The Corporation for National and Community Service (Corporation) distributes approximately two-thirds of the funds available for AmeriCorps programs to Commissions on National and Community Service in the various States (one-third on a formula basis and at least one-third on a competitive basis). The State Commissions then award grants to approved applicants for community service programs within their states. The Corporation directly awards the remaining one-third of available AmeriCorps program funds to approved applicants (unless the amount available for this purpose is limited by appropriations acts), with one percent of the funds being set aside for Indian Tribes and one percent for grantees in U.S. Territories.

In addition to grants to fund AmeriCorps programs, State Commissions also receive grants from the Corporation to finance their administrative operations. These grants are made under a program titled State Commissions (CFDA 94.003), which is not included in Part 4 of this Supplement. Also not included in this Supplement are AmeriCorps programs funded under Subtitle H of the National and Community Service Act of 1990, as amended (42 USC 12653 through 12653d).

AmeriCorps grantees recruit and train individuals as AmeriCorps members. Full-time AmeriCorps members receive a living allowance and are eligible for health insurance and childcare benefits (if they are not otherwise covered while participating in the program). After completing the required term of service and satisfactorily completing the program, the AmeriCorps members receive a voucher crediting them with a post-service educational benefit, which may be used to pay off qualified student loans or pay qualified education costs. The Corporation’s National Service Trust Fund records the Federal liability for an AmeriCorps member’s education benefit, and, upon application from the AmeriCorps member and the lender or educational institution, transmits the funds to the lender or institution. AmeriCorps members who successfully complete a term of service are also eligible for the payment of interest on qualified student loans that accrue during a period of national service forbearance.

Source of Governing Requirements

The AmeriCorps program is authorized under the National and Community Service Act of 1990 (42 USC 12501 et seq.) and the implementing regulations found in 45 CFR parts 2500 through 2528.
III. COMPLIANCE REQUIREMENTS

In developing the audit procedures to test compliance with the requirements for a Federal program, the auditor should first look to Part 2, Matrix of Compliance Requirements, to identify which of the 14 types of compliance requirements described in Part 3 are applicable and then look to Parts 3 and 4 for the details of the requirements.

A. Activities Allowed or Unallowed

1. Funding is provided to carry out a full- or part-time national service program. Activities allowed include recruiting, training and supervising AmeriCorps members, paying living allowances to AmeriCorps members, paying health insurance premiums and child-care benefits for eligible AmeriCorps members, paying certain employment-related taxes, paying staff and other costs for program management, internal evaluations, and reimbursement of grantee administrative costs (42 USC 12572, 12574, and 12594; 45 CFR sections 2520 to 2550).

2. Among restrictions governing Corporation assistance, grant funds may not be used to provide a direct benefit to any business organization organized for profit, labor union, religious activities (provide religious instructions, conduct worship services or proselytize), or assist or deter union organizing, impair existing contracts for services, organize protests or petitions, or finance the outcome of an election to Federal, State or local public office (42 USC 12584 and 12634; 45 CFR section 2520.30).

E. Eligibility

1. Eligibility for Individuals

AmeriCorps members must be citizens, nationals, or lawful permanent resident aliens of the United States, and must be not less than 17 years old at the time of enrollment into the program. The statute does, however, permit certain types of programs to enroll participants who are out of school youths at least 16 years of age (42 USC 12591; 45 CFR section 2522.200).

Living allowances are paid on the basis of an AmeriCorps member’s selection and enrollment as a full-time participant in a program. The living allowance that an AmeriCorps member receives is not to be considered or treated as a wage or a salary. The installment payments of living allowances are not dependent upon the actual number of hours actually spent on service. Most full-time AmeriCorps members are to receive a living allowance during the installment period of at least 100 percent, but not more than 200 percent, of the total average annual subsistence allowance provided to VISTA volunteers. For particular program years, the limits on the living allowances are as follows (42 USC 4955 and 12594; 45 CFR section 2522.240):
<table>
<thead>
<tr>
<th>Program Year</th>
<th>Minimum Allowance</th>
<th>Maximum Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003-2004</td>
<td>$9,900</td>
<td>$19,800</td>
</tr>
<tr>
<td>2004-2005</td>
<td>$10,197</td>
<td>$20,934</td>
</tr>
<tr>
<td>2005-2006</td>
<td>$10,600</td>
<td>$21,200</td>
</tr>
</tbody>
</table>

Current information on the minimum and maximum amounts of AmeriCorps living allowances is available from the Office of the Director of AmeriCorps at the Corporation’s Headquarters at (202) 606-5000.

While most full-time AmeriCorps members cannot receive a living allowance higher than the maximum amount set forth above, the statute permits professional corps members to receive a living allowance in excess of the maximum allowance authorized in the statute. However, in this instance, Corporation funds may not be used to pay for any portion of the living allowance (42 USC 12594(c); 45 CFR section 2522.240).

An AmeriCorps member who is authorized to serve a reduced term of service may be provided a prorated living allowance for that authorized reduced term of service (42 USC 12593 and 12594; 45 CFR sections 2522.220 and 2522.240).

2. Eligibility for Group of Individuals or Area of Service Delivery - Not Applicable

3. Eligibility for Subrecipients - Not Applicable

G. Matching, Level of Effort, Earmarking

1. Matching

   a. *Operational Costs* - Except for living allowances, child-care allowances (if applicable), health insurance premiums (if applicable), and certain employment-related taxes, the Corporation’s share of the cost of activities carried out under the grant cannot exceed 75 percent. However, the terms of AmeriCorps program grants often require programs to provide higher operational matching amounts than 25 percent. The program must provide its matching amount in the form of cash, or in kind, fairly evaluated, including facilities, equipment, or services. The program may provide for its operational matching amount through State sources, local sources, or other Federal sources. The Corporation may waive, in whole or in part, the minimum match requirement (25 percent) in any fiscal year if the Corporation determines that such a waiver would be equitable due to a lack of available financial resources at the local level (42 USC 12571(e); 45 CFR section 2521.30(g)).
b. **Member Support Costs** - The Federal share, including Corporation and other Federal funds, of the living allowance provided to an AmeriCorps member may not exceed 85 percent of the minimum required living allowance. The grantee must provide the remaining funding for living allowances from non-Federal cash sources. The Corporation will pay up to 85 percent of the cost of health care coverage that includes the minimum benefits specified by the Corporation. The Corporation specifies the minimum benefits required as part of its grant provisions (42 USC 12594(a) and (d); 45 CFR sections 2522.240(b)(5) and 2522.250(b)).

2. **Level of Effort** - Not Applicable

3. **Earmarking**

   No more than five percent of assistance provided by the Corporation can be used for the combined administrative expenses of the grantee and its subgrantees (42 USC 12571(d); 45 CFR sections 2521.30(h) and 2540.110).

L. **Reporting**

1. **Financial Reports**

   a. SF-269A, *Financial Status Report (Short Form)* - Applicable

   b. SF-270, *Request for Advance or Reimbursement* - Not Applicable

   c. SF-271, *Outlay Report and Request for Reimbursement for Construction Programs* - Not Applicable

   d. SF-272, *Federal Cash Transactions Report* - Payments under this program are made by the Department of Health and Human Services, Payment Management System. Reporting equivalent to the SF-272 is accomplished through the Payment Management System and is evidenced by the PSC-272 series of reports.

2. **Performance Reports** - Not Applicable

3. **Special Reports**

   The following two forms are submitted to the Corporation for each AmeriCorps member and are used by the Corporation to support the member’s eligibility for a post-service education benefit. A roster of members enrolled/completed during the period should be obtained from the Corporation, to assure that the universe of forms submitted, as provided by the entity, is complete. Rosters may be obtained by contacting the Corporation’s Director of Trust Operations at (202) 606-5000, extension 363.
a. **National Service Enrollment Form (OMB No. 3045-0006)** - This form is used by the Corporation to enroll participants in the AmeriCorps program and the National Service Trust. Enrollment is necessary for the AmeriCorps member to receive a post-service education benefit upon successful completion of their term of service.

**Key Line Items** - The following line items contain critical information:

Part 3 - *AmeriCorps member enrollment information.*

b. **Corporation for National Service End of Term/Exit Form (OMB No. 3045-0015)** - This form is used by grantees to certify to the Corporation the number of service hours that each AmeriCorps member has completed, and whether the AmeriCorps member is eligible for a post-service education benefit. The Corporation’s National Service Trust relies on this information to record the Federal liability for an AmeriCorps member’s education benefit (42 USC 12593 and 12603; 45 CFR sections 2522.220, 2522.230, and 45 CFR part 2525).

**Key Line Items** - The following line items contain critical information:

Part 3 - *Service hours completed by an AmeriCorps member, and the AmeriCorps member’s entitlement to an education benefit.*
I. PROGRAM OBJECTIVES

Foster Grandparent Program grants are awarded to allow participants to serve as mentors, tutors, and caregivers for children and youth with special needs. Foster Grandparents serve in community organizations such as schools, hospitals, and youth centers.

Senior Companion Program grants are awarded to allow participants to provide assistance and friendship to older persons with exceptional needs who are homebound and usually living alone. By taking care of simple chores, providing transportation to medical appointments, and offering contact to the outside world, Senior Companions often provide the essential services that keep older persons from having to enter nursing homes. They also assume the duties of live-in caretakers for short periods of time to give the caretakers a respite from their duties.

II. PROGRAM PROCEDURES

The Corporation for National and Community Service (Corporation) awards Foster Grandparent and Senior Companion program grants only to State and local public agencies and private nonprofit organizations that have the capability to administer such grants. These sponsors are legally responsible for all programmatic and fiscal aspects of the project, and may not delegate or contract this responsibility to another entity. Consequently, the program has no subrecipients (42 USC 5011(a) and 5013(a); 45 CFR sections 2551.22 and 2552.22).

In both programs, participants aged 60 and older serve an average of 20 hours per week and, if they meet income eligibility requirements, may receive small stipends and other direct benefits to help offset the costs of serving. In addition, participants who do not meet the income eligibility requirements may serve as non-stipended Foster Grandparents or Senior Companions. Those participants receive all direct benefits, other than the stipend, to offset the costs of serving and are not required to serve 20 hours per week (42 USC 5011(a) and 5013(a); 45 CFR sections 2551.102 and 2552.102).

Prospective sponsors apply for Foster Grandparent or Senior Companion grants through Corporation State Offices. New and renewal project applications are reviewed by the Corporation State Office, and final decisions are rendered by the Corporation State Director (45 CFR sections 2551.91 and 2552.91).

Source of Governing Requirements

The Senior Corps programs are authorized under the Domestic Volunteer Service Act of 1973, Title II (42 USC 5000 et seq.) and their implementing regulations found in 45 CFR parts 2251 and 2552.
III. COMPLIANCE REQUIREMENTS

In developing the audit procedures to test compliance with the requirements for a Federal program, the auditor should first look to Part 2, Matrix of Compliance Requirements, to identify which of the 14 types of compliance requirements described in Part 3 are applicable and then look to Parts 3 and 4 for the details of the requirements.

A. Activities Allowed or Unallowed

1. Grant funds may be used for stipends for participants who meet income levels set by the Corporation (42 USC 5011(a) and (d) and 5013(a) and (b); 45 CFR sections 2551.45 and 2552.45).

2. Grant funds can also be used for other direct benefits for stipended Foster Grandparents and Senior Companions, such as: transportation costs; physical examinations; accident, liability, and excess automobile insurance covering participants during their volunteer activities; meals; and, costs for recognition of participants’ volunteer efforts. Grant funds are also available for budgeted amounts of staff, office space, staff travel, and other administrative costs of the organization sponsoring the program (42 USC 5011(a) and (d) and 5013(a) and (b); 45 CFR sections 2551.45 and 2552.45).

3. No Federal or required non-Federal funds can be used to pay any costs, including direct benefits or administrative costs, associated with non-stipended Foster Grandparents and Senior Companions (42 USC 5011(f)(4) and 5013(b); 45 CFR sections 2551.104 and 2552.104).

4. Foster Grandparent and Senior Companions grant funds may not be used to influence the outcome of any election to public office, to facilitate voter registration, or to provide voters or prospective voters with transportation to the polls. Grant funds may not be used by the non-Federal entity in any activity for the purpose of influencing the passage or defeat of legislation or proposals by initiative petition, except (a) when a legislative body or committee requests a program sponsor or participant to draft, review or testify regarding measures or make representations to the legislative body or committee, or (b) in connection with an authorization or appropriations measure directly affecting the operation of the Foster Grandparent Program and/or Senior Companion Program (42 USC 5043(c); 45 CFR sections 2551.121 and 2552.121).

5. No Foster Grandparent or Senior Companion grant funds shall be directly or indirectly used to finance labor union or anti-labor union organization or related activity (42 USC 5044(d); 45 CFR sections 2551.121(d) and 2552.121(d)).
E. Eligibility

1. Eligibility for Individuals

Foster Grandparents and Senior Companions who are paid stipends must be at least 60 years old, meet applicable income guidelines, and be physically, mentally, and emotionally capable of serving on a person-to-person basis. Income eligibility is based on the applicant’s total annual income (including the total annual income of the applicant’s spouse), less allowable medical expenses. To be eligible, an applicant’s income must fall below eligibility levels specified by the Corporation (generally set at 125 percent of the poverty level annually established by the Department of Health and Human Services). Eligibility levels vary by geographic area. The eligibility levels for all areas are published annually in the Federal Register, and are available from the Corporation’s State Offices or from the National Senior Service Corps at the Corporation’s headquarters at (202) 606-5000 (68 FR 8491, February 21, 2003). Stipends for Foster Grandparents and Senior Companions are $2.65 per hour effective April 1, 2002 (prior to April 1, 2002, the rates were set at $2.55 per hour). This may be increased by the Corporation from time to time. Current information on the amount of the hourly stipend is also available from the Corporation’s State Offices or from the National Senior Service Corps at the Corporation’s headquarters (42 USC 5011 and 5013; 45 CFR sections 2551.42 and 2552.42).

Foster Grandparents and Senior Companion programs may enroll persons who are at least 60 years old, but who do not meet the income guidelines as non-stipended Foster Grandparents or Senior Companions (45 CFR 2551 subpart J and 2552 subpart J).

2. Eligibility for Group of Individuals or Area of Service Delivery - Not Applicable

3. Eligibility for Subrecipients - Not Applicable

G. Matching, Level of Effort, Earmarking

1. Matching

The non-Federal entity is required to contribute at least 10 percent of the total cost of a project from non-Federal sources or authorized Federal sources, unless the Notice of Grant Award specifies a lower percentage (42 USC 5011(a) and 5013(a); 45 CFR sections 2551.92(a) and 2552.92(a)).

2. Level of Effort - Not Applicable
3. **Earmarking**

An amount equal to 80 percent of the Federal share of a Foster Grandparent or Senior Companion program grant must be used for stipend and other direct benefits for Foster Grandparents or Senior Companions, unless the Notice of Grant Award specifies a different percentage. Direct benefits for Foster Grandparents and Senior Companions include stipends, insurance, transportation, meals, physical examinations, recognition, and uniforms, if necessary (45 CFR sections 2551.92(e) and 2552.92(e)).

L. **Reporting**

1. **Financial Reporting**
   a. SF-269A, *Financial Status Report* (Short Form) - Applicable
   b. SF-270, *Request for Advance or Reimbursement* - Applicable
   c. SF-271, *Outlay Report and Request for Reimbursement for Construction Programs* - Not Applicable
   d. SF-272, *Federal Cash Transactions Report* - For grantees, payments under this program are made by the Department of Health and Human Services, Payment Management System. Reporting equivalent to the SF-272 is accomplished through the Payment Management System and is evidenced by the PSC-272 series of reports.

2. **Performance Reports** - Not Applicable

3. **Special Reports** - Not Applicable