expenditures based on the benefit derived from the grant and is compliant with OMB requirements.**

OJP agrees with the recommendation. We will coordinate with JDG to obtain a copy of written policies and procedures, developed and implemented, to ensure that its methodology for allocating expenditures to grants is based on the benefits derived from the grant, and is compliant with the Office of Management and Budget requirements.

- 7. We recommend that OJP ensure that JDG implements and adheres to policies and procedures that will result in accurate and reliable progress reporting and, if necessary, revise its progress reports and the Office of Juvenile Justice and Delinquency Program Data Collection Tool (DCTAT Performance Data Report) reports previously submitted.**

OJP agrees with the recommendation. We will coordinate with JDG to obtain a copy of written policies and procedures, developed and implemented, to ensure the submission of accurate and reliable progress reports. Additionally, we will request that JDG revise its previously submitted progress reports and Delinquency Program Data Collection Tool Performance Data Reports, if necessary.

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.

cc: Maureen A. Henneberg
Deputy Assistant Attorney General
for Operations and Management

Anna Martinez
Senior Policy Advisor
Office of the Assistant Attorney General

Jeffery A. Haley
Deputy Director, Audit and Review Division
Office of Audit, Assessment, and Management

Robert L. Listenbee
Administrator
Office of Juvenile Justice and Delinquency Prevention

Chryl Jones
Deputy Administrator
Office of Juvenile Justice and Delinquency Prevention

Shanetta Cutlar
Chief of Staff
Office of Juvenile Justice and Delinquency Prevention

Amy Callaghan
Special Assistant
Office of Juvenile Justice and Delinquency Prevention

Sharie Cantelon
Grant Program Specialist
Office of Juvenile Justice and Delinquency Prevention

Leigh Benda
Chief Financial Officer

Christal McNeil-Wright
Associate Chief Financial Officer
Grants Financial Management Division
Office of the Chief Financial Officer

cc: Jerry Conty
Assistant Chief Financial Officer
Grants Financial Management Division
Office of the Chief Financial Officer

Aida Brumme
Manager, Evaluation and Oversight Branch
Grants Financial Management Division
Office of the Chief Financial Officer

Richard P. Theis
Assistant Director, Audit Liaison Group
Internal Review and Evaluation Office
Justice Management Division

OJP Executive Secretariat
Control Number IT20151015123409

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

The OIG provided a draft of this audit report to Jobs for Delaware Graduates, Inc. (JDG) and the Office of Justice Programs (OJP). JDG's response is incorporated as Appendix 3 of this final report and OJP's response is included as Appendix 4. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Analysis of JDG's Response

JDG's response to the audit report addressed not only the recommendations cited in this report but also provided information regarding the organization's background and addressed in greater detail some of the issues described in the audit report. JDG's response also included acknowledgement of its past problems that contributed to the audit findings described in this report.

In its response, JDG states that the decision to not utilize all of the funding of the 2010 grant, which resulted in the deobligation of \$106,032, should be viewed as a fiscally responsible action. According to JDG, it would have been financially and ethically irresponsible to use those funds for non-sustainable programs. Based on the results of our audit, we made no assessment as to JDG's decision to deobligate grant funds. In our report, we state that the deobligation of funds impacted program performance and likely resulted in fewer students receiving services under the 2010 grant. Moreover, in light of the history of problems related to grant administration that JDG attributed to former organizational leadership and the overall lack of written policies and procedures that could have documented the decision-making related to this issue, we could not determine the rationale as to why a no-cost extension was not requested.

Summary of Actions Necessary to Close the Report

1. Remedy the \$39,600 in unallowable personnel and fringe benefit expenditures.

Resolved. OJP agreed with this recommendation. In its response, OJP said it will coordinate with JDG to remedy the \$39,600 in questioned costs.

In its response, JDG agreed with this recommendation and said it failed to submit a timely Grant Adjustment Notice (GAN). JDG suggested that because the personnel expenditures identified as unallowable were integral to the success of the grant-funded programs, it will request OJP approval for submission of a post-grant closing GAN.

This recommendation can be closed when we receive documentation demonstrating that JDG remedied the \$39,600 in unallowable personnel and fringe benefit expenditures.

2. Remedy the \$43,209 in unallowable expenditures resulting from a flawed and noncompliant cost allocation methodology.

Resolved. OJP agreed with this recommendation and said it will coordinate with JDG to remedy the \$43,209 in questioned costs).

In its response, JDG disagreed with this recommendation. JDG included as an attachment to its response an analysis comparing the cost allocation it used in charging the grants and a proposed alternative cost allocation methodology that JDG included to show that a larger portion of allocated costs would have been allowable charges to the grants. However, based on our review of the JDG attachment, it provides no explanation of the approach and methodology that JDG used in preparing its analysis, the source of the data JDG used, and the basis for the conclusion that JDG reached. Moreover, JDG's alternative methodology fails to explain how using this alternative cost allocation approach is now compliant with OMB Circular A-122, Cost Principles for Non-Profit Organizations.

This recommendation can be closed when we receive documentation demonstrating that JDG remedied the \$43,209 in unallowable expenditures resulting from a flawed and noncompliant cost allocation methodology.

3. Ensure that JDG implements controls related to monitoring budgets and requesting timely grant extensions.

Resolved. OJP agreed with this recommendation. In its response, OJP said it will coordinate with JDG to obtain a copy of written policies and procedures, developed and implemented, to ensure that an effective internal control system for administering federal grants is established, which includes monitoring budgets and requesting grant period extensions in a timely manner.

In its response, JDG agreed with this recommendation and said that the controls in place were loosely monitored by the former organizational leadership. JDG further said it has taken corrective action by ensuring proper controls are put into place for reporting process regulations. JDG provided documentation that it asserts details the Federal Contract Budget vs. Actual Reporting procedure and includes the monitoring of budgets and requesting budget adjustments.

This recommendation can be closed when we receive documentation demonstrating the approval and current implementation of JDG policies and procedures related to monitoring budgets, which includes grant period extensions.

4. Ensure that JDG implements after-the-fact certifications every 6 months for employees working 100 percent of their time on DOJ grant awards.

Resolved. OJP agreed with this recommendation. OJP said in its response it will coordinate with JDG to obtain a copy of written policies and procedures,

developed and implemented, to ensure that after-the-fact certification are completed at least every six months for employees working 100 percent of their time on Federal grant awards.

JDG agreed with this recommendation. In its response, JDG said it has established a certification process to be completed every 6 months by the appropriate program supervisor(s). JDG also commented that the certification form will be signed by the employee, program supervisor(s), Human Resources Officer, and the President. JDG provided the periodic work certification form, which it asserts would ensure the employees are working 100 percent of their time on the specified grant and would also be approved the employees supervisor, Human Resource Officer, and the President.

This recommendation can be closed when we receive documentation demonstrating the approval and current implementation of the required JDG grant certification process policies and procedures.

5. Ensure that JDG implements and adheres to policies and procedures to ensure that only personnel listed in OJP-approved grant budgets are charged to the related OJP grants.

Resolved. OJP agreed with this recommendation. In its response, OJP said it will coordinate with JDG to obtain a copy of written policies and procedures, developed and implemented, to ensure that only personnel listed in OJP-approved grant budgets are charged to the related OJP grants.

In its response, JDG agreed with this recommendation and provided its Personnel Charging Policy, which JDG commented has ensured proper controls are in place.

This recommendation can be closed when we receive documentation demonstrating the approval and current implementation of the required JDG grant certification process policies and procedures.

6. Ensure that JDG implements a methodology that allocates grant expenditures based on the benefit derived from the grant and is compliant with OMB requirements.

Resolved. OJP agreed with this recommendation. OJP said in its response it will coordinate with JDG to obtain a copy of written policies and procedures, developed and implemented, to ensure that its methodology for allocating expenditures to grants is based on the benefits derived from the grant, and are compliant with the Office of Management and Budget requirements.

JDG agreed with this recommendation. In its response, JDG said it will use the prescribed methodology of direct effect that correlates to grant specific funding via grant-funded positions. JDG also commented that if that methodology is unattainable, a negotiated indirect cost rate will be pursued.

This recommendation can be closed when we receive documentation demonstrating the approval and current implementation of the JDG required policies and procedures that ensure grant cost allocation compliance with OMB requirements.

7. Ensure that JDG implements and adheres to policies and procedures that will result in accurate and reliable progress reporting and, if necessary, revise its Progress Reports and DCTAT Reports previously submitted.

Resolved. OJP agreed with this recommendation. OJP said in its response it will coordinate with JDG to obtain a copy of written policies and procedures, developed and implemented, to ensure the submission of accurate and reliable progress reports. OJP also commented that if necessary it will request that JDG revise its previously submitted progress reports and Delinquency Program Data Collection Tool Performance Data Reports (DCTAT).

In its response, JDG agreed with this recommendation and said that it has ensured proper controls are in place for reporting. JDG also commented that it will collaborate with OJP and revise its previously submitted progress reports and DCTAT reports as needed.

This recommendation can be closed when we receive the following: the revised progress reports; the revised DCTAT reports; and documentation demonstrating the approval and current implementation of the JDG required policies and procedures that will result in accurate and reliable grant reporting.

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