

Highlights of [GAO-04-225](#), a report to Congressional Requesters

## Why GAO Did This Study

The Corporation for National and Community Service (the Corporation) was created to help meet community needs and expand educational opportunity by providing education awards to participants. The Corporation oversees and funds the AmeriCorps program as well as the National Service Trust (the Trust), which pays the education awards. From November 2002 to March 2003 the Corporation suspended AmeriCorps enrollments because there would not have been sufficient funds in the Trust to pay education awards. GAO was asked to determine (1) if all AmeriCorps enrollments were accurately recorded, (2) how the Corporation estimated its funding needs, and (3) if the Corporation made changes to prevent another enrollment suspension and to address requirements established in the Strengthen AmeriCorps Program Act. GAO analyzed laws, reviewed documents, interviewed officials, assessed the reliability of the Trust database, examined the model used to estimate funding needs, and surveyed AmeriCorps grantees.

## What GAO Recommends

GAO recommends that the Corporation make improvements to strengthen internal control, enhance the accuracy of its budget estimates, ensure the Trust does not accumulate large balances, and ensure that its policies support efforts to deliver services. The Corporation generally agreed with GAO's recommendations.

[www.gao.gov/cgi-bin/getrpt?GAO-04-225](http://www.gao.gov/cgi-bin/getrpt?GAO-04-225).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Cornelia M. Ashby, (202) 512-8403 ([ashbyc@gao.gov](mailto:ashbyc@gao.gov)) or Susan Poling (202) 512-2667.

# CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

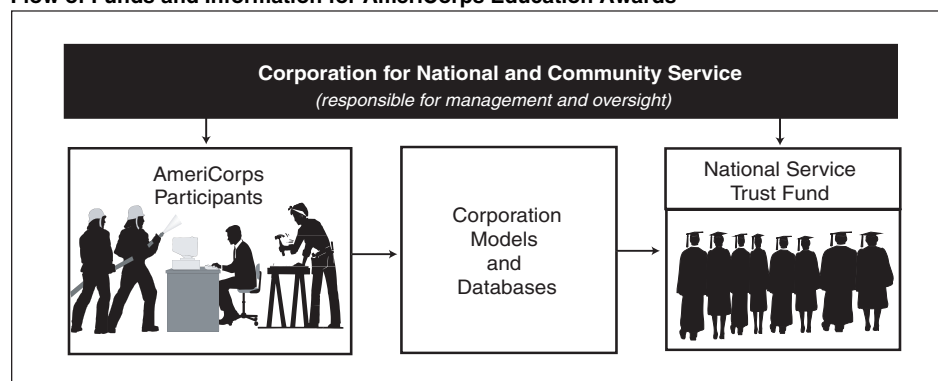
## Better Internal Control and Revised Practices Would Improve the Management of AmeriCorps and the National Service Trust

### What GAO Found

Discrepancies between information in the Trust database and participant documentation indicate that not all AmeriCorps participant information was accurately reflected in the Trust database. An estimated 5 percent (8,300) of about 158,000 enrollments from program years 2000 to 2002 have discrepancies, and about 3 percent (4,400) have discrepancies that could affect estimates of future probable expenditures of the Trust. Further, the users' manual for the Trust database system had not been updated.

In 2003 the Corporation began using a new model with conservative assumptions of participant behavior to develop its funding estimates. Corporation officials explained that they used conservative assumptions because the AmeriCorps program does not have a long history from which to extrapolate participant behavior, and the Corporation wanted to regain credibility after the enrollment suspension in 2002. Using the new model may be prudent until the Corporation gains more experience. However, because the new model increased the Trust's funding estimates, the Corporation will need to monitor actual experience compared with the model's assumptions and may need to deobligate unused Trust funds. Further, the new model does not incorporate external factors, such as downturns in the economy, which may affect funding estimates or the Trust's balances. The Corporation recently formed a team to assess the costs and benefits of adding external factors in its model.

### Flow of Funds and Information for AmeriCorps Education Awards



Source: Corporation officials and GAO analysis.

The Corporation has made some changes to its operations that minimize the likelihood it will need to suspend enrollments in the future. Corporation officials have been obligating Trust funds when positions are approved since June 2003, and the communication and coordination among officials have greatly improved. Changes have also been implemented and planned to address the Strengthen AmeriCorps Program Act requirements. However, changes to improve oversight of grantees have not been fully implemented, and policies related to refilling vacated positions and converting unfilled positions may limit enrollments, hinder service delivery, and contribute to the accumulation of a larger Trust balance.