OFFICE OF INSPECTOR GENERAL

BEST OF ANTI-FRAUD ADVISORY

WWW.AMERICORPSOIG.GOV

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VOL. 9: STARTING 2026 OFF RIGHT

NEW YEARS RESOLUTIONS

What will you do in 2026 to ensure that your AmeriCorps program is protected against waste, fraud, and abuse? Here is a compilation of our greatest hits from previous Anti-Fraud Advisories to help you make some resolutions for the new year ahead.
We all play a part in protecting these programms from fraud: AmeriCorps staff, the OIG, state commissions, grantees, subrecipients and sites, members, volunteers, and you!

INTERNAL CONTROLS: WHAT SHOULD I FOCUS ON FIRST?

Based on the OIG's experience conducting oversight of grantees, some overarching themes grantees should consider include:

- Ensure there is segregation of duties. No one person should control all aspects of a transaction.
- Cash and bank accounts are the most vulnerable assets. Ensure controls over cash and disbursements are working effectively - conduct monthly reconciliations and independent reviews.
- Document approvals and authorizations in writing (*e.g*. signature and date).
- Clearly define who is responsible for what functions/ activities.

RED FLAGS OF TIMEKEEPING FRAUD

Here are some red flags that the OIG has identified in our oversight:

- Numerous individuals' timesheets that look the same (*e.g.,* same exact number of hours each day across timesheets for a given period)
- Timesheets that appear prepopulated
- Excessive or unusual corrections (*e.g.,* all corrected on same date; no explanations provided, or explanations that do not appear credible)
- Timesheets not signed by supervisor or signatures that appear identical on each timesheet (copy and paste)
- Unusual or excessive hours (*e.g.,* hours on holidays/weekends when not expected)
- Timesheets that are not signed at all

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WHAT IS TIMEKEEPING FRAUD?

Timekeeping fraud occurs when:
Agency employees, contractors, grantee staff, or AmeriCorps Members and Volunteers are dishonest about their time. This includes:

- intentionally charging time to an AmeriCorps grant that is knowingly false or incorrect,
- showing a reckless disregard for timekeeping laws, rules, and regulations, (e.g., turning a blind eye), or
- staff modifying volunteer(s) time records without any basis or authorization.

TERMS AND CONDITIONS: DID YOU KNOW?

- Almost all grantee matters the OIG investigates relate to a violation of laws, regulations, or terms and conditions.
- When requesting a drawdown of grant funds, you are declaring to the Government on behalf of yourself and your organization that you are complying with all relevant grant terms and conditions.
- Making a false or fraudulent statement can subject individuals and organizations to criminal and civil penalties.
- Resources are available to help grantees comply. If you are unsure of what to do, you should ask your Commission or Portfolio Manager.

GRANT COSTS: ALLOWABLE? ALLOCABLE? REASONABLE? NECESSARY?

- Allowable Cost: Necessary and reasonable for the performance of the award, adequately documented, consistent with Federal award requirements and limitations, and not charged to any other Federally financed program.
- Allocable Cost: Assignable or chargeable to one or more cost objectives (budget lines) on the basis of relative benefits received.
- Reasonable Cost: Does not exceed an amount that a prudent person would incur when the decision was made to incur the cost.
- A cost must be necessary to the overall operation of the grant, regardless of whether it is allowable, allocable, or reasonable.

TIMEKEEPING BEST PRACTICES

INSTEAD OF THIS...	TRY THAT
Instead of allowing staff/members/volunteers to enter a full day on their timesheets when sent home early to celebrate ending an event or service project early...	Ensure that timesheets *only* reflect hours worked or served, including training. You may need to offer members/volunteers a chance to make up the hours later if they are sent home early.
Instead of sending your team to a movie as a teambuilding activity and allowing the hours to be recorded as service hours...	Ensure that training activities are relevant to the project. Consider on-site viewing and discussion or reading a relevant news article together.
Instead of taking no action after you know/learn that your timesheet reflects inaccurate hours worked or served...	Ensure that timesheets are corrected as soon as possible with an explanation, date of correction, and your supervisor's signature.
Instead of celebrating a "job well done" by giving members or volunteers a few "bonus hours" so that they can take it easy next week...	Ensure that only allowable service or work activity are recorded on member or volunteer timesheets, or billed to an AmeriCorps grant.
Instead of grantee staff billing time spent on non-AmeriCorps programs to the AmeriCorps grant...	Ensure that timesheets account for all the hours worked and distinguish which time was spent on which AmeriCorps grant(s). Only time spent on the AmeriCorps grant(s) should be billed to that grant.

INTERNAL CONTROLS SELF CHECK

HOW MANY OF THE POLICIES LISTED BELOW DOES YOUR ORGANIZATION HAVE?

Give your organization a self-check and see if you have all the policies listed below. Please note that this list is not comprehensive of all required policies and procedures. Refer to your grant Terms and Conditions for more information.

Organization Policies

- Whistleblower Retaliation
- Document Retention and Destruction

Financial Policies

- Employee Timekeeping Policies
- Allowable costs policies
- Program income policies
- FFR Reporting and reconciliation procedures
- Procurement policies
- Cash Disbursement Procedures including Purchase Card Use
- Bank Reconciliation Procedures

Program Policies

- Member Management and Timekeeping policies
- NSCHC policies
- Prohibited Activities

IT/Cybersecurity Policies

- Protection of PII (personally identifiable information) and PHI (protected health information)
- Identity theft prevention and response

GRANT COSTS POP QUIZ: IS IT ALLOWABLE?

Look at the examples below and decide if you think they could be allowable in an AmeriCorps grant.

Note: the examples should not be considered complete and comprehensive.

Answers are included at the bottom of the next page.

1. Paying a local band to perform at a volunteer picnic.
2. Buying volunteers who attend an all day training lunch.
3. Purchasing shovels and plants for a community garden project.
4. Using an AmeriCorps grant to pay the salary of your Director of Fundraising.
5. Counting donated supplies as match that are used by the organization, but not by the AmeriCorps project.
6. Giving each volunteer a trophy for completing their service year, distributed at a "graduation" event.

TERM SEARCH

Can you find all the Terms?

Hidden in the grid below are 15 key terms that play an important role in every AmeriCorps grant's terms and conditions.

I I A B M J W Q V C R J Y T X S F Z S V
R E C I P I E N T P E F J Z X D N L K I
C O N D I T I O N S S Z A V I T R B T K
Q C S B Z S B C X U P K U I M E E Y T M
W O I E Y F A R Z S O P Y S K R G P G E
A M E R I C O R P S N S L P D M U Z F J
E P Y L F Y I W Y D S A E I A S L N R M
X L G D N P O L I C I E S S S L A O A T
W I R A S C H P N H B S G U G I T B U R
X A A T K Y H C N G I N S K P A I F D T
M N N Y D F F P S A L J L A Q B O V G G
V C T L B L B X D F I L V P S I N P C E
C E A K U J Z N M T T U M C B L S L E T
F J A F U L H S A U Y X D U P I W I R Y
A C C O U N T A B I L I T Y S T X G T N
D J B U R O S P S A K Z F B R Y E D I T
B D U S V L D C G E L T D U J F V C F Y
K F O R E P O R T I N G E J S C N V Y A
Y N V H L T F Q V X P Z T K O J B Y U S
X Y O M M I S C O N D U C T X G G O E M

Accountability	Fraud	Recipient
AmeriCorps	Grant	Regulations
Certify	Liability	Reporting
Compliance	Misconduct	Responsibility
Conditions	Policies	Terms

WHAT IF...

WHAT SHOULD I DO IF I SUSPECT PROHIBITED ACTIVITIES ARE TAKING PLACE?

If you suspect that prohibited activities are taking place you should take the following steps:

- Notify AmeriCorps OIG and your Portfolio Manager without delay of your suspicions;
- Retain any notes, correspondence, or documentation related to the suspected prohibited activities;
- DO NOT investigate your suspicions further until you speak with AmeriCorps OIG.

Additionally, you can always share concerns related to suspected prohibited activities or unallowable costs via the AmeriCorps OIG Hotline.

WHAT SHOULD I DO IF I'M NOT SURE IF AN ACTIVITY IS PROHIBITED?

If you're unsure of what activities are prohibited, take some time to review the code of federal regulations (45 CFR § 2520.65).

If that does not resolve your concerns, consult with your organization's General Counsel (if applicable), State Service Commission, and/or Portfolio Manager to discuss further.

INCREASED FRAUD RISK: GRANTEES SHOULD...

- ☑ Treat drawdowns as cost reimbursements, not advances.
- ☑ Be knowledgeable of the operating status & financial conditions of subgrantees.
- ☑ Know that subgrantees that rely solely or primarily on AmeriCorps funding present a significant risk.
- ☑ Have plans in place to ensure grant records are properly maintained for the required three years after final report submission and available for audit if subgrantees cease operations/significantly reduce capacity.
- ☑ Know that they may be held liable for subgrantees' costs charged to a Federal award if the costs are not adequately supported.

MATCH FUNDING BEST PRACTICES

How do you avoid match fraud? Document your match and report it accurately.

The recommendations below can also help your program avoid common documentation pitfalls.

DO'S...

- ✓ Notify AmeriCorps as soon as you become aware that you may not be able to meet your match requirements.
- ✓ Record your match expenses separately from your Federal expenses in your accounting systems' general ledger.
- ✓ Make sure agreements with third parties are documented.

DON'TS...

- ✗ Claim in-kind match contributions where the value is not properly supported/documented.
- ✗ Claim match expenses based on the budget (rather than actuals).
- ✗ Claim other Federal sources as match.*
- ✗ Rely on only the completion of a form without attaching underlying support documents.

**Certain exceptions may apply.*

Grant Costs Pop Quiz Answers: 1, 4, and 5 are examples of unallowable AmeriCorps grant expenses.

UNDERSTANDING THE TERMS AND CONDITIONS

What they say and...	**What they mean**
Recipient's financial management systems must be capable of distinguishing expenditures attributable to this award from expenditures not attributable to this award.	**My systems are able to run a report that details only the expenses that are charged to this award.**
The systems must be able to identify costs by program year and by budget category, and to differentiate between direct and indirect costs.	**My systems are able to run a report that identifies budgeted costs versus actual costs for each Program Year based on the approved budget, and in total.**
Financial management systems must be able to routinely produce reports which support and reconcile to the amounts drawn from the Payment Management System (PMS) and/or reported to eGrants	**The expenditure reports in our general ledger agree to, or reconcile with, the amounts drawn down in PMS and to our FFRs.**
Reporting of first-tier subawards. a. Applicability. Unless you are exempt as provided in paragraph 4, of this award term (below), you must report each action that obligates $30,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a subaward to an entity (see definitions in paragraph 5. of this award term).	**We have properly reported our subawards in the FSRS, or we are exempt from reporting or do not have any subawards that apply.**
As a non-Federal entity, you must maintain written standards of conduct covering conflicts of interest and governing the performance of your employees engaged in the selection, award, and administration of subawards and contracts. None of your employees may participate in the selection, award, or administration of a subaward or contract supported by a Federal award if he or she has a real or apparent conflict of interest.	**We did not have any transactions with any entities that are affiliated with any of our employees, and we have a written conflict of interest policy covering this conduct.**

POP QUIZ: IS IT DOCUMENTED?

Look at the examples below and decide if you think the documentation is sufficient or insufficient.

Note: the examples should not be considered complete and comprehensive.

Answers are included at the bottom of the page.

1 A donation form without details of the fair market value of the item.

2 Receipts for training supplies donated paired with attendance logs of who attended the event.

3 An annual estimate of staff hours spent on a grant.

4 Official request for the space including size or square footage and time period of usage and independent appraisal.

5 Donated supplies used by the organization but not necessary to achieve the grant's objectives.

6 Receipts for donated recognition award items without a log tracking who received the awards.

Pop Quiz Answers:
2 and 4 are examples of possibly sufficient in-kind or match documentation.

STARTING 2026 OFF RIGHT

Use this space to write down the steps you'll take in 2026 to protect your AmeriCorps grant against waste, fraud, and abuse.

1.

2.

3.

4.

5.

6.

7.

8.

9.

LEARN MORE

Read more about any of the topics covered in this volume by checking out our previous Anti-Fraud Advisories on our website.

Vol. 1: Combatting Fraud as a Strategic Priority

AmeriCorps' March 2022 Strategic Plan identified "strengthen agency and program integrity by protecting AmeriCorps resources from fraud and mismanagement" as a sub-objective to Strategic Goal 4: Effectively Steward Federal Resources.

Vol. 2: What is Timekeeping Fraud?

Timekeeping fraud occurs when agency employees, contractors, grantee staff, or AmeriCorps members and volunteers are dishonest about their time. This includes 1) Intentionally charging time to an AmeriCorps grant that is knowingly false or incorrect, 2) Showing a reckless disregard for timekeeping laws, rules, and regulations, (e.g., turning a blind eye), or 3) Staff modifying volunteer(s) time records without any basis or authorization.

Vol. 3: What is Match?

Match funding serves a crucial role in addressing both national and local challenges. It is a vital means through which communities actively participate in the essential work undertaken by these projects, reinforcing the collaborative spirit essential for meaningful progress.

Vol. 4: Why are Terms and Conditions Important?

Terms and conditions tell grantees, and subgrantees, what they can and can't do with Federal funds and set forth key requirements that grantees and subgrantees must follow in operating their AmeriCorps programs. Failure to follow terms and conditions can result in unallowable costs, audit findings, investigations, civil litigation, and/or criminal prosecution.

Vol. 5: What are Prohibited or Unallowable Activities?

Prohibited and unallowable activities are certain activities that AmeriCorps staff, members, and volunteers may not engage in while charging time to AmeriCorps programs, accumulating service or training hours, or otherwise performing activities supported by AmeriCorps or its programs.

Vol. 6: Grant Costs - What You Should Know

Grant fraud and prevention is one of AmeriCorps' top management challenges. In order to help reduce fraud, waste, and abuse, grantees must ensure that costs charged to AmeriCorps awards are allowable. Costs are allowable only if they are allocable, reasonable, necessary, and in compliance with the terms and conditions of the grant and Federal regulations, and are adequately documented.

Vol. 7: Increased Fraud Risks in Times of Uncertainty

In times of uncertainty, (i.e., when grants are terminated or otherwise closed), there are unique and increased risks of fraud, waste, and abuse.

Vol. 8: Why Do You Need Internal Controls?

Internal controls are critical policies, procedures and practices that serve as your organization's first line of defense against errors and fraud, protecting your programs and ensuring compliance with AmeriCorps requirements. Learn why they are vital, where to focus your efforts, and how they contribute to fraud prevention and detection.

WHAT DO PROHIBITED ACTIVITIES LOOK LIKE IN REAL LIFE?

Can you match the icon to the example of a real life prohibited activity? These are prohibited for staff, members, and volunteers while on the clock.
**answers are provided at the bottom of this page*

1. Engaging in religious instruction, conducting worship services, or engaging in any form of religion recruitment or conversion of beliefs

2. Assisting, promoting, or deterring union organizing

3. Organizing or engaging in protests, petitions, boycotts, or strikes

4. Conducting a voter registration drive, or participating in election or polling activities

5. Participating in, or endorsing, events or activities that are likely to include advocacy for or against political parties, political platforms, political candidates, proposed legislation, or elected officials

6. Providing abortion (related) services or referrals for receipt of such services

A. Hosting a voter registration drive.

B. Picketing in front of a local business.

C. Giving someone a pamphlet or information about abortion services.

D. Hosting a prayer circle.

E. Organizing a union.

F. Holding a meeting about upcoming local legislation.

G. Handing out religious fliers

H. Negotiating salary or benefits for a group of employees.

I. Working at a poll station.

J. Gathering signatures for a petition.

K. Giving someone a ride to receive abortion services.

WANT TO LEARN MORE?

For additional resources on this topic including LITMOS training courses, sample statements, and links to guidance documents, and to access the electronic version of this document use the QR code below:

KEEP IN TOUCH

Check out the library of Anti-Fraud Advisories on our website.

Report suspected instances of fraud, waste, and abuse to the Office of Inspector General's hotline by using this QR code:

Did you know whistleblowers are protected under federal law? To find out more about your rights as a whistleblower, click here.

Glossary Answers:
1: D & G, 2: E & H 3: B & J, 4: A & I, 5: F, 6: C & K