



**AmeriCorps**

Annual Management Report  
Fiscal Year 2020



## ABOUT THIS REPORT

The Annual Management Report (AMR) focuses on the Corporation for National and Community Service's (AmeriCorps'<sup>1</sup>) financial management and typically includes the agency's annual financial statement audits results. This year, the agency's Office of the Inspector General agreed not to conduct a full financial statement audit in light of the agency's transition to a shared services provider for some accounting, procurement, and travel functions. In lieu of the financial statement audits and AmeriCorps' responses, this report includes a letter from the agency's Office of the Inspector General commenting on the agency's financial position. This report also includes AmeriCorps' assurance statement regarding financial reporting, internal controls, and operations. This report is published on the AmeriCorps website.

AmeriCorps will produce its FY 2022 Congressional Budget Justification with integrated Annual Performance Report (APR) to provide an overall assessment of agency performance. AmeriCorps will transmit this report to Congress in early 2021. The Congressional Budget Justification will also be published on the AmeriCorps' website.<sup>2</sup>

These reports meet the requirements of the Government Performance and Results Modernization Act, the Federal Financial Management Improvement Act, the Federal Managers' Financial Integrity Act, the Government Corporation Control Act, and the Federal Information Security Modernization Act, among others. These reports also follow applicable guidance from the Office of Management and Budget (OMB).

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<sup>1</sup> As of Sept. 29, 2020, AmeriCorps is the operating name of the Corporation for National and Community Service.

<sup>2</sup> The Administration only requested funding for an orderly AmeriCorps shutdown in FY 2019, FY 2020, and FY 2021. Therefore, the agency did not include performance information within these budgets. Prior year performance information is included in AmeriCorps' budgets, which are published on the AmeriCorps website.

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# I. MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



December 18, 2020

For more than a quarter century, AmeriCorps has leveraged our nation's greatest resource – the American people – to improve lives, strengthen communities, and foster civic engagement. Working hand in hand with thousands of local partners, our agency engages AmeriCorps members and AmeriCorps Seniors volunteers in results-driven service at more than 40,000 sites across the country to help Americans succeed in school, prepare for 21<sup>st</sup> century jobs, and rebuild their lives after addiction, homelessness, job loss, or natural disasters.

Our Fiscal Year 2020 Annual Management Report summarizes agency accomplishments and financial information in accordance with relevant federal guidance and laws. Our efforts this year – during what has been one of the most trying times in our nation's history due to the COVID-19 pandemic – demonstrate our continued commitment to put AmeriCorps' resources where they are needed most, while continuing our focus on evidence-based approaches and operational efficiency and accountability. In FY 20, AmeriCorps responded to the effects of the pandemic in several ways:

- We helped AmeriCorps grantees and project sponsors pivot their activities to the extent possible to support pandemic response and recovery, safely engaging AmeriCorps members and AmeriCorps Seniors volunteers in service.
- We leveraged the flexibilities under the CARES Act to provide needed relief to AmeriCorps grantees, members, and volunteers.
- We provided temporary allowances to help AmeriCorps Seniors programs maintain volunteer readiness until they can fully re-engage in in-person activities.

Despite the challenges presented by the pandemic, we have remained focused on achieving the goals outlined in our 2018 Transformation and Sustainability Plan. This year, we achieved several important milestones in our efforts to strengthen the foundation of AmeriCorps and position the agency for the future. Our accomplishments in FY20 include the following:

- We migrated key financial management functions to the Department of Treasury's shared service platform. This migration puts AmeriCorps on the pathway to finally address many of the internal controls findings identified in our financial audit, which have built up over many years.
- We launched a new, simplified brand identity for our agency and its programs – built around the brand that Americans already know best: AmeriCorps. Re-branding is a first step in our efforts to reduce barriers and make more people aware of their opportunities to serve.
- We completed the buildout of our new grant management organization, which better positions AmeriCorps to serve the people, organizations, and communities we work with across the country.

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- We reduced our programs' improper payment rates by 48.5%-64.7%, benefitting from an effective agency-wide initiative to improve grantee compliance with national service criminal history check requirements.

While there remains more work to do, our accomplishments reflect our steadfast focus and dedication to improving processes across the agency. AmeriCorps appreciates the Office of Inspector General's continued communication and collaboration in addressing open audit findings and unimplemented recommendations. The OIG's establishment of an audit/performance review that postponed key activities this year has enabled us to concentrate on our migration to shared services as well as on resolving other financial audit findings.

As CEO, my top priority over the past three years has been to make the improvements needed to ensure the sustainability of national service. As evidenced by the current need in communities across the country, our responsibility is too great, and our mission is too important to not continue taking these steps to strengthen our operations. These improvements will help us better serve our customers, achieve our mission, and continue engaging AmeriCorps members and AmeriCorps Seniors volunteers in service across the nation.

Sincerely,

*Barbara Stewart*

Barbara Stewart  
Chief Executive Officer  
AmeriCorps

## II. MISSION AND ORGANIZATIONAL STRUCTURE

AmeriCorps was established by the National and Community Service Trust Act of 1993.<sup>3</sup> Its mission is to engage Americans of all ages and backgrounds in community-based service to improve lives, strengthen communities, and foster civic engagement. AmeriCorps achieves its mission through the administration of its eight programs and initiatives.

### **Agency Accounts and Descriptions**

A description of each AmeriCorps account earmarked for funding in the agency's annual appropriation is included below.

### **AmeriCorps State and National**

The AmeriCorps State and National program provides funding to States, Territories, Tribes, and community-based organizations that manage members who serve full- or part-time on projects that align with certain priority areas. These areas include economic opportunity, education, healthy futures, disaster relief, economic opportunity, environmental stewardship, and veterans and military families. This program supports organizations that see service as a solution to local and national challenges and create powerful member experiences that result in lifelong civic engagement.

AmeriCorps State and National is run through a combination of efforts managed by AmeriCorps and State Service Commissions. State Service Commissions (located in 49 states, the District of Columbia, Guam, and Puerto Rico) administer grant funds to programs within the states, which are awarded on both a competitive and formula basis. Programs that operate within more than one state (all of which are awarded competitively) are part of the AmeriCorps State and National portfolio.

### **AmeriCorps VISTA**

The AmeriCorps VISTA program was created to help reduce poverty and build economic opportunity throughout the country. It accomplishes this goal primarily by engaging AmeriCorps members to serve with community organizations and public agencies. These members act as a catalyst for change, living and working alongside communities to meet our nation's most pressing challenges, build capacity for nonprofits, and advance local solutions. AmeriCorps provides the management

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<sup>3</sup> The Trust Act created the Corporation for National and Community Service. On September 29, 2020, the Corporation adopted the operating name "AmeriCorps."

infrastructure for this program with field work managed by the program's grantees and project sponsors.

### **AmeriCorps NCCC**

The AmeriCorps NCCC program is a 10-month residential national service program for people ages 18-24. This program deploys AmeriCorps members to address needs related to natural and other disasters, infrastructure improvement, energy conservation, and urban and rural development. They construct and rehabilitate low-income housing, respond to natural disasters, clean-up streams, help communities develop emergency plans, and address countless other local needs. AmeriCorps directly operates the NCCC program.

Under AmeriCorps NCCC, the agency also administers the FEMA Corps program, a partnership with the Federal Emergency Management Agency to serve communities affected by disaster. This program also serves as a workforce development program to provide the next generation of disaster services professionals the skills necessary to take on future careers in the disaster services sector.

### **AmeriCorps State Service Commission Support Grants**

In 1993, Congress created this shared federal-state partnership with a central role for governors to design and implement national service through Governor-appointed State Service Commissions. More than 1,000 private citizens serve as Governor-appointed commissioners, leading and guiding national service efforts in their states by identifying local needs, directing federal and state resources, ensuring oversight and accountability, tracking performance and community outcomes, and leading citizen service efforts in their states and territories.

### **AmeriCorps Seniors Foster Grandparent Program**

The Foster Grandparent Program is an intergenerational program first established in 1965 where volunteers help children in their communities develop academic and life skills critical to their development and future success. Low-income volunteers age 55 and over connect with opportunities to provide one-on-one mentoring, nurturing, and support to children with special or exceptional needs, or who are at an academic, social, or financial disadvantage. In return for their service, volunteers receive a stipend of \$3.00 per hour. The agency renews grants for the Foster Grandparent program annually.

### **AmeriCorps Seniors Senior Companion Program**

The Senior Companion Program engages low-income volunteers, age 55 and over, in providing in-home support and friendship to adults who have difficulty with daily living tasks. They provide companionship and assistance with daily tasks such as shopping or paying bills and give respite to family caregivers. As a result, seniors are able to maintain their independence longer and live fuller lives. Volunteers serving in this program also receive a stipend of \$3.00 per hour. The agency renews grants for the Senior Companion program annually.

### **AmeriCorps Seniors RSVP**

The RSVP program is one of America's largest volunteer networks for people 55 and older and engages the skills, talents, and experience of volunteers to meet a wide range of community needs. These AmeriCorps Seniors volunteers recruit and manage other volunteers, mentor and tutor disadvantaged children, support workforce development by providing job readiness training, offer free tax preparation, help seniors live independently in their homes, assist communities as they recover from disasters, and expand economic opportunities for veterans and their families. The agency awards grants for the RSVP program on a competitive basis.

### **Innovation and Demonstration**

AmeriCorps aims to engage more Americans in service to meet pressing community needs through its **Days of Service** – Martin Luther King, Jr. National Day of Service and the September 11th National Day of Service and Remembrance. Grants for Days of Service are awarded competitively.

AmeriCorps' **Volunteer Generation Fund** supports the agency's mission to improve lives and strengthen communities by strengthening volunteer management practices across the country. This includes helping State Service Commissions broaden their volunteer base, more effectively recruit and retain volunteers, expand opportunity for those who serve, and improve their outcomes on community challenges. The agency awards these funds competitively.

### **Evaluation**

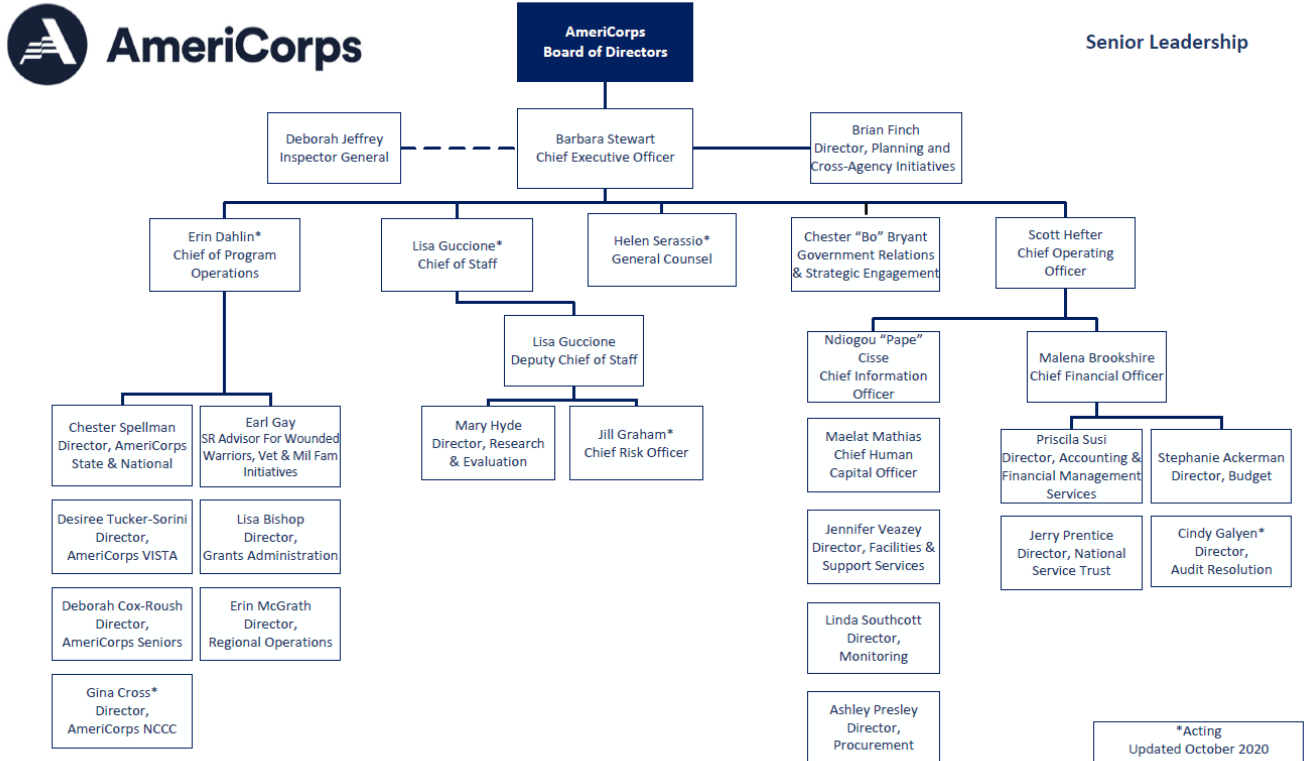
AmeriCorps' Office of Research and Evaluation coordinates the agency's learning agenda, which includes building its evidence base and facilitating the use of evaluation to inform decisions. To this end, the office conducts research and evaluation on AmeriCorps programs, helps build the capacity of agency-funded partners to conduct and understand evaluations, and facilitates evidence-based and evidence-informed grantmaking.



## National Service Trust

The National Service Trust provides Segal AmeriCorps Education Awards for AmeriCorps members who successfully complete an eligible term of service in State and National, NCCC, or VISTA programs.

## Organizational Chart



### III. PERFORMANCE GOALS, OBJECTIVES AND RESULTS

#### **Goal 1: Support mission delivery with efficient and effective operations.**

**Objective 1.1 - Continue the buildout of the agency's new grant management organization.** In 2018, AmeriCorps announced a reorganization of its grant management and monitoring structure and roles. The reorganization was designed to better position the agency to serve communities by: equipping our field staff to present the full menu of AmeriCorps programs to meet community challenges; providing more consistent levels of service as a result of more balanced workloads across geographies; retaining more positions to support our grantees by avoiding the significant cost increases we were facing to maintain small offices across the country; as well as addressing structural weaknesses in our grant oversight by separating those who review grant applications and provide technical support to grantees from those who test grants for compliance.

#### Key results:

- Completed the hiring for the final five of eight regional offices and sunseting legacy offices and roles. Over the past 18 months, the agency onboarded more than 200 new and returning employees. AmeriCorps prioritized hiring experienced staff, with all hires having relevant experience in philanthropy, the nonprofit sector, and/or grants administration.
- Stood up temporary or permanent office space for the final five of eight regional offices.
- Invested in training all hires as part of a new, standardized onboarding and training program for grant management staff. AmeriCorps also enabled all staff to pursue a professional certification in financial grant management, an opportunity that previously was available to only a few staff each year. In addition, all managers have completed or will soon complete Federal Supervisors Training.
- Streamlined and improved processes, including created a new process for collecting and analyzing grantees' operational and financial information as part of the application pre-award risk assessment. The new process lowers burden on staff and aligns with the agency's risk model factors. The agency also made progress in addressing its long-standing challenge with closing grants in a timely manner by conducted a focused and intensive effort to close expired grants. This process reduced expired, un-closed grants by 47 percent and identified a number of efficiencies that have been incorporated into ongoing closeout activities.
- Established a new monitoring framework with activities informed by a more robust risk model and initiated the first round of monitoring activity using the framework.
- Launched a new data dashboard - the Portfolio Navigator - to provide real-time tracking and insights into each Portfolio Managers' grant portfolio.

**Objective 1.2 - Transition to the Department of Treasury's shared service platform for key financial management functions.** In 2019, AmeriCorps made the decision to move to a shared service platform for key accounting, procurement, and travel functions. This transition allows AmeriCorps to leverage Treasury's expertise and technology, eliminate single points of failure, and decrease costly technology investments and upgrades. Importantly, the new systems and processes alone position AmeriCorps to address many of the internal controls findings in its most recent financial statement audit.

Key results:

- Successfully migrated key financial management functions to the shared service platform that now serves as the agency financial system of record.
- Reengineered and standardized business processes to support accounting, procurement, and travel functions in the new environment.
- Trained key staff and other internal customers on new business processes.

**Objective 1.3 - Improve grantees' compliance with National Service Criminal History Check (NSCHC) requirements.** AmeriCorps continues to strive to protect the vulnerable populations among the beneficiaries we serve by improving grantee compliance with national service criminal history check requirements. Related to this effort is the agency's work to bring each of its programs' improper payment rates below the \$10M susceptibility threshold as previously defined by the Improper Payments Elimination and Recovery Improvement Act (IPERIA), which has been repealed and replaced by the Payment Integrity Information Act (PIIA). From 2017-2019, 73 percent of the agency's improper payments included an improper national service criminal history check component. The improper payment rate provides visibility into the agency's progress with NSCHC compliance.

Key results:

- Continued to promote grantee usage of AmeriCorps' agency-approved vendors to conduct compliant national service criminal history checks. Preliminary analysis conducted for FY2019 showed use of the service resolved 88% of NSCHC-related improper payments.
- Proposed changes to the NSCHC regulation to support streamlining and clarification of NSCHC requirements.
- The corrective actions undertaken by the agency so far have proved effective, as evidenced by the most recent Improper Payments assessment. In FY20, AmeriCorps demonstrated improper payment rate reductions between 48.5%-64.7% across its four programs reporting improper payment estimates. These reductions resulted in two of AmeriCorps' four susceptible programs reporting under the susceptibility threshold.

Program	Annual improper payments \$ (% of total program)*			
	FY18	FY19	FY20	Short-term goal
State and National	\$40.1M (16.4%)	\$39.03M (16.5%)	\$22.14M (8.5%)	<\$10M
Foster Grandparent	\$18.7M (20.8%)	\$25.74M (27.8%)	\$12.95M (14.2%)	<\$10M
RSVP	\$6.98M (17.3%)	\$16.20M (37.3%)	\$7.41M (17.4%)	<\$10M
Senior Companion	\$10.7M (28.2%)	\$10.96M (28.3%)	\$3.87M (10.0%)	<\$10M

\*Extrapolated from agency's annual IPERIA testing samples.

**Goal 2: Improve the outcomes from AmeriCorps programs on communities served and the people who serve.**

**Objective 2.1 - Provide people power and funding to support programs that strengthen communities.**

AmeriCorps is committed to improving lives and strengthening communities through service and volunteering by empowering citizens to solve local problems, expand economic opportunity, and encourage personal responsibility. Based on principles of local control, competition, accountability, and public-private partnership, AmeriCorps investments provide important services to communities and generates dividends that exceed the original investment.

Through strategic and evidence-based grantmaking, we partner with thousands of nonprofit organizations, faith-based groups, schools, and local governments to solve tough problems and meet local needs. AmeriCorps members and AmeriCorps Seniors volunteers support six key focus areas: Education, Healthy Futures (prioritizing investments to address the opioid epidemic), Veterans and Military Families, Disaster Relief, Economic Opportunity, and Environmental Stewardship.

Key results:

AmeriCorps members and AmeriCorps Seniors volunteers strengthen communities across the country. A preliminary FY 2020 analysis demonstrates our continued focus on national priorities, including:

- We assisted 4.4 million people in response to COVID-19 through the service of 21,400 AmeriCorps members and AmeriCorps Seniors volunteers.
- We invested more than \$14.5 million in national service programming that contributes to opioid prevention, reduction, and recovery.
- We awarded more than 2,700 projects, providing resources and people power to organizations dedicated to the improvement of communities across the nation.

Furthermore, AmeriCorps members have earned \$4 billion in Segal AmeriCorps Education Awards since 1994. These funds are used to further education or pay back applicable educational loans for these individuals across the nation. In FY 2020,

Historically Black Colleges and Universities received more than 1 million dollars in education award payments.

**Objective 2.2 - Adapt AmeriCorps programs to support COVID-19 pandemic response and recovery.** AmeriCorps empowers an ecosystem dedicated to the betterment of communities and, now more than ever, the service of AmeriCorps members and AmeriCorps Seniors volunteers is needed in communities across the country.

Key results:

- AmeriCorps pivoted to provide maximum flexibility for grantees to modify their program models and service activities to keep members and volunteers serving safely. As of November 11, 2020, more than 21,400 AmeriCorps members and AmeriCorps Seniors volunteers assisted an estimated 4.4 million people in response to COVID-19. These members and volunteers conducted more than 725,000 wellness checks, provided more than 10 million meals, collected and distributed more than 56.5 million pounds of food, and supervised more than 24,000 volunteers who have served nearly 778,000 hours thus far.
- AmeriCorps leveraged flexibilities under the CARES Act to provide needed relief to our programs including: (a) waived matching resource requirements for AmeriCorps grantees participating in our Foster Grandparent, Senior Companion, RSVP, and State and National programs who were unable to raise their match due to the pandemic; (b) allowed AmeriCorps grantees participating in our State and National program to receive fixed-amount awards to access their full federal funding based on member enrollment; and (c) reduced the threshold for AmeriCorps members to earn a full education award from 100 percent completion of their service to 50 percent if completion was impacted by COVID-19.
- Due to the required shelter-in-place orders issued by many communities, we made a temporary allowance available to over 31,200 eligible volunteers serving with the AmeriCorps Seniors Foster Grandparent and Senior Companion programs through December 31, 2020. This temporary extension helped volunteers remain on program rosters longer, with the hope that they would be positioned to support their communities once they are able to fully re-engage in their service. We also developed a “Pathway to Service” guide that outlines virtual service options for older adults and provided information about external resources to support them with things like technology assistance and broadband access.
- Through our AmeriCorps VISTA program, we launched a new food security initiative to create a comprehensive and collaborative approach to hunger. The four new grants through this program total \$2 million to support approximately 75 new AmeriCorps members in New Hampshire, Maine, Ohio, and Texas to combat the growing hunger crisis. All four states will participate in a case study conducted by our Office of Research and Evaluation to measure our outcomes.

- AmeriCorps developed a comprehensive virtual training program for new AmeriCorps Disaster Response Teams (A-DRTs) and new members or staff of established A-DRTs to provide foundational training for FEMA Mission Assignments. This training emphasized pandemic safety and positioned the agency to respond to an extremely active hurricane season occurring in the midst of the pandemic. AmeriCorps has managed five FEMA Mission Assignments in disaster-impacted communities and will continue to deploy where needed most.

**Objective 2.3 - Increase the portion of our programs’ portfolios supporting evidence-based program models.** To maximize the impact of federal resources, AmeriCorps continues to refine the intervention models it funds based on evidence and demonstrated success, while maintaining the flexibility to support statutory and Administration priorities.

Key results:

- The AmeriCorps State and National program continues to increase its percentage of competitively selected new, recompetete, and continuation awards with strong or moderate evidence. The majority of this federal investment is in programs with medium or strong evidence.

	<b>AmeriCorps State and National program new recompetete or continuation awards to applicants with medium or high levels of evidence</b>				
	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>
% of funding (\$)	34%	29%	37%	41%	51%

**Objective 2.4 - Create a clear and compelling brand identity to increase understanding and recognition of our agency and programs in the public sphere.** People who have worked with CNCS-AmeriCorps-Senior Corps are passionate about their work and the positive change they help communities and individuals achieve around the country. And yet, the agency and its programs are poorly understood by the public. Market research indicated the agency’s programs have relatively low levels of awareness/recognition and are difficult to explain. To build awareness and understanding of AmeriCorps opportunities, our agency completed a two-year project to simplify the agency’s brand identities.

Key results:

- Adopted AmeriCorps as the operating name for the Corporation for National and Community Service.
- Simplified the agency’s brand architecture by consolidating around the single AmeriCorps brand (with the highlighted sub-brand AmeriCorps Seniors); and moved away from each program being promoted as its own brand.
- Streamlined brand language by reducing the number of names used for the people who serve and the organizations that receive our resources.
- Reduced the number of visual identities we utilize from 15 to two.

- Launched a new creative idea and tagline - "The Best of America" - and brand film to tell the story of AmeriCorps.
- Implemented the new brand identity across the first phase of the agency's platforms, systems, and materials, including educating staff and grantees on brand guidelines and requirements.

## IV. ANALYSIS OF FINANCIAL STATEMENTS AND STEWARDSHIP INFORMATION

The accompanying FY 2020 financial statements have been prepared in accordance with the accounting standards codified in the Statements of Federal Financial Accounting Standards and the Office of Management and Budget (OMB) Circular No. A-136, Financial Reporting Requirements.

**Table of Key Measures (in thousands)**

Balance Sheet: Summary of Data	Unaudited 2020	Unaudited 2019	Percent Change
Fund Balance with Treasury	\$ 2,058,467	\$ 1,346,606	35%
Investments and Related Receivables	185,715	756,080	-307%
Accounts Receivable, Net	1,165	4,511	-287%
Cash and Other Monetary Assets	-	4	-0%
Advances to Others	66,399	68,777	-4%
Property and Equipment, Net	3,651	368	90%
<b>Total Assets</b>	<b>\$ 2,315,397</b>	<b>\$ 2,176,346</b>	<b>6%</b>
Accounts Payable	\$ 1,543	\$ 26,695	-1630%
Other Liabilities	16,054	15,488	4%
Advances from Others	10,244	8,981	12%
Trust Service Award Liability	438,294	375,834	14%
Grants Payable	108,789	115,316	-6%
Actuarial FECA Liability	7,497	6,817	9%
<b>Total Liabilities</b>	<b>582,421</b>	<b>549,129</b>	<b>6%</b>
<b>Total Net Position</b>	<b>1,732,976</b>	<b>1,627,217</b>	<b>6%</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 2,315.397</b>	<b>\$ 2,176,346</b>	<b>6%</b>

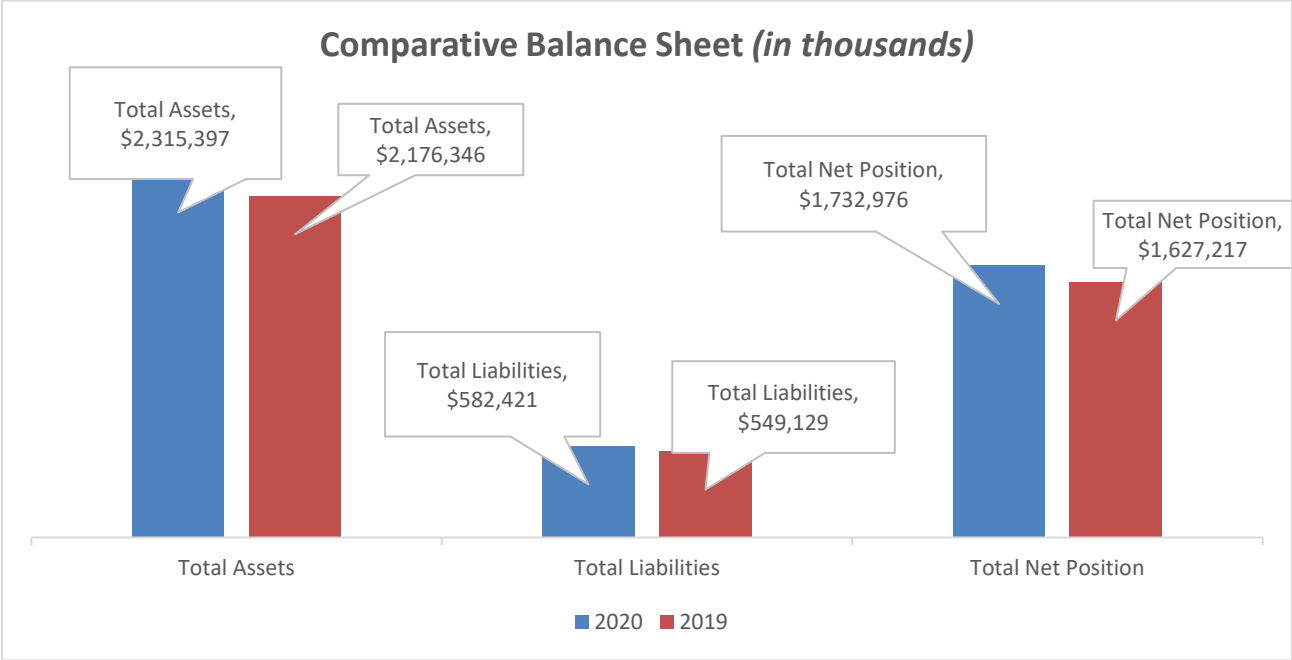


Statement of Net Cost: Summary of Data	Unaudited 2020	Unaudited 2019	Percent Change
Gross Costs	\$ 1,010,498	\$ 1,120,530	-11%
Less: Earned revenue	(31,885)	(52,980)	-66%
<b>Net Cost of Operations</b>	<b>\$ 978,613</b>	<b>\$ 1,067,550</b>	<b>-9%</b>

Statement of Budgetary Resources: Summary of Data	Unaudited 2020	Unaudited 2019	Percent Change
Unobligated Balance from prior year budget authority, net (discretionary and mandatory)	\$ 399,538	\$ 513,568	-30%
Appropriations (discretionary and mandatory)	1,336,271	1,167,924	13%
Spending authority from offsetting collections (discretionary and mandatory)	35,553	31,522	11%
<b>Total Budgetary resources</b>	<b>\$ 1,767,362</b>	<b>\$ 1,713,014</b>	<b>3%</b>

**Balance Sheet**

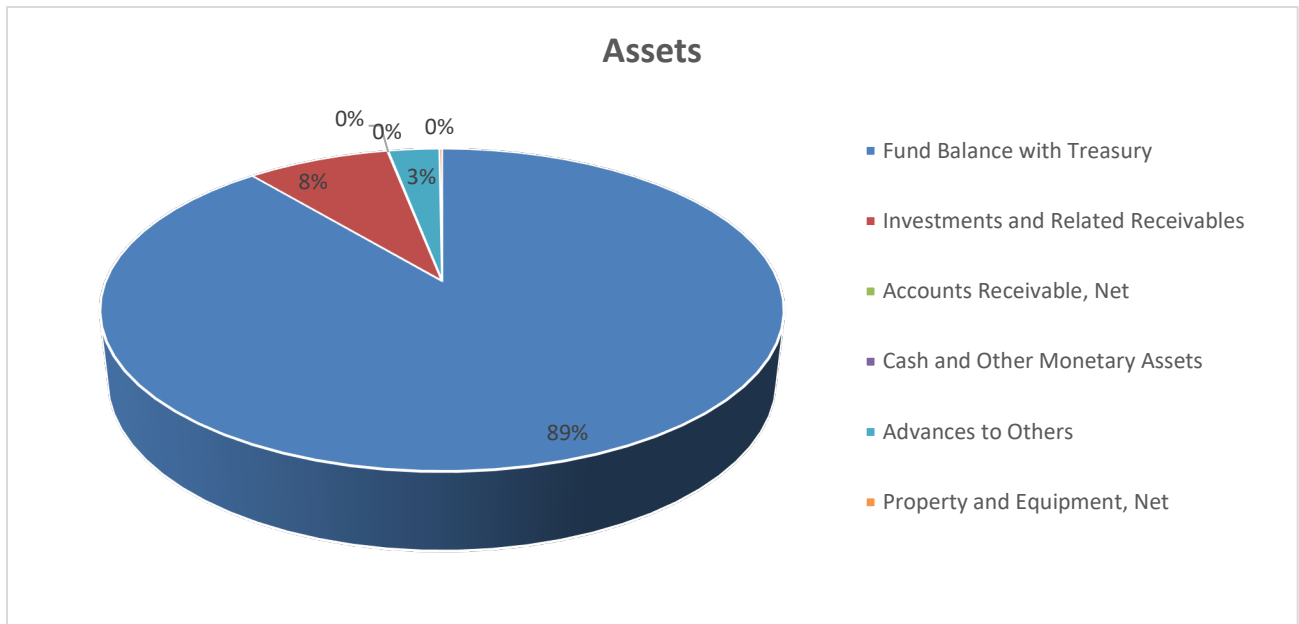
The Balance Sheet provides an overview of AmeriCorps' financial position at the end of the fiscal year. The statement displays the current and future economic benefits owed or available for use (assets), amounts owed (liabilities) and the residual amount (net position) at September 30<sup>th</sup>.



## Assets

At the end of FY 2020 and 2019, AmeriCorps had \$2.31 billion and \$2.18 billion in assets, respectively. Fund Balance with Treasury (FBWT) and Investments in Securities formed majority of the assets. The Balance Sheet also identifies governmental and non-governmental activities.

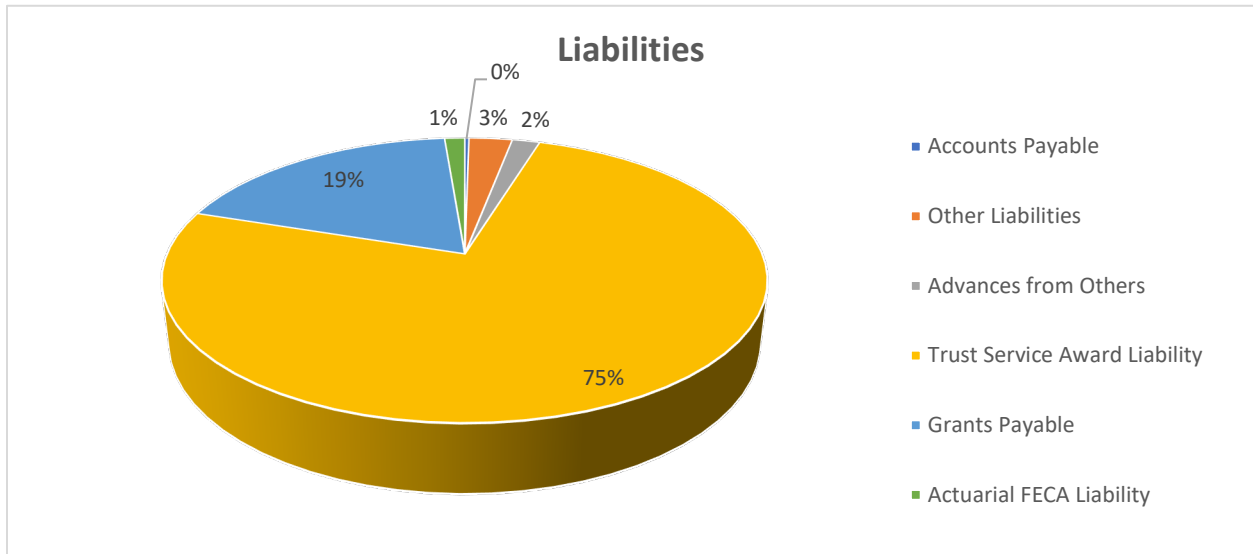
Fund Balance with Treasury: FBWT is the largest asset class, representing 89% of total assets. FBWT increased by \$712 million in FY 2020 due primarily to an increase in appropriated funds and redemption of Treasury securities.



Investments: Investment is 8% of total assets and that makes it the second largest class. Funding for the Trust investments comes from appropriations, interest earned, sponsorships and proceeds from the sale or redemptions of investments. In FY 2020, there was a \$570 million decrease in investment due primarily to the redemption of Treasury securities.

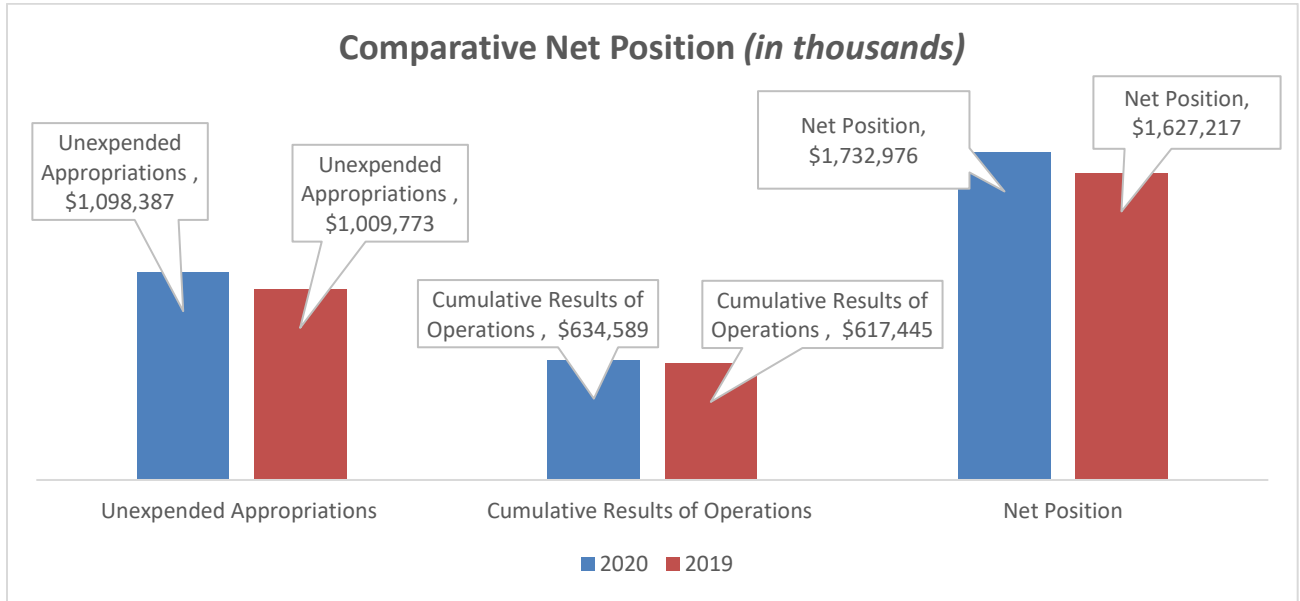
## Liabilities

AmeriCorps liabilities, or amounts owed, were \$582 million and \$549 million for the fiscal years ended 2020 and 2019, respectively. The majority of the liabilities are \$438 million in Trust Service award and \$109 million in Grants payable. The Trust Service Award Liability represents estimates of unpaid and earned education award and interest forbearance costs that are likely to be paid. The Grants payables on the other hand represent funds due to grantees.



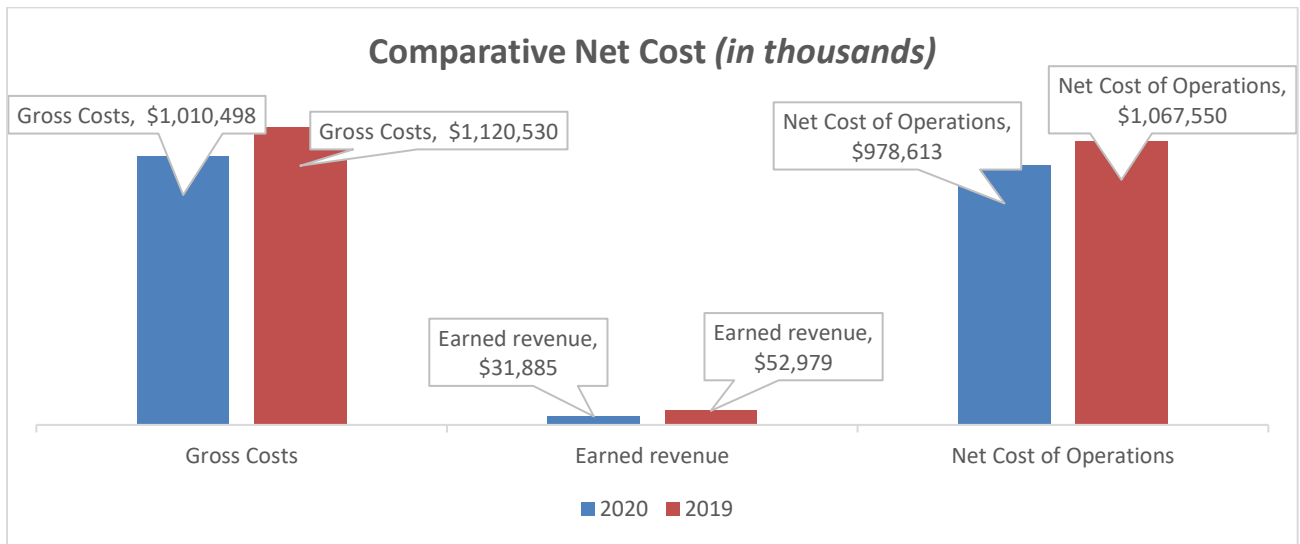
## Net Position

AmeriCorps' Net Position is the difference between assets and liabilities. Changes in Net Position result from changes in the cumulative results of operations. In FY 2020, there was a \$88 million increase in unexpended appropriations due to an increase in appropriation and \$17 million increase in cumulative results of operations, mostly caused by a decrease in Segal AmeriCorps Education Awards in FY20.



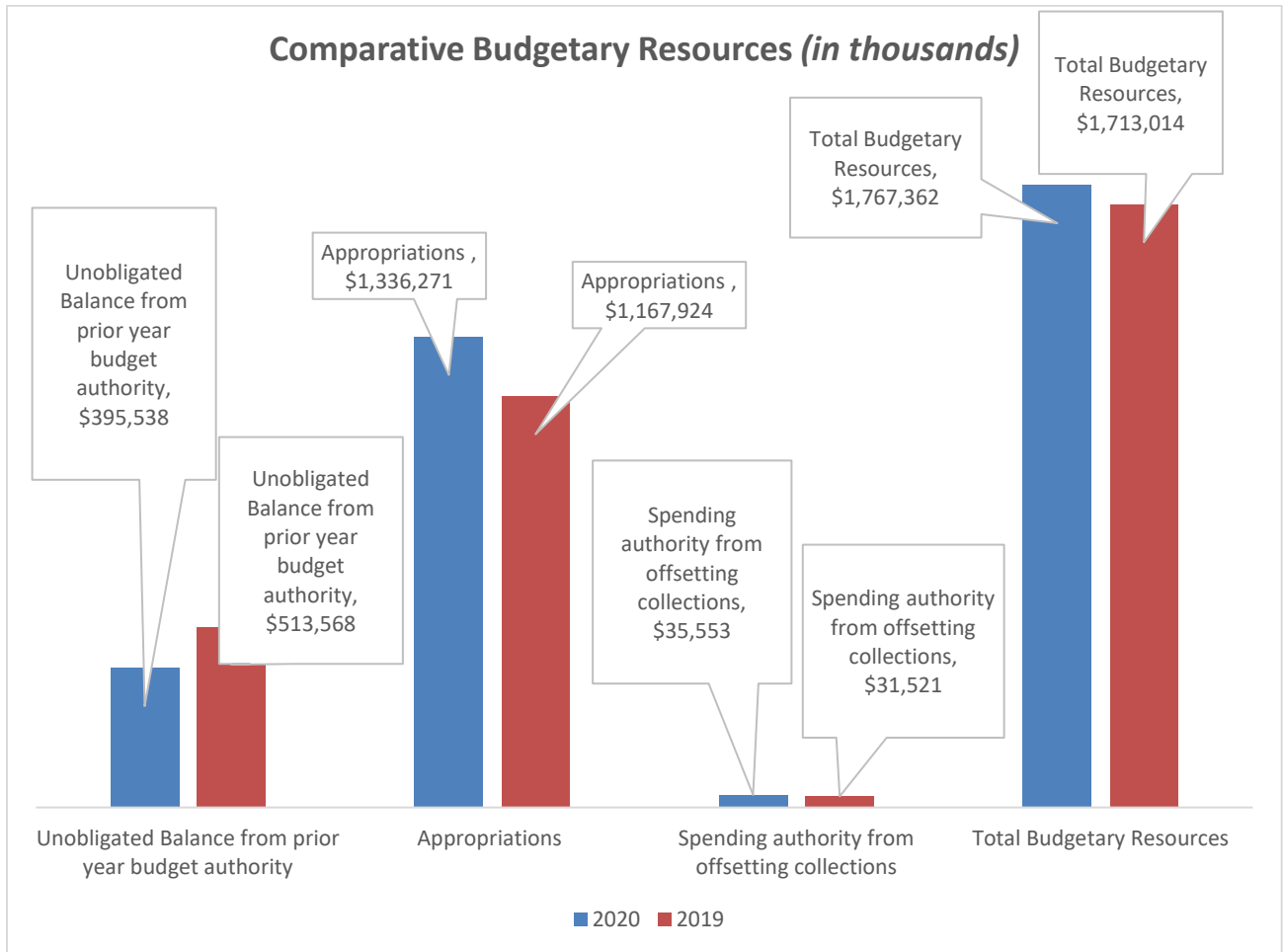
## Statement of Net Cost

The AmeriCorps Statement of Net Cost measures the use of appropriated funds by programs (VISTA, NCCC, State and National, RSVP, FGP, SCP) authorized by Congress. The AmeriCorps net cost for the period ending September 30, 2020 and 2019 were \$979 million and \$1.067 billion, respectively. The 9% decrease in operating cost in FY 2020 is mostly due to the decrease in Service Award Expense. AmeriCorps State and National is the largest contributor to the agency's overall cost of operations. The program cost includes grant expenses, direct and allocated personnel, and administrative cost.



## Statement of Budgetary Resources

The statement of budgetary resources represents AmeriCorps' budgetary resources, which comes from unobligated balances from prior-year appropriations, new appropriations, and limited receipts from other sources such as collections of disallowed costs from grantees at the end of the reporting fiscal year. In FY 2020, AmeriCorps had a \$21.4 million increase in appropriations received from Congress compared to FY 2019. Also, there is no temporary rescission within the National Service Trust in FY 2020 compared to \$150 million in FY 2019.



## V. ANALYSIS OF SYSTEMS, CONTROLS AND LEGAL COMPLIANCE



### FY 2020 Statement of No Assurance

AmeriCorps<sup>1</sup> management is responsible for managing risks and maintaining effective internal control to meet the objectives of Sections 2 and 4 of the Federal Managers' Financial Integrity Act. For the reasons stated below, AmeriCorps is unable to provide assurance that internal control over reporting, operations, and compliance was operating effectively as of September 30, 2020.

During Fiscal Year 2020, AmeriCorps began executing its strategic decision to move its financial and certain other systems to a shared services provider (the Administrative Resource Center within the US Department of the Treasury or 'ARC'). Since the agency applied its resources to implement this transition to shared services, AmeriCorps acknowledged that, if OIG were to audit the financial statements of AmeriCorps and the National Service Trust in FY 2020, the results would have been substantially the same as in FY 2019, including:

- a. A disclaimer of opinion, because AmeriCorps could not timely produce sufficient audit evidence to substantiate the reported information;
- b. The nine material weaknesses reported in FY 2019 would be found to exist in FY 2020; and
- c. Substantially all of the outstanding FY 2019 recommendations would be found to be unresolved and/or not fully implemented.

AmeriCorps made the strategic decision to transition to ARC for Financial Management, Travel, and Procurement, with the expectation that doing so is the most efficient way to address many (but not all) of the findings and recommendations in prior financial statement audits. This decision was made in close consultation with agency subject matter experts and AmeriCorps' Office of the Inspector General (OIG).

While the conclusions above are most directly related to internal controls over financial reporting and the related compliance controls, AmeriCorps' strategic decision to transition to ARC and its ongoing reorganization of its grant management and monitoring structure, as part of its Transformation and Sustainability Plan, had similar effects on AmeriCorps' ability to assess internal controls over operations and related compliance controls. While AmeriCorps conducted limited risk reviews in the area of operations, the results of those reviews do not provide a comprehensive basis for providing a statement of assurance over operations. In general, AmeriCorps' assessments of operations, financial reporting, and compliance are integrated, such that limitations on assessing financial reporting also affect assessments of the other two areas. For instance, the AmeriCorps Internal Control Team performed an assessment of the grant-making, monitoring, and closeout operations while these processes were in flux due to the implementation of the Transformation and Sustainability Plan (greatly reducing the value of the internal control assessment).

As of the date of this statement, AmeriCorps is on schedule to complete all remaining post-migration activities for the shared services Financial Management, Travel, and Procurement migrations. AmeriCorps officials are confident that the right stakeholders were engaged in the decision-making process and that the right decision was made. The agency remains optimistic that some demonstrable improvement and progress will be achieved in 2021, and that the vast majority of financial statement audit findings will be resolved in 2022.

<sup>1</sup>The Corporation for National and Community Service adopted the operating name "AmeriCorps" as of September 29, 2020.







**List of FY 2019 Material Weaknesses**

<b>Audit Area</b>	<b>NFR #</b>	<b>Description of Material Weakness</b>	<b>First Year Reported</b>
Financial Reporting**	19-12	As a result of internal control deficiencies, financial statements were not prepared in accordance with generally accepted accounting principles (GAAP) and OMB Circular A-136, Financial Reporting Requirements.	2017
	19-12	CNCS core financial systems suffer from systemic deficiencies; Non-compliance with OMB Circular No. A-11, <i>Preparing, Submitting, Executing the Budget</i> . CNCS did not use object class codes to record certain transactions. CNCS failed to timely submit required reports certifying three Treasury Account Symbols in the US Treasury GTAS file submission due to financial system upgrade issues.	
	19-11	CNCS continued to rely mainly on preparing standard vouchers and journal vouchers to correct financial reporting issues instead of fixing the root causes of its accounting system limitations and ineffective financial reporting internal controls.	2018
Trust Fund Unpaid Obligations and Trust Obligation and Liability Model (TOLM)*	19-9	Due to the methodological flaws, CNCS significantly overstated its Trust liabilities and has obligated substantially more than will be needed to meet future liabilities. The control environment for estimation of the Trust Obligations and the Trust Service Award Liability (TSAL) remains weak and prone to errors. CNCS staff was not knowledgeable regarding certain key assumptions and inputs.	2017
Grants Accrual Payable and Advances*	19-3	CNCS did not include Incurred But Not Report (IBNR) costs in its grant accrual estimate nor provide supporting documentation as to why IBNR costs should not be included the grant accrual estimate.	2017
Accounts Payable and Undelivered Orders - Procurement*	19-13	CNCS did not support the inputs used in the AP accrual estimation including materiality levels used and the quarters selected.	2018
Property & Equipment*	19-7	<p>CNCS did not timely capitalize its Internal Use Software (IUS) at interim financial reporting periods. In FY 2019, CNCS wrote off a total of \$33.8 million for the development of software intended to replace the agency's grants management system. \$5.05 million of the total write-off had not been recorded by CNCS as a capitalized asset, though it should have been.</p> <p>Further, the written-off costs did not include direct labor and indirect costs incurred by CNCS on the software development and acquisition project. CNCS does not track and capitalize direct labor and indirect costs related to Software-in-Development as required by accounting standards.</p>	2018



		As of June 30, 2019, CNCS had not capitalized its Tenant Improvement Costs in accordance with GAAP.	
Undelivered Orders (Grant)**	19-14	<ol style="list-style-type: none"> <li>1. There were unreconciled differences between the grant amounts awarded according to the Notices of Grant Award (NGA) and expenditures recorded in the Payment Management System (PMS) plus the unspent grant funds according to CNCS's General Ledger.</li> <li>2. The total grant award amount recorded in Momentum and/or the PMS did not reconcile to the total grant award amount from the most recent NGA as of 6/30/19.</li> <li>3. Grant expenditures from the PMS did not agree to the recorded expenditures in Momentum, CNCS's financial management system.</li> <li>4. Grants were not timely closed within one year after the end of their period of performance.</li> <li>5. Transaction definition used to record grant expenditures is not consistent with the United States Standard General Ledger (USSGL) transaction.</li> </ol>	2018
Prior Year Recoveries***	19-6	CNCS did not provide supporting documentation for de-obligations for active grants and contracts.	2018
Other Liabilities	19-10	CNCS did not review and validate the balances reported in its beginning balance as of June 30, 2019.	2018
Internal Control Program (FMFIA)**	19-15	Since FY 2017, CNCS's system of internal control did not meet Federal requirements or operate effectively. The system of internal controls failed to identify number of pervasive material weaknesses that we found in financial reporting and in specific material line items on the financial statements and financial management systems.	2018
Grant Program Operations*		<ol style="list-style-type: none"> <li>1. This finding is related to NFR 19-14 #4: Grants remained current for more than one year after the end of their period of performance.</li> <li>2. For several grants selected for testing, management could not provide supporting documentation for pre-award review of risk posed by grant applicants.</li> </ol>	

\* AmeriCorps Internal Control Program identified a material weakness in this process

\*\* AmeriCorps Internal Control Program identified a significant deficiency in this process

\*\*\* AmeriCorps Internal Control Program identified the lack of supporting documentation for contracts as a material weakness and grants as a significant deficiency.

*Barbara Stewart*

12/2/2020

Barbara Stewart  
Chief Executive Officer

Date

## VI. FINANCIAL SECTION

### PART A. MESSAGE FROM THE CHIEF FINANCIAL OFFICER



December 18, 2020

It is my privilege to join the CEO of AmeriCorps in presenting the FY 2020 Annual Management Report. The financial statements and accompanying information are an integral part of the AMR, providing a comprehensive view of our accomplishments and challenges in supporting national service and volunteering to improve our communities. Further, the financial statements support our commitment to be transparent with and accountable stewards of taxpayer resources entrusted to us.

This year, the agency continued its journey toward increasing the quality, reliability, and value of core financial services and enhancing operational productivity. As a result of hard work and dedication of our staff, we completed transition of the agency's financial, travel, and certain procurement functions to a shared services platform, and began a robust effort to standardize business processes. This is a significant accomplishment for the agency. We expect to resolve many open financial statement audit findings and unimplemented recommendations in FY 2021 as a result of our transition to shared services, and anticipate resolving the vast majority resolved by FY 2022.

While this is a significant achievement, there is much work to do to improve and strengthen our ability to achieve and maintain the highest financial management and operational standards. Though the Office of the Inspector General agreed not to conduct a full financial statement audit in FY 2020 as we focused our resources on transitioning to a shared services platform, the audit findings and recommendations from the prior years coupled with ongoing communications with the OIG continue to provide operational value. We are performing a current-state analysis of open financial statement audit findings and unimplemented recommendations and will work closely with the OIG as we implement corrective actions to address findings related to internal controls over financial reporting.

As Chief Financial Officer, I take my responsibility seriously to provide informed financial reporting and analysis to the public, and to inform decisions of agency leaders. As we start the new fiscal year, we will continue to seize opportunities to streamline our operations and closely monitor how we use our resources. I look forward to implementing innovative, cross-cutting strategies to advance our commitment to achieving financial excellence and ensure taxpayers' dollars are utilized effectively and efficiently to fulfill the agency's mission.

Malena Brookshire

Digitally signed by Malena Brookshire  
Date: 2020.12.21 13:35:18 -05'00'

Malena Brookshire  
Chief Financial Officer  
AmeriCorps



## PART B. MESSAGE FROM THE INSPECTOR GENERAL



Deborah J. Jeffrey  
Inspector General

December 18, 2020

MEMORANDUM TO: Barbara Stewart  
Chief Executive Officer

FROM: Deborah J. Jeffrey DEBORAH JEFFREY Digitally signed by DEBORAH JEFFREY  
Date: 2020.12.18 18:37:40 -05'00'

SUBJECT: In lieu of Fiscal Year 2020 Financial Statements Audit

AmeriCorps and the Office of Inspector General (OIG) agreed to forgo the audit of the financial statements of AmeriCorps<sup>1</sup> and the National Service Trust for Fiscal Year (FY) 2020. This approach, which is unprecedented for a civilian agency, enabled AmeriCorps' senior management and finance and accounting staff to devote all of their attention to transitioning the agency's accounting and financial management to an established shared services platform. The OIG concurs that the use of shared services offers the most promising path to stronger financial management for AmeriCorps, a goal that we share.

*AmeriCorps' audit history:* In Fiscal Years (FYs) [2017](#), [2018](#), and [2019](#), independent auditors engaged by the OIG found pervasive material weaknesses in AmeriCorps' internal controls over financial reporting. They declined to provide an opinion on the accuracy or completeness of AmeriCorps' financial statements, including those of the National Service Trust, because AmeriCorps could not support some of its largest transactions and liabilities. The financial statements published by AmeriCorps for those years were therefore labeled "unaudited," likely contained widespread material errors and could not be relied upon. As of FY 2019, the independent auditors had identified nine material weaknesses and had made 75 recommendations for corrective action.

*Shared Services as a solution:* In FY 2019, AmeriCorps announced that it had entered into a shared services agreement, under which the Administrative Resource Center (ARC) of the U.S. Treasury Department's Bureau of Fiscal Services would assume responsibility for AmeriCorps' accounting and financial management (as well as travel and procurement services), effective in

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<sup>1</sup> At the end of the semiannual period, CNCS began operating under the name AmeriCorps as part of a rebranding initiative. Because the April – September 2020 semiannual period predates the rebranding, we continue to refer to CNCS or Corporation throughout this report.

## PART B. MESSAGE FROM THE INSPECTOR GENERAL

FY 2021. The OIG had previously recommended such an arrangement and strongly supported the leadership's decision. AmeriCorps believed that ARC's established systems, processes and internal controls would address many (though not all) of the flaws in accounting and financial reporting discovered by the independent auditors.

*Forgoing the financial statements audit to focus on shared services:* Preparing for the transfer to shared services placed great demands on AmeriCorps accounting and administrative personnel during FY 2020. After a detailed assessment, AmeriCorps acknowledged that it could not perform the necessary preparations and simultaneously make progress in resolving the findings and recommendations in the prior years' financial statement audit reports. Following consultations with the Office of Management and Budget and the congressional committees of jurisdiction, AmeriCorps and the OIG entered into an agreement recognizing that a financial statements audit conducted in FY 2020 would inevitably have the same results as the audit conducted in FY 2019. Because any audit of the FY 2020 financial statements would be redundant, the parties could forgo the expense, and, more importantly for AmeriCorps, the time and effort necessary to respond to the auditors' extensive information requests, in favor of devoting those resources towards the transition to shared services.

*Current status of AmeriCorps' internal controls over financial management and reporting:*

- The financial statements published in the FY 2020 AMR were not audited and are labeled "unaudited;"
- AmeriCorps acknowledges in the AMR that:
  - An audit of the FY 2020 financial statements of AmeriCorps and the National Service Trust would have resulted in a disclaimer of the audit opinion, as in FYs 2017-2019;
  - The nine material weaknesses found in the FY 2019 audit continued to exist in FY 2020; and
  - Substantially all of the 75 recommendations in the FY 2019 audit report remain outstanding, unresolved, or not fully implemented.

In recognition of the pervasive material weaknesses in financial reporting found in FY 2019, the Chief Executive Officer (CEO) of AmeriCorps issued and published in the AMR a statement of "no assurance" that the internal controls over financial reporting and financial management were functioning effectively.

*Internal controls over compliance and programmatic operations:* AmeriCorps' CEO has also acknowledged that the internal controls over compliance and programmatic operations did not function effectively in FY 2020, in part because they were intertwined with the inadequate controls over accounting and financial management. The OIG appreciates AmeriCorps' recognition of this important relationship. We hope that it will spur a comprehensive assessment and improvement of AmeriCorps systems and processes, which will strengthen national service operations. This is a significant management challenge for AmeriCorps.

## **PART B. MESSAGE FROM THE INSPECTOR GENERAL**

The OIG was pleased to work with AmeriCorps and its senior leaders to develop an efficient approach to improve accounting and financial management by engaging an experienced shared services provider. An audit of AmeriCorps' financial statements in FY 2021 will determine the extent to which the transfer to shared services has had the intended result. In the meantime, AmeriCorps must focus its attention on the accounting and financial management weaknesses that cannot be resolved through shared services, including improving the calculation of the liabilities and obligations associated with the National Service Trust. The OIG looks forward to progress on that important task, as well as improving the internal control over compliance and programmatic operations.

cc:

Lisa Guccione, Acting Chief of Staff  
Helen Serassio, Acting General Counsel  
Scott Hefter, Chief Operating Officer  
Malena Brookshire, Chief Financial Officer  
Jill Graham, Acting Chief Risk Officer  
Rachel Turner, Audit and Investigations Program Manager

## PART C. CONSOLIDATED FINANCIAL STATEMENTS

<b>AmeriCorps</b>		
Unaudited Consolidated Balance Sheet		
As of September 30, 2020, and 2019		
<i>(in thousands)</i>		
	Unaudited 2020	Unaudited 2019
<b>Assets</b>		
Intragovernmental:		
Fund Balance with Treasury (Note 2)	\$ 2,058,467	\$ 1,346,606
Investments (Note 3)	185,714	756,080
Accounts Receivables (Note 4)	167	167
Total Intragovernmental	<u>2,244,348</u>	<u>2,102,853</u>
With the Public		
Cash and Other Monetary Assets	-	4
Advances to Others	66,399	68,777
Accounts Receivables (Note 4)	999	4,345
Property and Equipment (Note 5)	3,651	368
Total with the Public	<u>71,049</u>	<u>73,494</u>
<b>Total Assets</b>	<b>\$ <u>2,315,397</u></b>	<b>\$ <u>2,176,346</u></b>
<b>Liabilities</b>		
Intragovernmental		
Other liabilities (Note 10)	\$ 2,130	\$ 2,042
Advances from Others (Note 9)	9,919	8,768
Total Intragovernmental	<u>12,049</u>	<u>10,810</u>
With the Public		
Trust Service Award Liability (Note 6)	438,294	375,834
Grant Payable	108,789	115,316
Accounts Payable	1,543	26,695
Actuarial FECA (Note 8)	7,497	6,817
Advances from Others (Note 9)	325	212
Accrued Annual Leave	4,502	4,030
Other Liabilities (Note 10)	9,422	9,415
Total with the Public	<u>570,372</u>	<u>538,319</u>
<b>Total Liabilities</b>	<b>\$ <u>582,421</u></b>	<b>\$ <u>549,129</u></b>
<b>Net Position</b>		
Unexpended Appropriations (Note 11)	\$ 1,098,387	\$ 1,009,773
Cumulative Results of Operations	634,589	617,445
<b>Total Net Positions</b>	<b><u>1,732,976</u></b>	<b><u>1,627,217</u></b>
<b>Total Liabilities &amp; Net Position</b>	<b>\$ <u>2,315,397</u></b>	<b>\$ <u>2,176,346</u></b>

The accompanying notes are an integral part of these statements.

**AmeriCorps**  
 Unaudited Consolidated Statement of Net Cost  
 For the Period Ended September 30, 2020 and 2019  
*(in thousands)*

	Unaudited 2020	Unaudited 2019
Gross Program Cost:		
AmeriCorps State and National (SN)		
Operating Cost	\$ 588,720	\$ 606,843
Less: Earned Revenue	(15,193)	(28,071)
Net AmeriCorps SN	<u>573,527</u>	<u>578,772</u>
AmeriCorps Volunteers in Service to America (VISTA)		
Operating Cost	145,581	206,726
Less: Earned Revenue	(8,325)	(9,693)
Net AmeriCorps VISTA	<u>137,256</u>	<u>197,033</u>
AmeriCorps National Civilian Community Corps (NCCC)		
Operating Cost	49,257	85,440
Less: Earned Revenue	(7,488)	(13,532)
Net AmeriCorps NCCC	<u>41,769</u>	<u>71,908</u>
State Commission		
Operating Cost	27,006	33,995
AmeriCorps Seniors		
Operating Cost	41,789	169,833
Less: Earned Revenue	(888)	(1,144)
Net AmeriCorps Seniors	<u>40,901</u>	<u>168,689</u>
Other Programs		
Cost not assigned to programs	158,154	17,693
Less: Earned revenue	(540)	(540)
Net Other program cost	<u>158,154</u>	<u>17,153</u>
<b>Net Cost of Operations (Note 13)</b>	<b>\$ <u>978,613</u></b>	<b>\$ <u>1,067,550</u></b>

The accompanying notes are an integral part of these statements.



## AmeriCorps

### Unaudited Consolidated Statement of Changes in Net Position For the Period Ended September 30, 2020 and 2019 (in thousands)

	Unaudited 2020	Unaudited 2019
<b>Unexpended Appropriations</b>		
Beginning Balance as adjusted	\$ 1,008,264	\$ 987,053
<b>Budgetary Financing Sources</b>		
Appropriations received	1,128,708	1,082,958
Other adjustments	(49,616)	(27,146)
Appropriations used	(988,969)	(1,033,093)
Total Budgetary financing sources	90,123	22,719
Total Unexpended Appropriations	1,098,387	1,009,773
<b>Cumulative Results of Operation:</b>		
Beginning Balance as adjusted	621,015	648,698
<b>Budgetary Financing Sources</b>		
Other adjustments	(1,648)	(2,920)
Appropriations used	988,969	1,033,093
Nonexchange revenue	(891)	744
Donations	21	3
Transfers in / out without reimbursement	(155)	0
<b>Other Financing Sources</b>		
Imputed Financing	5,872	5,377
Other	19	0
Total Financing sources	992,187	1,036,297
<b>Net Cost of Operations</b>	978,613	1,067,550
<b>Net Change</b>	13,574	(31,253)
<b>Cumulative Results of Operations</b>	634,589	617,445
<b>Net Position</b>	\$ 1,732,976	\$ 1,627,217

The accompanying notes are an integral part of these statements.

**AmeriCorps**  
 Unaudited Combined Statement of Budgetary Resources  
 For the Period Ended September 30, 2020 and 2019  
*(in thousands)*

	Unaudited 2020	Unaudited 2019
<b>Budgetary Resources</b>		
Unobligated balance from prior year budget authority, net (discretionary and mandatory)	\$ 395,538	\$ 513,568
Appropriations (discretionary and mandatory)	1,336,271	1,167,924
Spending authority from offsetting collections (discretionary and mandatory)	35,553	31,521
<b>Total Budgetary Resources</b>	<b>\$ 1,767,362</b>	<b>\$ 1,713,014</b>
<b>Status of Budgetary Resources</b>		
New Obligations and upwards adjustment	\$ 1,220,451	\$ 1,366,031
Apportioned, unexpired	289,075	157,471
Unapportioned, Unexpired	105,462	67,523
Unexpired, Unobligated	394,537	224,994
Expired Unobligated	152,375	121,989
Unobligated Balance End of Year	546,912	346,983
<b>Total Budgetary Resources</b>	<b>\$ 1,767,362</b>	<b>\$ 1,713,014</b>
Outlays, Net	1,154,240	1,197,757
Distributed Offsetting Receipts	7,660	(227,745)
Agency Outlays, Net	\$ 1,161,900	\$ 970,012

The accompanying notes are an integral part of these statements.

## **PART D. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. REPORTING ENTITY**

AmeriCorps was created by the National and Community Service Trust Act of 1993 (Public Law 103-82).<sup>4</sup> AmeriCorps' mission is to improve lives, strengthen communities, and foster civic engagement through service and volunteering. To meet its mission, AmeriCorps provides grants and other assistance to states, local communities, and nonprofit organizations to help communities meet challenges in the areas of education, healthy futures, environmental stewardship, economic opportunity, disaster services, and assisting veterans and military families through volunteer service. AmeriCorps' major programs are as follows:

- AmeriCorps State and National offers grants supporting a broad range of local service programs that engage thousands of Americans in intensive service to meet critical community needs.
- AmeriCorps VISTA helps community organizations and public agencies create and expand programs that build capacity and ultimately bring low-income individuals and communities out of poverty.
- AmeriCorps NCCC strengthens communities while developing leaders through direct, team-based national and community service.
- AmeriCorps State Service Commission Support Grants support the shared federal-state partnership with a central role for governors in designing and implementing national service through governor-supported State Service Commissions.
- AmeriCorps Seniors RSVP, Foster Grandparent, and Senior Companion programs tap into the rich experience, skills, and talents of older citizens to meet community challenges.

#### **B. BASIS OF ACCOUNTING AND PRESENTATION**

The financial statements and footnotes for FY 2020 are presented on a single year basis. AmeriCorps uses the accrual and budgetary basis of accounting in conformity with the Generally Accepted Accounting Principles (GAAP) for the federal government. Under the accrual method of accounting, revenues are recognized when earned and expenses are recognized when incurred, without regard to the actual collection or payment of cash. Federal budgetary accounting recognizes the obligation of appropriations and other funds upon the establishment of a properly documented commitment.

#### **C. USE OF ESTIMATES**

The preparation of financial statements in accordance with GAAP requires AmeriCorps to make estimates and assumptions about future events. These estimates and assumptions affect the amounts reported in AmeriCorps' financial statements and accompanying notes. AmeriCorps evaluates its estimates and assumptions on an ongoing basis using historical

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<sup>4</sup> The Trust Act created the Corporation for National and Community Service. On September 29, 2020 the Corporation adopted the operating name "AmeriCorps".

experience and other factors that it believes to be reasonable under the circumstances. Adjustments to estimates and assumptions are made when facts and circumstances warrant. As future events and their effects cannot be determined with certainty, actual results could differ from the estimates used in preparing the accompanying financial statements. Significant estimates and assumptions are required as part of determining the liability for service awards, grants payable, accounts payable and payroll as well as adjustments to the grant advances.

#### **D. FUND BALANCE WITH TREASURY**

Fund Balance with Treasury (FBWT) represents cash and cash equivalents in AmeriCorps' accounts with the Department of the Treasury. Treasury processes cash receipts and disbursements on behalf of AmeriCorps, and AmeriCorps' accounting records are reconciled with those of Treasury on a regular basis.

The FBWT maintained in the National Service Trust is restricted to specific purposes, such as paying service awards certified as payable to eligible participants and is not available for use in the current operations of AmeriCorps. In addition, the majority of the funds received from individuals and organizations for deposit in the Gifts and Contributions fund are restricted for uses, such as service projects (See Note 2).

#### **E. OTHER MONETARY ASSETS**

Other monetary assets consist of paper currency and readily negotiable instruments, such as money orders, checks, and bank drafts on hand or deposit in transit.

#### **F. INVESTMENTS**

By law, AmeriCorps may invest the funds of the National Service Trust in interest-bearing Treasury securities guaranteed by the United States as to principal and interest. These Treasury securities are referred to as "market-based," since they mirror actual Treasury securities sold on the open market. They consist of Treasury notes, bonds, and bills. Since they are expected to be held-to-maturity, AmeriCorps' investments are valued at cost and adjusted for the amortization of premiums and discounts. The premiums and discounts are recognized as adjustments to interest income and are amortized using the level yield/effective interest method for the Notes and straight-line method for the bills.

#### **G. PROPERTY AND EQUIPMENT**

Property and Equipment is stated at full cost, including all costs related to acquisition, delivery, and installation, less accumulated depreciation/amortization. Normal maintenance and repair costs on capitalized property and equipment are expensed when incurred. AmeriCorps capitalizes properties and equipment with an estimated useful life of two years or more based on the capitalization thresholds policy of the agency. Capitalized properties are depreciated or amortized on a straight line over their estimated useful lives ranging from 2 to 10 years.

AmeriCorps' capitalization policy, *Accounting for Capital Property*, was updated with an effective date August of Fiscal Year 2016. Property and Equipment acquired before this policy was implemented that does not meet the new capitalization criteria will be fully depreciated. The primary change relates to the capitalization thresholds for each asset type.

Effective August 2016, AmeriCorps capitalizes single items of property and equipment with a cost of \$50,000 or more. Also, AmeriCorps capitalizes bulk purchases of property and equipment with an aggregate cost of \$250,000 or more. A bulk purchase is defined as the purchase of like items related to a specific project, or the purchase of like items occurring within the same fiscal year that have an estimated useful life of at least two years.

In addition, AmeriCorps capitalizes Internal Use Software with an aggregate cost of \$250,000 or more. Internal Use Software is either purchased off the shelf, internally developed, or contractor developed solely to meet AmeriCorps' internal or operational needs. Internal Use Software developed to meet AmeriCorps' internal or operational needs will be recognized as capitalized Internal Use Software in development if the estimated developmental cost obligated on the contract meets the capitalization criteria.

Internal Use Software in development will be recorded at cost in the fiscal year when they are incurred and paid. The Internal Use Software in development will be recognized as Internal Use Software in AmeriCorps' financial records upon completion of the software development and when the title is passed to AmeriCorps and will be subject to depreciation or amortization upon placing the system in operation. (See Note 5 for details)

## **H. TRUST SERVICE AWARD LIABILITY**

The Trust Service Award Liability represents unpaid education awards and eligible student loan interest forbearance costs, which are expected to be used upon certification. These amounts relate to participants who have completed service based on AmeriCorps' historical experience.

## **I. GRANTS PAYABLE**

AmeriCorps awards grants to nonprofit organizations, educational institutions, states, municipalities, and other external organizations. Grants become budgetary obligations, but not liabilities, at the time they are awarded. Although most grantees request funds prior to incurring expenses (Grants Advances), some incur expenditures prior to initiating a request for disbursement, based on the nature of the expenditures. At the end of each quarter, AmeriCorps calculates and reports an estimate of the amount of unreimbursed grantee expenses as grants payable.

AmeriCorps performs a simple linear regression as of the end of each quarter with the amounts paid to grantees (drawdowns) during each quarter as the independent variable (X-axis) and the amount expended by the grantees and reported on the Federal Financial Report (FFR) during each quarter (expenses) as the dependent variable (Y-axis). In this method, a data point is defined for the entire federal funding entity whenever FFRs are required from the grantees. AmeriCorps used over five years of actual grant drawdowns and expenses data reported on FFR on the linear regression model. Based on the amount of available data used on the model, AmeriCorps believed that the grantees' expenses incurred but not reported (IBNR) would have been captured as part of the calculation.

The results of this linear regression are that at the end of each quarter for which the financial statements are being prepared, the linear regression model is used to calculate the cumulative amount estimated to have been expended by the grant recipient during the respective quarter. The linear regression model uses a trend of the previous quarter's cash drawdowns and expenses, for which historical data is available, and uses the current period's cash drawdowns to estimate the current quarter's expenses. The calculated accrual represents the total financial statement level estimate.

The total calculated accrual estimate is then allocated by each individual grant's percentage of the undelivered obligation to the total undelivered obligation. If such amount is greater than the amount paid out to the grantees during the same period, then the difference is the grants payable balance to be reported. Or, if the calculated amount expended is less than the amount paid out, the difference becomes the grants receivable balance. In this method there would be a single payable or receivable balance for the respective grantee.

## **J. FEDERAL EMPLOYEE BENEFITS**

### **ACTUARIAL FECA LIABILITY**

The Federal Employees' Compensation Act (FECA) provides income and medical cost protection to AmeriCorps' covered federal civilian employees, and NCCC and VISTA members injured on the job, employees who have incurred a work-related occupational disease, and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. Claims incurred for benefits for AmeriCorps' employees and members under FECA are determined and paid by the Department of Labor (DOL) and later billed to AmeriCorps. AmeriCorps' actuarial liability for workers' compensation includes costs incurred, but unbilled as of year-end, as calculated by DOL. AmeriCorps reimburses DOL for FECA claims out of current appropriations upon receipt of a bill from DOL.

### **ANNUAL LEAVE**

Annual leave is accrued as a liability based on amounts earned but not used as of the fiscal year-end. Each year, the balance in the accrued annual leave account is adjusted to reflect current year pay rates and leave balances. Annual leave is funded from current appropriations when used. As unused annual leave is used in the future, financing will be obtained from appropriations current at that time. Sick leave and other types of non-vested leave are also expensed when used.

### **RETIREMENT BENEFITS**

AmeriCorps' employees participate in either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS). FERS was established by the enactment of Public Law 99-335. Pursuant to this law, FERS and Social Security automatically cover most employees hired after December 31, 1983. Employees hired prior to January 1, 1984 elected to join FERS and Social Security or remain in the CSRS.

For employees covered by CSRS, AmeriCorps contributes seven percent of their basic pay. For those employees covered by FERS, AmeriCorps contributes an average of 11.2 percent

of their gross pay towards retirement. Employees can participate in the Federal Thrift Savings Plan (TSP). For employees under FERS, AmeriCorps contributes an automatic one percent of basic pay to TSP and matches employee contributions up to an additional four percent of pay, for a maximum AmeriCorps contribution amounting to five percent of pay. Employees under CSRS may participate in the TSP program but will not receive either AmeriCorps' automatic or matching contributions.

## K. RESTATEMENTS

Certain prior year amounts have been restated to correct errors in the Balance Sheet, Statement of Net Costs and Statement of Changes in Net Positions, and Notes to the Financial Statements.

## NOTE 2 - FUND BALANCE WITH TREASURY

AmeriCorps is funded with appropriations from General Funds and Trust Funds. While amounts appropriated from the General Fund of the Treasury are included in the FBWT, Trust Funds investments are not. The Trust Funds investments are redeemed, as needed to meet the cash disbursement needs, at which time the funds are transferred from the Trust Fund to FBWT. The Trust Fund is for providing education award or student loan interest forbearance expense, whereas the General Fund is for operating expenses. AmeriCorps also uses Deposit Funds for withholding taxes on payments made to contractors. The FBWT as of September 30, 2020 and 2019 is as follows:

<b>(in thousands)</b>	<b>Unaudited 2020</b>	<b>Unaudited 2019</b>
<b>Fund Balances</b>		
Trust Fund - National Service	\$ 896,650	\$ 243,892
Trust		
Trust Fund - Gift and Contribution	409	412
General Funds	1,159,238	1,099,243
Deposit Funds	2,170	3,059
	<u>2,058,467</u>	<u>1,346,606</u>
<b>Status of Fund Balance with Treasury</b>		
Unobligated Balance Available	504,118	375,764
Obligated Balance not yet Disbursed	1,552,179	619,656
Non-Budgetary FBWT	2,170	3,059
Total	<u>\$ 2,058,467</u>	<u>\$ 1,346,606</u>

AmeriCorps' FBWT is classified as unobligated balance available, obligated not yet disbursed and non-budgetary fund balance. Unobligated Balance available represents apportionment for obligations in current and unexpired appropriations available for new obligations. Obligated Balance not yet disbursed, represents undelivered orders and those delivered but not paid offset by Trust Funds investments. Therefore, the unobligated and obligated balances presented may not equal related amounts reported on the Consolidated Statement of Budgetary Resources. Non-budgetary funds refer to deposit funds with no budget authority.

### NOTE 3 - INVESTMENTS

By law, AmeriCorps may invest the funds of the National Service Trust in interest-bearing Treasury securities guaranteed by the United States as to principal and interest. AmeriCorps' investments are valued at cost and adjusted for the amortization of premiums and discounts. Investment are held to maturity. Interest income are paid by Treasury semi-annually. As of September 30, 2020, and 2019 for Investment composition is:

<b>Unaudited 2020 (in thousands)</b>					
U.S. Treasury Marketable Securities	Cost	Amortized (Premium) Discount	Interest Receivable	Investments, Net	Market Value
Bills	\$ 115,800	\$ 45	\$ -	\$ 115,844	\$ 115,853
Notes	69,400	276	194	69,870	70,015
<b>Total</b>	<b>\$ 185,200</b>	<b>\$ 321</b>	<b>\$ 194</b>	<b>\$ 185,714</b>	<b>\$ 185,868</b>

<b>Unaudited 2019 (in thousands)</b>					
U.S. Treasury Marketable Securities	Cost	Amortized (Premium) Discount	Interest Receivable	Investments, Net	Market Value
Bills	\$ 110,862	\$ 462	\$ -	\$ 111,324	\$ 111,599
Notes	640,540	3,274	942	644,756	648,037
<b>Total</b>	<b>\$ 751,401</b>	<b>\$ 3,736</b>	<b>\$ 942</b>	<b>\$ 756,080</b>	<b>\$ 759,636</b>

### NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable represents amounts due to AmeriCorps primarily under federal and nonfederal reimbursable agreements, grantee audit resolution determinations, outstanding travel advances due from employees and Criminal History Check requirements. An allowance for doubtful accounts is established for reporting purposes based on experience. The Accounts Receivable as of September 30, 2020 and 2019 is as follows:

<i>(in thousands)</i>	<b>Unaudited 2020</b>	<b>Unaudited 2019</b>
<b>Intragovernmental</b>		
<b>Accounts Receivable</b>	\$ 166	\$ 166
<b>With the Public</b>		
<b>Accounts receivable</b>	4,619	5,665
<b>Allowance for uncollectible</b>	(3,620)	(1,320)
<b>Total with the public</b>	999	4,345
<b>Accounts Receivable, Net</b>	<b>\$ 1,165</b>	<b>\$ 4,511</b>



## NOTE 5 - PROPERTY AND EQUIPMENT, NET

AmeriCorps components of property and equipment as of September 30, 2020 and 2019 are as follows:

<b>Unaudited 2020 (in thousands)</b>				
	Service Life (years)	Cost	Accumulated Depreciation	Net Book Value
Equipment	3 - 10	\$ 1,264	\$ (1,107)	\$ 158
Leasehold Improvement	2	5,125	(1,632)	3,493
<b>Total Property and Equipment, Net</b>		<b>\$ 6,390</b>	<b>\$ (2,739)</b>	<b>\$ 3,651</b>

<b>Unaudited 2019 (in thousands)</b>				
	Service Life (years)	Cost	Accumulated Depreciation	Net Book Value
Equipment	3 - 10	\$ 1,264	\$ (896)	\$ 368
<b>Total Property and Equipment, Net</b>		<b>\$ 1,264</b>	<b>\$ (896)</b>	<b>\$ 368</b>

## NOTE 6 - TRUST SERVICE AWARD LIABILITY

Individuals who successfully complete terms of service in certain AmeriCorps programs earn education awards, which can be used to make payments on qualified student loans or for educational expenses at qualified educational institutions. The education award generally must be used within seven years of completion date of an approved term of national service. If the education award is transferred to an eligible individual or is a Summer of Service award (which was available to youth enrolled in grades 6 through 9), the use period is 10 years. These awards, as well as interest forbearance payments on qualified student loans during the period members perform their service, are paid from the National Service Trust Fund. The Service Award Liability as of September 30, 2020 and 2019 are as follows:

<b>(in thousands)</b>	<b>Unaudited 2020</b>	<b>Unaudited 2019</b>
<b>Cumulative Education Awards Earned</b>	\$ 4,137,288	\$ 3,906,180
<b>Cumulative Interest Forbearance Earned</b>	216,794	126,057
<b>Total Cumulative Awards Earned</b>	4,354,081	4,032,237
<b>Less: Discount for Usage and Statistics</b>	(888,003)	(724,124)
<b>Less: Cumulative Awards paid</b>	(3,153,340)	(2,998,015)
<b>Total Liability for Awards Earned</b>	318,278	310,098
<b>Total Liability for Awards not yet Earned</b>	120,016	65,736
<b>Total</b>	<b>\$ 438,294</b>	<b>\$ 375,834</b>

## NOTE 7 - LEASES

AmeriCorps leases office space through the General Services Administration (GSA). GSA charges AmeriCorps a Standard Level Users Charge that approximates commercial rental rates for similar properties. The NCCC also leases housing facilities for its campuses. Additionally, AmeriCorps leases motor vehicles on an annual basis through GSA under an Interagency Fleet Management Service agreement for the NCCC. The leases are renewable with no purchase or escalation clause. The following schedule presents future minimum rental commitments under operating leases as of September 30 of each year.

Unaudited 2020 (in thousands)				
Fiscal Year	Facilities Space	Vehicles	Other	Total
2021	\$ 9,788	\$ 790	\$ 131	\$ 10,709
2022	10,091	799	66	10,956
2023	10,403	808	66	11,277
2024	10,726	818	66	11,610
2025	11,058	828	66	11,952
<b>Total</b>	<b>\$ 52,066</b>	<b>\$ 4,043</b>	<b>\$ 395</b>	<b>\$ 56,504</b>

Unaudited 2019 (in thousands)				
Fiscal Year	Facilities Space	Vehicles	Other	Total
2020	\$ 9,788	\$ 790	\$ 148	\$ 10,726
2021	10,091	799	66	10,956
2022	10,403	808	66	11,277
2023	10,726	818	66	11,610
2024	11,058	828	66	11,952
<b>Total</b>	<b>\$ 52,066</b>	<b>\$ 4,043</b>	<b>\$ 412</b>	<b>\$ 56,521</b>

## NOTE 8 - ACTUARIAL FECA LIABILITY

AmeriCorps' actuarial liability for future workers' compensation benefits under FECA was \$7.5 million and \$6.8 million (unaudited) as of September 30, 2020 and 2019 respectively. The amount includes the expected liability for death, disability, medical, and miscellaneous costs for approved compensation cases. AmeriCorps' Actuarial FECA liability is determined by DOL.

## NOTE 9 - ADVANCES FROM OTHERS

Advances from Others consists of advances from other federal government entities and nonfederal entities related to the interagency and cost share agreements into which AmeriCorps entered to provide services. Advances from others primarily consist of Federal Emergency Management Agency (FEMA), Department of Veterans Affairs (VA), Department of Justice (DOJ), Department of Housing and Urban Development (HUD), and Department of

Agriculture (USDA) related reimbursable activities. Advances as at September 30, 2020 is:

<i>(in thousands)</i>	<b>Unaudited 2020</b>	<b>Unaudited 2019</b>
<b>Intragovernmental</b>		
<b>Advances from Others</b>	\$ 9,919	\$ 8,768
<b>With the Public</b>		
<b>Advances from Others</b>	325	212
<b>Total</b>	<u>\$ 10,244</u>	<u>\$ 8,980</u>

#### **NOTE 10 - OTHER LIABILITIES**

Other liabilities include amounts owed but not paid at the end of the fiscal year for payroll and benefits, AmeriCorps VISTA stipends, the amount of claim for benefits for AmeriCorps' employees under FECA that have been paid by DOL and billed to AmeriCorps but have not yet been reimbursed to DOL, other unfunded employment related liability, liability for non-fiduciary deposit funds and un-deposited collections, and accounts payable canceled appropriations. Other liabilities as of September 30, 2020 and 2019 is as follows:

<i>(in thousands)</i>	<b>Unaudited 2020</b>		
	Non- Currents	Currents	Total Liabilities
Intragovernmental:			
Unemployment Benefits		572	572
Unfunded FECA	\$ -	\$ 1,577	\$ 1,577
Employee Benefits and Payroll Taxes	-	(19)	(19)
Total Intragovernmental Liabilities	-	2,130	2,130
Non-Intragovernmental:			
Member Payroll Withholding Taxes	-	2,170	2,170
Accrued Funded Payroll & Benefits	-	2,790	2,790
Accrued Volunteer Benefits	-	728	728
Accrued Unfunded Member Benefits	3,620	-	3,620
Other Accrued Expenses	-	114	114
Total Non-Intragovernmental Liabilities	<u>3,620</u>	<u>5,802</u>	<u>9,422</u>
<b>Total Other Liabilities</b>	<b>\$ 3,620</b>	<b>\$ 7,931</b>	<b>\$ 11,552</b>

**(in thousands)**

**Unaudited 2019**

	Non-		Total
	Current s	Current s	Liabilities
Intragovernmental:			
Unfunded FECA	\$ -	\$ 1,846	\$ 1,846
Employee Benefits and Payroll Taxes	-	197	197
Total Intragovernmental Liabilities	-	2,043	2,043
Non-Intragovernmental:			
Member Payroll Withholding Taxes	-	2,842	2,842
Accrued Funded Payroll & Benefits	-	2,583	2,583
Accrued Volunteer Benefits	-	3,059	3,059
Accrued Unfunded Member Benefits	757	-	757
Other Accrued Expenses	-	8	8
Total Non-Intragovernmental Liabilities	757	8,492	9,249
Total Other Liabilities	\$ 757	\$ 10,535	\$ 11,292

### NOTE 11 - FUNDS FROM DEDICATED COLLECTIONS

Funds from dedicated collections are presented on a combined basis. The table below shows the balances as of September 30, 2020 and 2019 is as follows.

<b>(in thousands)</b>	<b>Unaudited 2020</b>	<b>Unaudited 2019</b>
<b>Balance Sheet</b>		
Intragovernmental		
Fund Balance with Treasury	\$ 2,058,467	\$ 1,346,606
Investments, net	185,714	756,080
Accounts receivable	166	167
Total Intragovernmental	2,244,348	2,102,853
Cash and other Monetary Assets		4
Advances to Others	66,399	68,777
Accounts Receivable	999	4,345
Property and Equipment	3,651	368
Total Assets	2,315,397	2,176,346
Intragovernmental		
Other Liabilities	(2,130)	(2,042)
Advances from Others	(9,919)	(8,768)
Total Intragovernmental Liabilities	(12,049)	(10,810)
Trust Service Award Liability	(438,294)	(375,834)
Grant Payable	(108,789)	(115,316)
Accounts Payable	(1,543)	(26,695)
Actuarial FECA	(7,497)	(6,817)
Advances from Others	(325)	(212)
Accrued Annual Leave	(4,502)	(4,030)
Other Liabilities	(9,422)	(9,415)
Total Liabilities	(582,421)	(549,129)
Unexpended Appropriations	(1,098,387)	(1,009,773)
Cumulative results of Operations	(634,589)	(617,445)
Total Liabilities and Net Position	(2,315,397)	(2,176,346)

<b>Statement of Net Cost</b>		
Gross Program Cost	1,010,498	1,120,530
Less Earned Revenue	(31,885)	(52,979)
Net Cost of Operations	978,613	1,067,550
<b>Statement of Changes in Net Position</b>		
Net Position beginning of period	(1,719,402)	(1,658,470)
Taxes and Nonexchange revenue	(986,297)	(1,030,920)
Other Financing Sources	(5,891)	(5,377)
Net Cost of Operations	978,613	1,067,550
Change in Net Position	(13,574)	31,253
Net position end of period	\$ (1,732,976)	\$ (1,627,217)

### **NOTE 12 - APPROPRIATIONS RECEIVED BY THE NATIONAL SERVICE TRUST**

As of September 30, 2020, the National Service Trust received \$208.3 million (unaudited) and \$206.8 million in 2019. Under the provisions included in its annual appropriations and under 42 U.S.C. 12601a, AmeriCorps is also authorized to transfer additional amounts from subtitle C program funds to the National Service Trust to support the activities of national service participants.

### **NOTE 13 - COST AND EXCHANGE REVENUE**

Costs for each sub-program are reported on the Statement of Net Cost.

AmeriCorps engages members in service to address local community needs in areas of education, healthy futures, environmental stewardship, economic opportunity, disaster services, and assisting veterans and military families. The State and National sub-program includes grant expenses, as well as direct and allocated personnel and administrative costs including National Service Trust operations. The NCCC sub-program includes member stipend and benefits, and direct and allocated personnel and administrative costs including AmeriCorps recruitment and National Service Trust operations.

The VISTA sub-program includes grant expenses, member stipend and benefits, as well as direct and allocated personnel and administrative costs including AmeriCorps recruitment and National Service Trust operations.

AmeriCorps Seniors RSVP, FGP, and SCP programs provide opportunities for members 55 and older to address local community needs in the areas of education, assisting veterans and military families, disaster response, and healthy futures. The AmeriCorps Seniors programs include grant expenses, as well as direct and allocated personnel and administrative costs. AmeriCorps also has reimbursable agreements with several state agencies whereby AmeriCorps awards and administers grants to a list of grantees selected and funded by the State (pass-through grants). The activity related to pass-through grants has been reclassified to be associated with the related AmeriCorps Seniors program.

The National Service Award Expense component consists of the AmeriCorps' estimated expense for education awards based on the increase in its service award liability during the year and interest forbearance costs on qualified student loans during the period members

perform community service. No indirect costs have been allocated to the National Service Award expense component.

Innovation, Demonstration, & Assistance Activities (ID&A Activities) include grants to support and encourage new forms of service and volunteering. No indirect costs have been allocated to the Innovation, Demonstration, & Assistance Activities component.

The "J Special Authority" is referred to Section 179(j) of the National and Community Service Act, as amended (NCSA). This section allows AmeriCorps to reserve not more than one percent of the total funds appropriated for a fiscal year under section 501 of the NCSA to support program accountability activities.

The Office of Inspector General (OIG) receives a separate appropriation. No indirect costs have been allocated to OIG.

#### **NOTE 14 - NATIONAL SERVICE AWARD EXPENSE**

Members serving in approved national service positions are eligible to earn a Segal AmeriCorps Education Award to pay for qualified education expenses. The National Service Trust also pays interest forbearance costs on qualified student loans during the period members perform community service.

AmeriCorps estimates the expense for national service awards based on the increase in its cumulative service award liability during the year (see Note 6). The total service award liability as of September 30, 2020 and 2019, respectively, has been adjusted to reflect the fact that earned awards are not always used.

<i>(in thousands)</i>	<b>Unaudited 2020</b>	<b>Unaudited 2019</b>
Estimated Education Awards	\$ 210,766	\$ 231,098
Estimated Interest Forbearance	6,004	11,733
National Service Award Expense	<u>\$ 216,770</u>	<u>\$ 242,830</u>

#### **NOTE 15 - CONTINGENCIES**

AmeriCorps is a party to various routine administrative proceedings, legal actions, and claims brought by or against it, including threatened or pending litigation involving labor relations claims, some of which may ultimately result in settlements or decisions against AmeriCorps. In the opinion of AmeriCorps' management and legal counsel, there are no proceedings, actions, or claims outstanding or threatened that would materially impact the financial statements of AmeriCorps.

Certain legal matters to which AmeriCorps is a party may be administered and, in some instances, litigated and paid by other federal agencies. Generally, amounts of more than \$2.5 thousand paid for Federal Tort Claims Act settlements or awards pertaining to these litigations are funded from the Treasury Judgment Fund (TJF). Although the ultimate disposition of any potential TJF proceedings cannot be determined, management does not expect that any liability or expense that might ensue would be material to AmeriCorps' financial statements.

## NOTE 16 - SUBSEQUENT EVENTS

AmeriCorps has evaluated subsequent events through November 7, 2019, which is the date these financial statements were available to be issued. Because of its evaluation, AmeriCorps has determined that no subsequent events need to be recognized or disclosed.

## NOTE 17 - UNDELIVERED ORDERS AT THE END OF THE PERIOD

AmeriCorps' undelivered orders as of September 30, 2020 and 2019, is as follows:

<i>(in thousands)</i>	<b>Unaudited 2020</b>	<b>Unaudited 2019</b>
<b>Intragovernmental</b>		
<b>Undelivered Orders - Unpaid</b>	\$ 6,619	\$ 7,984
<b>Undelivered Orders - Paid</b>	(90)	458
<b>Total Intragovernmental Undelivered orders</b>	<u>6,529</u>	<u>8,442</u>
<b>With the Public</b>		
<b>Undelivered Orders - Unpaid</b>	992,856	847,613
<b>Undelivered Orders - Paid</b>	66,489	69,063
<b>Total with the public</b>	<u>1,059,345</u>	<u>916,676</u>
<b>Total Undelivered orders</b>	<u>\$ 1,065,874</u>	<u>\$ 925,118</u>

## NOTE 18 - EXPLANATION OF THE DIFFERENCES BETWEEN STATEMENT OF BUDGETARY RESOURCES AND THE PRESIDENTS BUDGET

The FY 2020 Budget of the United States Government (President's Budget), which presents the actual amounts for the year ended September 30, 2020 and 2019, has not been published as of the issue date of these financial statements. The FY 2020 President's Budget is scheduled for release in February 2020 and can be found on the OMB website: <http://www.whitehouse.gov/omb> at that time.

A reconciliation of the FY 2020 Statement of Budgetary Resources to the FY 2020 President's Budget (FY 2020 actual amounts) for budgetary resources, new obligations and upward adjustments, distributed offsetting receipts, and net outlays is presented below:

	<b>Budgetary Resources</b>	<b>Obligations Incurred</b>	<b>Distributed Offsetting Receipts</b>	<b>Net Outlays</b>
	<b>Unaudited 2020 (in millions)</b>			
Combined Statement of Budgetary Resources	\$ 1,713	\$ 1,366	\$ 228	\$ 1,198
Difference (Expired Funds)	(147)			
Other		1	(3)	2
Budget of the U. S. Government	<u>\$ 1,566</u>	<u>\$ 1,367</u>	<u>\$ 225</u>	<u>\$ 1,200</u>

	<b>Budgetary Resources</b>	<b>Obligations Incurred</b>	<b>Distributed Offsetting Receipts</b>	<b>Net Outlays</b>
<b>Unaudited 2019 (in millions)</b>				
<b>Combined Statement of Budgetary Resources</b>	\$ 1,648	\$ 1,162	\$ 215	\$ 1,198
<b>Difference (Expired Funds)</b>	(111)	(7)		
<b>Other</b>				(10)
<b>Budget of the U. S. Government</b>	\$ 1,537	\$ 1,155	\$ 215	\$ 1,188



## PART E. NATIONAL SERVICE TRUST FUND FINANCIAL STATEMENTS

<b>AmeriCorps National Service Trust Unaudited Balance Sheet As of September 30, 2020, and 2019 (in thousands)</b>		
	Unaudited 2020	Unaudited 2019
<b>Assets</b>		
Intragovernmental:		
Fund Balance with Treasury (Note 2)	\$ 896,650	\$ 243,892
Investments (Note 3)	185,714	756,080
Total Intragovernmental	<u>1,082,365</u>	<u>999,972</u>
<b>Liabilities</b>		
Trust Service Award Liability (Note 6)	438,294	375,834
<b>Total Liabilities</b>	<u>\$ 438,294</u>	<u>\$ 375,834</u>
<b>Net Position</b>		
Cumulative Results of Operations	644,070	624,138
<b>Total Net Positions</b>	<u>644,070</u>	<u>624,138</u>
<b>Total Liabilities &amp; Net Position</b>	<u>\$ 1,082,365</u>	<u>\$ 999,972</u>

The accompanying notes are an integral part of these statements.

**AmeriCorps  
National Service Trust  
Unaudited Statement of Net Cost  
For the Periods Ended September 30, 2020 and 2019  
(in thousands)**

	<u>Unaudited 2020</u>	<u>Unaudited 2019</u>
Gross Cost:		
Operating Expense (Note 6)	\$ 216,770	\$ 242,830
Less Earned Revenue:		
Intragovernmental		
Interest Revenue	(14,723)	(17,650)
Operating Revenue	(108)	(944)
Total Earned Revenue	<u>(14,831)</u>	<u>(18,594)</u>
Net cost of operations	<b>\$ <u>201,940</u></b>	<b>\$ <u>224,236</u></b>

The accompanying notes are an integral part of these statements.

**AmeriCorps  
National Service Trust  
Unaudited Statement of Change in Net Position  
As of September 30, 2020, and 2019  
(in thousands)**

	<b>Unaudited 2020</b>	<b>Unaudited 2019</b>
<b>Cumulative Results of Operation:</b>		
Beginning Balance as adjusted	\$ 624,138	\$ 623,534
<b>Budgetary Financing Sources</b>		
Transfers in / out without reimbursement	221,872	224,840
Total Financing sources	<u>221,872</u>	<u>224,840</u>
<b>Net Cost of Operations</b>	201,940	224,236
<b>Net Change</b>	<u>19,932</u>	<u>604</u>
<b>Cumulative Results of Operations</b>	644,070	624,138
<b>Net Position</b>	<u>\$ 644,070</u>	<u>\$ 624,138</u>

The accompanying notes are an integral part of these statements.

**AmeriCorps  
National Service Trust  
Unaudited Statement of Budgetary Resources  
As of September 30, 2020, and 2019  
(in thousands)**

	<b>Unaudited 2020</b>	<b>Unaudited 2019</b>
<b>Budgetary Resources</b>		
Unobligated balance from prior year budget authority, net (discretionary and mandatory)	\$ 216,312	\$ 213,337
Appropriations (discretionary and mandatory)	231,893	234,963
Spending authority from offsetting collections (discretionary and mandatory)	18,300	944
<b>Total Budgetary Resources</b>	<b>\$ 466,504</b>	<b>\$ 449,244</b>
<b>Status of Budgetary Resources</b>		
New Obligations and upwards adjustment	\$ 101,287	\$ 232,778
Apportioned	282,339	63,831
Unapportioned, Unexpired	82,878	152,635
Unexpired, Unobligated	365,217	216,466
Unobligated Balance End of Year	365,217	216,466
<b>Total Budgetary Resources</b>	<b>\$ 466,504</b>	<b>\$ 449,244</b>
Outlays, Net	136,010	170,231
Distributed Offsetting Receipts	7,660	(224,840)
Agency Outlays, Net	<b>\$ 143,670</b>	<b>\$ (54,609)</b>

The accompanying notes are an integral part of these statements.

## **PART F. NOTES TO NATIONAL SERVICE TRUST FUND FINANCIAL STATEMENTS**

### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **L. REPORTING ENTITY**

AmeriCorps was created by the National and Community Service Trust Act of 1993 (Public Law 103-82).<sup>5</sup> AmeriCorps' mission is to improve lives, strengthen communities, and foster civic engagement through service and volunteering. To meet its mission, AmeriCorps provides grants and other assistance to states, local communities, and nonprofit organizations to help communities meet critical challenges in the areas of education, healthy futures, environmental stewardship, economic opportunity, disaster services, and assisting veterans and military families through volunteer service. AmeriCorps' major programs are as follows:

- AmeriCorps State and National offers grants supporting a broad range of local service programs that engage thousands of Americans in intensive service to meet critical community needs.
- AmeriCorps VISTA helps community organizations and public agencies create and expand programs that build capacity and ultimately bring low-income individuals and communities out of poverty.
- AmeriCorps NCCC strengthens communities while developing leaders through direct, team-based national and community service.
- AmeriCorps State Service Commission Support Grants support the shared federal-state partnership with a central role for governors in designing and implementing national service through governor-supported State Service Commissions.
- AmeriCorps Seniors RSVP, Foster Grandparent, and Senior Companion programs offer a network of programs that tap into the rich experience, skills and talents of older citizens to meet community challenges.
- AmeriCorps State Service Commission Support Grants (State Commission Support) offers grants supporting shared federal-state partnership with a central role for governors in designing and implementing national service through governor-supported State Service Commissions.

#### **A. BASIS OF ACCOUNTING AND PRESENTATION**

The financial statements and footnotes for FY 2020 are presented on a single year basis. AmeriCorps uses the accrual and budgetary basis of accounting in conformity with the Generally Accepted Accounting Principles (GAAP) for the federal government. Under the accrual method of accounting, revenues are recognized when earned and expenses are recognized when incurred, without regard to the actual collection or payment of cash. Federal budgetary accounting recognizes the obligation of appropriations and other funds upon the establishment of a properly documented commitment.

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<sup>5</sup> The Trust Act created the Corporation for National and Community Service. On September 29, 2020 the Corporation adopted the operating name "AmeriCorps".

## **B. USE OF ESTIMATES**

The preparation of financial statements in accordance with GAAP requires AmeriCorps to make estimates and assumptions about future events. These estimates and assumptions affect the amounts reported in AmeriCorps' financial statements and accompanying notes. AmeriCorps evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors that it believes to be reasonable under the circumstances. Adjustments to estimates and assumptions are made when facts and circumstances warrant. As future events and their effects cannot be determined with certainty, actual results could differ from the estimates used in preparing the accompanying financial statements. Significant estimates and assumptions are required as part of determining the liability for service awards, grants payable, accounts payable and payroll as well as adjustments to the grant advances.

## **C. FUND BALANCE WITH TREASURY**

Fund Balance with Treasury (FBWT) represents cash and cash equivalents in AmeriCorps' accounts with the Department of the Treasury. Treasury processes cash receipts and disbursements on behalf of AmeriCorps and AmeriCorps' accounting records are reconciled with those of Treasury on a regular basis.

The FBWT maintained in the National Service Trust is restricted to specific purposes, such as paying service awards certified as payable to eligible participants and is not available for use in the current operations of AmeriCorps. In addition, the majority of the funds received from individuals and organizations for deposit in the Gifts and Contributions fund are restricted for uses, such as service projects (See Note 2).

## **D. OTHER MONETARY ASSETS**

Other monetary assets consist of paper currency and readily negotiable instruments, such as money orders, checks, and bank drafts on hand or deposit in transit.

## **E. INVESTMENTS**

By law, AmeriCorps may invest the funds of the National Service Trust in interest-bearing Treasury securities guaranteed by the United States as to principal and interest. These Treasury securities are referred to as "market-based," since they mirror actual Treasury securities sold on the open market. They consist of Treasury notes, bonds, and bills. Since they are expected to be held-to-maturity, AmeriCorps' investments are valued at cost and adjusted for the amortization of premiums and discounts. The premiums and discounts are recognized as adjustments to interest income and are amortized using the level yield/effective interest method for the Notes and straight-line method for the Bills.

## **F. TRUST SERVICE AWARD LIABILITY**

The Trust Service Award Liability represents unpaid education awards and eligible student loan interest forbearance costs, which are expected to be used upon certification. These amounts relate to participants who have completed service based on AmeriCorps' historical experience.

## G. RESTATEMENTS

Certain prior year amounts have been restated to correct errors in the Balance Sheet, Statement of Net Costs and Statement of Changes in Net Positions and Notes to the Financial Statements.

### NOTE 2 - FUND BALANCE WITH TREASURY

AmeriCorps is funded with appropriations from General Funds and Trust Funds. While amounts appropriated from the General Fund of the Treasury are included in the FBWT, Trust Funds investments are not. The Trust Funds investments are redeemed, as needed to meet the cash disbursement needs, at which time the funds are transferred from the Trust Fund to FBWT. The Trust Fund is for providing education award or student loan interest forbearance expense, whereas the General Fund is for operating expenses. The FBWT as of September 30, 2020 and 2019 is as follows:

(in thousands)	Unaudited 2020	Unaudited 2019
Funds Balances		
Trust Fund	\$ 896,650	\$ 243,892
Status of Fund Balance with Treasury		
Unobligated Balance		
Available	330,017	(375,764)
Obligated not yet disbursed	566,633	619,656
Total	\$ 896,650	\$ 243,892

AmeriCorps' FBWT is classified as unobligated balance available, obligated not yet disbursed and non-budgetary fund balance. Unobligated Balance available represents apportionment for obligations in current and unexpired appropriations available for new obligations. Obligated Balance not yet disbursed, represents undelivered orders and those delivered but not paid offset by Trust Funds investments. Therefore, the unobligated and obligated balances presented may not equal related amounts reported on the Consolidated Statement of Budgetary Resources. Non-budgetary funds refer to deposit funds with no budget authority.

### NOTE 3 - INVESTMENTS

By law, AmeriCorps may invest the funds of the National Service Trust in interest-bearing Treasury securities guaranteed by the United States as to principal and interest. AmeriCorps' investments are valued at cost and adjusted for the amortization of premiums and discounts. Investment are held to maturity. Interest income are paid by Treasury semi-annually. As of September 30, 2020, and 2019 for Investment composition is:

### 2020 Unaudited (in thousands)

U.S. Treasury Marketable Securities	Cost	Amortized (Premium) Discount	Interest Receivable	Investments, Net	Market Value
Bills	\$ 115,800	\$ 45	\$ -	\$ 115,844	\$ 115,853
Notes	69,400	276	194	69,870	70,015
Total	\$ <u>185,200</u>	\$ <u>321</u>	\$ <u>194</u>	\$ <u>185,714</u>	\$ <u>185,868</u>

### 2019 Unaudited (in thousands)

U.S. Treasury Marketable Securities	Cost	Amortized (Premium) Discount	Interest Receivable	Investments, Net	Market Value
Bills	\$ 110,862	\$ 462	\$ -	\$ 111,324	\$ 111,599
Notes	640,540	3,274	942	644,756	648,037
Total	\$ <u>751,401</u>	\$ <u>3,736</u>	\$ <u>942</u>	\$ <u>756,080</u>	\$ <u>759,636</u>

#### NOTE 4 - TRUST SERVICE AWARD LIABILITY

Individuals who successfully complete terms of service in certain AmeriCorps programs earn Segal AmeriCorps Education awards, which can be used to make payments on qualified student loans or for educational expenses at qualified educational institutions. The education award generally must be used within seven years of completion date of an approved term of national service. If the education award is transferred to an eligible individual or is a Summer of Service award (which was available to youth enrolled in grades 6 through 9), the use period is ten years. These awards, as well as interest forbearance payments on qualified student loans during the period members perform their service, are paid from the National Service Trust Fund. The Service Award Liability as of September 30, 2020 and 2019 are as follows:

(in thousands)	Unaudited 2020	Unaudited 2019
<b>Cumulative Education Awards Earned</b>	\$ 4,137,288	\$ 3,906,180
<b>Cumulative Interest Forbearance Earned</b>	216,794	126,057
<b>Total Cumulative Awards Earned</b>	4,354,081	4,032,237
<b>Less: Discount for Usage and Statistics</b>	(888,003)	(724,124)
<b>Less: Cumulative Awards paid</b>	<u>(3,153,340)</u>	<u>(2,998,015)</u>
<b>Total Liability for Awards Earned</b>	318,278	310,098
<b>Total Liability for Awards not yet Earned</b>	120,016	65,736
<b>Total</b>	\$ <u>438,294</u>	\$ <u>375,834</u>



As of September 30, 2020, and 2019, the National Service Trust received \$208.3 million and \$206.8 million respectively (unaudited). Under the provisions included in its annual appropriations and under 42 U.S.C. 12601a, AmeriCorps is also authorized to transfer additional amounts from subtitle C program funds to the National Service Trust to support the activities of national service participants.

## **NOTE 6 - NATIONAL SERVICE AWARD EXPENSE**

Members serving in approved national service positions are eligible to earn a service award to pay for qualified education expenses. The National Service Trust also pays interest forbearance costs on qualified student loans during the period members perform community service.

AmeriCorps estimates the expense for national service awards based on the increase in its cumulative service award liability during the year (see Note 6). The total service award liability as of September 30, 2020 and 2019, respectively, has been adjusted to reflect the fact that earned awards are not always used.

<i>(in thousands)</i>	<b>Unaudited 2020</b>	<b>Unaudited 2019</b>
Estimated Education Awards	\$ 210,766	\$ 231,098
Estimated Interest Forbearance	6,004	11,733
National Service Award Expense	<u>\$ 216,770</u>	<u>\$ 242,830</u>

## **NOTE 7 - CONTINGENCIES**

AmeriCorps is a party to various routine administrative proceedings, legal actions, and claims brought by or against it, including threatened or pending litigation involving labor relations claims, some of which may ultimately result in settlements or decisions against AmeriCorps. In the opinion of AmeriCorps' management and legal counsel, there are no proceedings, actions, or claims outstanding or threatened that would materially impact the financial statements of AmeriCorps.

Certain legal matters to which AmeriCorps is a party may be administered and, in some instances, litigated and paid by other federal agencies. Generally, amounts paid more than \$2.5 thousand for Federal Tort Claims Act settlements or awards pertaining to these litigations are funded from the Treasury Judgment Fund (TJF). Although the ultimate disposition of any potential TJF proceedings cannot be determined, management does not expect that any liability or expense that might ensue would be material to AmeriCorps' financial statements.

## **NOTE 8 - SUBSEQUENT EVENTS**

AmeriCorps has evaluated subsequent events through November 7, 2020, which is the date these financial statements were available to be issued. Because of its evaluation, AmeriCorps has determined that no subsequent events need to be recognized or disclosed.

**VII. OTHER INFORMATION**

**PART A. SUMMARY OF FINANCIAL STATEMENT AUDIT & MANAGEMENT ASSURANCES**

<b>Table 1. Summary of Financial Statement Audit</b>					
Audit Opinion	Disclaimer				
Restatement	Yes				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Financial Reporting	1				1
Trust Fund Unpaid Obligations and Liability	1				1
Grants Accrual Payable and Advances	1				1
Undelivered Orders and Accounts Payable	1				1
Property, Plant & Equipment	1				1
Undelivered Orders - Grant	1				1
Prior Year Recoveries	1				1
Other Liabilities	1				1
Internal Control Program	1				1
<i>Total Material Weaknesses</i>	9				9

**Table 2. Summary of Management Assurances**

<b>Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)</b>						
Statement of Assurance	No Assurance					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
[Name of weakness]						
[Name of weakness]						
[Name of weakness]						
<i>Total Material Weaknesses</i>						

<b>Effectiveness of Internal Control over Operations (FMFIA § 2)</b>						
Statement of Assurance	No Assurance					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
[Name of weakness]						
[Name of weakness]						
<i>Total Material Weaknesses</i>						
<b>Conformance with Federal Financial Management System Requirements (FMFIA § 4)</b>						
Statement of Assurance	Federal Systems conform, except for instances of non-conformance, or do not conform to financial management system requirements					
Non-Conformances	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
[Name of non-conformance]						
[Name of non-conformance]						
[Name of non-conformance]						
<i>Total non-conformances</i>						
<b>Compliance with Section 803(a) of the Federal Financial Management Improvement Act (FFMIA)</b>						
	Agency			Auditor		
1. Federal Financial Management System Requirements	No lack of compliance noted, or Lack of compliance noted			No lack of compliance noted, or Lack of compliance noted		
2. Applicable Federal Accounting Standards	No lack of compliance noted, or Lack of compliance noted			No lack of compliance noted, or Lack of compliance noted		
3. USSGL at Transaction Level	No lack of compliance noted, or Lack of compliance noted			No lack of compliance noted, or Lack of compliance noted		

## **PART B. PAYMENT INTEGRITY & FRAUD REDUCTION REPORT**

### **I. Actions Taken to Address Auditor Recovery Recommendation**

AmeriCorps does not have a recovery audit program because it is not cost effective for the agency.

### **II. Fraud Reduction Report**

On June 30, 2016 the president of the United States signed into law the Fraud Reduction and Data Analytics Act of 2015 (Public Law No.114-186). This legislation emphasizes the importance for federal agencies to identify, assess, and address fraud risks. Since the enactment of the law, AmeriCorps has reinforced its anti-fraud efforts through the following activities.

#### **Implementation of the GAO's Framework for Managing Fraud Risks in Federal Programs**

AmeriCorps implemented of the *GAO's Framework for Managing Fraud Risk in the Federal Government*.

##### **1. Fraud Risk Management Governance Body**

In order to demonstrate its commitment to combating fraud, AmeriCorps created a fraud risk subcommittee of its risk assessment committee, composed of the Chief Financial Officer (CFO); Director of Procurement Services; Chief Human Capital Officer (CHCO); Chief Information Officer (CIO); Deputy General Counsel; Director of the Office of Grants Administration; Chief Program Officer (CPO); and the Chief Risk Officer. The members of this body were selected across functional areas. The cross-functional nature of the team fosters the breakdown of silos in fraud risks assessment and helps identify fraud risk interactions across functions.

The roles of this body include identifying and analyzing fraud risk and providing effective oversight to the internal controls over fraud risks. OCRO provides periodic training to the members of the fraud risks governance body on the *Program Integrity: the Antifraud Playbook* developed by the Chief Financial Officers Council (CFOC) and the U.S. Department of the Treasury, Bureau of the Fiscal Service to help advance the goal of safeguarding public resources.

##### **2. Update of AmeriCorps' Fraud Risk Profile**

Under the oversight of the fraud risk subcommittee, the Office of the Chief Risk Officer has created the AmeriCorps fraud risk profile. The members of the subcommittee identified thirty-five (35) inherent fraud risks that were assessed on a two-dimensional criterion: likelihood and impact. Those risks were both mission and mission-support related. AmeriCorps' internal control program (ICP) identified the counter measures (existing fraud prevention and detection controls) that were designed and implemented to address those risks. In FY 2019, as part of its risk-based rotational control testing, the ICP assessed the operating effectiveness of 62 percent of the

identified fraud risk controls and found them to be effective. In FY 2020, the ICP tested 28 percent of those controls and found them to be effective. These fraud risk controls are control activities related to agency processes and do not assess grantee processes.

In FY2021, the ICP will reperform the Fraud Risk Assessment to determine whether new fraud risks have developed as a result of changes in the AmeriCorps organization structure and the move of key financial and certain other systems to shared services provider (the Administrative Resource Center within the US Department of the Treasury).

### III. Optional Reporting

AmeriCorps is electing to include its improper payments estimates in its AMR, which can also be found on <https://paymentaccuracy.gov/>.

AmeriCorps has four programs determined to be susceptible to significant improper payments - State and National, the Foster Grandparent Program (FGP), RSVP, and the Senior Companion Program (SCP). AmeriCorps implemented a corrective action to address the agency's primary cause of found improper payment, which is non-compliant National Service Criminal History Check (NSCHC) files. The agency reduced the barrier to compliance by providing agency-approved vendors to complete the checks. The corrective action proved effective, which a reduction in rates between 48.5-64.7 percent per program, see below.

#### FY19 to FY20 Improper Payment Rates

<b>FY2020 Testing Results Improper Payment Rates (%)</b>			
<b>Program</b>	<b>FY19</b>	<b>FY20</b>	<b>Percent Reduction</b>
State and National	16.5%	<b>8.5%</b>	-48.5%
Foster Grandparent	27.8%	<b>14.2%</b>	-48.9%
RSVP	37.3%	<b>17.4%</b>	-53.4%
Senior Companion	28.3%	<b>10.0%</b>	-64.7%

<b>FY2020 Testing Results Improper Payment Dollars (\$M)</b>			
<b>Program</b>	<b>FY19</b>	<b>FY20</b>	<b>Percent Reduction</b>
State and National	\$39.03	<b>\$22.14</b>	-43.3%
Foster Grandparent	\$25.74	<b>\$12.95</b>	-49.7%
RSVP	\$16.20	<b>\$7.41</b>	-54.3%
SCP	\$10.96	<b>\$3.87</b>	-64.7%

**PART C. CIVIL MONETARY PENALTY ADJUSTMENT FOR INFLATION**

<b>Statutory Authority</b>	<b>Penalty</b>	<b>Year Enacted</b>	<b>Latest Year of adjustment</b>	<b>Current Penalty Level</b>	<b>Sub-Agency/Bureau Unit</b>	<b>Location of Penalty Update Details</b>
Pub. L. 101-121, Sec. 319, (31 U.S.C. 1352); Pub. L. 93-113; 42 U.S.C. 4951, et seq.; 42 U.S.C. 5060	The penalty associated with Restrictions on Lobbying (45 CFR 1230.400)	1990	2019	The current range of civil monetary penalties related to Restrictions on Lobbying is from \$20,489 to \$204,892.	AmeriCorps*	84 Fed. Reg. 70902 (Dec. 26, 2019)
Pub. L. 99-509, Secs. 6101-6104, 100 Stat. 1874 (31 U.S.C. 3801-3812); 42 U.S.C. 12651c12651d	The penalty associated with the Program Fraud Civil Remedies Act (45 CFR 2554.1)	2006	2019	The upper limit for civil monetary penalties for the Program Fraud Civil Remedies Act of 1986 is \$11,665.	AmeriCorps*	84 Fed. Reg. 70902 (Dec. 26, 2019)

\*The Federal Register changes were posted under the Corporation for National and Community Service, which is the legal name of the AmeriCorps agency.

**PART D. NATIONAL SERVICE TRUST FUND STATUS REPORT (As of September 2020)**

<b>Table 1a</b>					
<b>AmeriCorps Member Position Award Activity Program Year 2020</b>					
<b>Program</b>	<b>Awarded</b>		<b>Certified Not Awarded</b>	<b>Planned Not Certified</b>	<b>Total</b>
	<b>Enrolled</b>	<b>Not Enrolled</b>			
STATE/NATL	24,672	39,307	-	-	63,979
VISTA	6,052	-	199	0	6,251
NCCC	1,206	-	154	-	1,360
<b>Total</b>	<b>31,930</b>	<b>39,307</b>	<b>353</b>	<b>0</b>	<b>71,590</b>

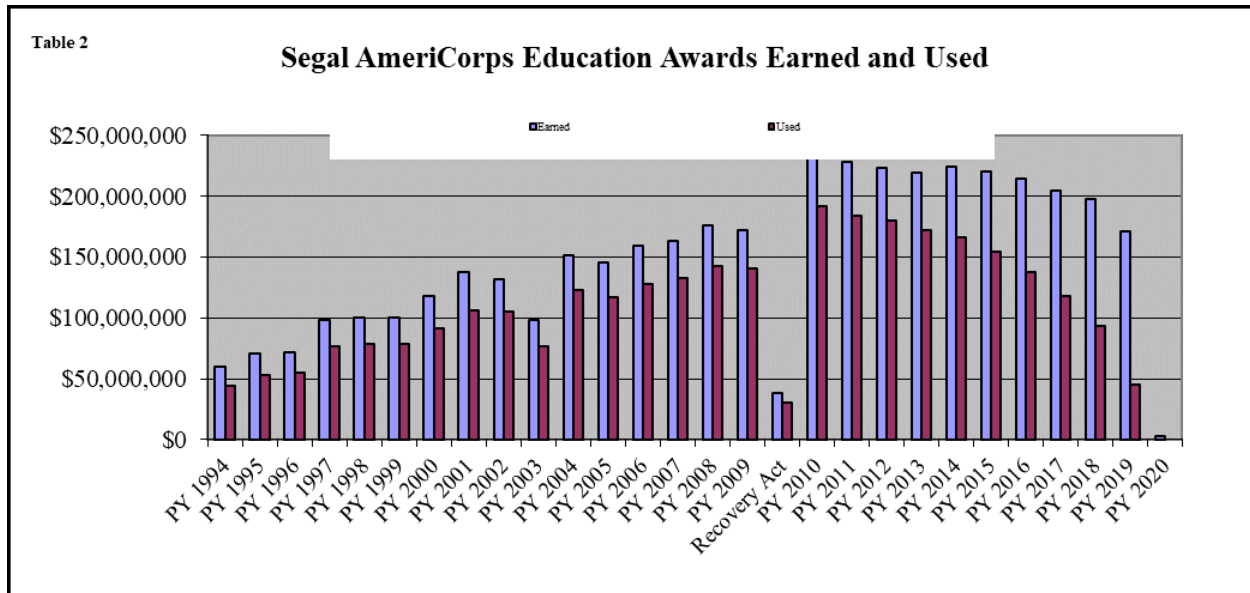
The 71,590 Trust positions planned for Program Year 2020 do not include an estimated 1,300 AmeriCorps members (1100 full time and 200 Summer Associates) in VISTA who elected an end-of-service stipend instead of an education award. Total estimated member positions for Program Year 2020, including AmeriCorps members in VISTA electing a stipend, is 71,590. Member enrollment and slot data are periodically adjusted to reflect corrections and slot reconfigurations by grantees; therefore, they may change slightly from month to month.

<b>Table 1b</b>					
<b>AmeriCorps Member Position Award Activity Program Year 2019</b>					
<b>Program</b>	<b>Awarded</b>		<b>Certified Not Awarded</b>	<b>Planned Not Certified</b>	<b>Total</b>
	<b>Enrolled</b>	<b>Not Enrolled</b>			
STATE/NATL	51,478	12,501	357	-	64,336
VISTA	6,152	-	99	0	6,251
NCCC	988	-	212	-	1,200
<b>Total</b>	<b>58,618</b>	<b>12,501</b>	<b>668</b>	<b>0</b>	<b>71,787</b>

The 71,787 Trust positions for Program Year 2019 do not include an estimated 1,300 AmeriCorps members (1,100 full time and 200 Summer Associates) in VISTA who elected an end-of-service stipend instead of an education award. Total estimated member positions for Program Year 2019, including AmeriCorps members in VISTA electing a stipend, is 71,787. Of the 6,152 AmeriCorps member positions for VISTA in the Trust for 2020, 1,835 positions are for Summer Associates who receive a Trust award of \$1,175.

## Trust Awards

Since AmeriCorps' inception in 1993, AmeriCorps members have earned over \$4.13 billion in Segal AmeriCorps Education Awards and used over \$3 billion of that amount to fund their education and repay student loans. In addition, AmeriCorps has made \$131.32 million in interest forbearance payments. Approximately \$537.75 million in education awards earned have expired without being used. The Trust obligation formula has been adjusted to reflect these expired awards.





## Refilled Positions

AmeriCorps policy allows grantees limited flexibility to refill positions vacated by a member who has served less than 30 percent of his or her service term, provided that the departing member had not earned a pro-rated education award. To prevent over-enrollment, the policy includes “fail safe” triggers that restrict the overall number of refills to no more than five percent of awarded positions and suspends refilling altogether if total AmeriCorps enrollment reaches 97 percent of awarded positions. Table 3 provides information on the number of positions refilled. Positions in Program Years 2010 and earlier can no longer be refilled.

<b>Number of Refilled Positions Program Years</b>							
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Fail-safe Trigger</b>
Number of Refilled Positions	1,158	1,026	1,026	1,026	N/A	0	N/A
Refills as a Percent of Awarded State & National Positions	1.87%	1.57%	1.57%	1.57%	1.57%	0.00%	5%
State & National Enrollment as a Percentage of Awarded Positions	98.1%	92.1%	92.1%	85.8%	85.8%	85.8%	97%

Table 4 shows the most significant factors used to calculate Trust obligations on a historical basis. It is important to note that Program Year refers to positions awarded with a fiscal year's grant funds. Positions are often filled in time periods after the year in which they are awarded. For example, a grantee may receive a grant in fiscal year 2019 but not fill all positions until fiscal 2020. All positions related to this grant would be considered Program Year 2019 positions, irrespective of the fiscal year in which they are filled. The Reduced Part-time category below includes Reduced Halftime, Quarter time, Minimum time, and AmeriCorps Affiliates.

<b>Table 4</b>					
<b>Factors Affecting the National Service Trust Fund</b>					
<b>Program Year</b>					
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Member enrollments in the Trust	70,168	68,085	65,460	58,980	22,590
Percent of members who earned an education award	82.64%	81.40%	80.44%	80.39%	33.58%
Percent of earned education awards used	58.20%	57.82%	47.42%	26.64%	11.08%
Breakout of enrollment by term type:					
Full-time	51%	50%	48%	49%	100%
Part-time	14%	14%	13%	0%	0%
Reduced Part-time	35%	35%	39%	51%	0%

The Program Year data used throughout these tables reflect all enrollments recorded through the reporting period. Prior year enrollment numbers may change slightly from time to time due to corrections or late reporting by grantees. The percentage of members who earned an award in Table 4 is calculated by taking the number of members who earned an award divided by the total number of members who have ended service. For example, for 2019:

Enrolled: 58,618  
 Still Earning: 12,501  
 Completed: 46,117 (Enrolled less Still Earning)  
 Awards Earned: 43,086  
 % Earned: 93.43% (Awards Earned divided by Completed)

Tables 5 and 6 present information on the budgetary resources and obligations of the Trust, including the Trust Reserve. The schedules present information on a budgetary basis, which represents the accounting used to determine compliance with the Anti-Deficiency Act. AmeriCorps records Trust obligations at the time it awards AmeriCorps State & National grants or at the time it enters into an enforceable agreement with AmeriCorps members in NCCC and VISTA.

The amounts obligated in the Trust are based on the estimated value of the education benefit discounted for estimated enrollment, earning and usage factors and the time value of money. For FY 2020, these factors are the full value of the Segal AmeriCorps Education Award, a 100 percent enrollment rate (which allows for refills), an Authorized to Used rate of 69.31%, an Earning to Used rate of 69.09%, and an Earned to Used rate of 81.99%. Under the National and Community Service Act, as amended, awards earned by members over age 55 can be transferred to an eligible beneficiary. For budgetary purposes we project that all transferable awards will eventually be used. Obligations are periodically adjusted to reflect current earning and usage projections.

FEMA Corps is a unit of AmeriCorps' National Civilian Community Corps (NCCC) whose members are devoted solely to FEMA disaster response and recovery efforts. The five-year agreement provides for a service corps which compliments and supports FEMA's current disaster workforce. While FEMA provides funding for the Education Awards for the FEMA Corps members, they are shown in tables 5 and 6 as part of our budgetary and obligation activity.

Table 5

**AmeriCorps  
National Service Trust  
Schedule of Budgetary Activity for the Period Ended September 1, 2020 (000s)**

	<b>Recovery Act</b>	<b>Other</b>	<b>FEMA Corps</b>	<b>General Fund</b>	<b>Consolidated</b>
Funds Available at October 1	1,866	2	4,789	186,891	193,548
Reserve Funds	3,500			46,697	50,197
Total Starting Funds	5,366	2	4,789	233,528	243,745
<b>Budgetary Resources</b>					
Fiscal Year Appropriation	-	-	-	224,026	2242,026
Less Unapportioned	-	-	-	-	-
Deobligation Prior Year Positions (net)	-	-	-	-	-
Collection of Audit Receivables	-	-	-	108	108
Less: Additions to Trust Reserve	-	-	-	-	-
Total Budgetary Resources	5,366	2	4,789	455,723	465,879
<b>Obligations</b>					
Education Awards	0	-	(908)	(97,599)	(08,507)
Interest Forbearance	0	-	(25)	(2,780)	(2,805)
Total Obligations	0	-	(933)	(100,379)	(101,312)
<b>Commitments</b>					
Education Awards	-	-	-	-	-
Interest Forbearance	-	-	-	-	-
Total Commitments	-	-	-	-	-
<b>Less Funds in Reserve</b>	(3,500)	-	-	(46,697)	(50,197)
Funds Available for Obligation	1,866	2	3,855	308,647	314,370

<b>Table 6</b>						
<b>AmeriCorps National Service Trust Schedule of Trust Obligations as of September 1, 2020 (000s)</b>						
<b>Resources</b>	<b>Recovery Act</b>	<b>Trust Other</b>	<b>Trust FEMA Corps</b>	<b>General Fund</b>	<b>Consolidated</b>	
Fund Balance with Treasury	8,594	56	2,491	885,665	896,805	
Investments, Net	0	-	6,804	178,717	185,521	
Interest Receivable	1	-	2	191	194	
Accounts Receivable	-	-	-	-	-	
Subtotal	8,595	56	9,296	1,064,572	1,082,519	
<b>Less:</b>						
Cumulative Trust Reserve	(3,500)	-	-	(46,697)	(50,197)	
Receivables Not Available for Obligation	(1)	-	(16)	(498)	(515)	
Unapportioned	-	-	-	(150,000)	(150,000)	
Total Resources	5,094	56	9,281	867,377	881,808	
<b>Unliquidated Obligations</b>						
Education Awards	(3,141)	(52)	(5,279)	(543,256)	(551,729)	
Interest Forbearance	(87)	(1)	(146)	(15,475)	(15,700)	
Total Unliquidated Obligations	(3,228)	(54)	(5,425)	(558,730)	(567,438)	
<b>Commitments</b>						
Education Awards	-	-	-	-	-	
Interest Forbearance	-	-	-	-	-	
Total Commitments	-	-	-	-	-	
Funds Available for Obligation	1,866	2	3,855	308,647	314,370	

### **Enrollment Activity**

Table 7 presents cumulative data to date on Trust enrollments, education awards earned and used for Program Years 1994 through 2020 as well as Recovery Act positions.

Table 7

## Trust Enrollment Activity - Program Years 1994 through September 1, 2020-

Program Year	Type	Members Enrolled	Members		Earned an Award	Did Not Earn	Amount Earned	Amount Used
			Earning or Not Exited	Earned an Award				
<b>1994 through 2010</b>	Full Time	443,699	8	358,134	85,557	1,674,334,156	1,360,585,096	
	Part-time	178,633	5	120,742	57,886	278,629,598	199,651,424	
	Reduced Part-time	267,355	7	211,697	55,651	237,947,142	180,552,386	
<b>Total</b>		<b>889,687</b>	<b>20</b>	<b>690,573</b>	<b>199,094</b>	<b>2,190,910,896</b>	<b>1,740,788,906</b>	
<b>2011</b>	Full Time	35,764	2	31,465	4,297	170,191,819	142,178,858	
<b>2011</b>	Part-time	10,351	2	8,377	1,972	22,515,239	15,529,856	
<b>2011</b>	Reduced Part-time	33,085	1	27,116	5,968	35,393,399	25,922,503	
<b>Total</b>		<b>79,200</b>	<b>5</b>	<b>66,958</b>	<b>12,237</b>	<b>228,100,456</b>	<b>183,631,217</b>	
<b>2012</b>	Full Time	36,273	4	31,895	4,374	171,046,684	142,669,779	
<b>2012</b>	Part-time	9,577	1	7,771	1,805	21,026,223	14,433,791	
<b>2012</b>	Reduced Part-time	29,144	0	23,841	5,303	31,582,835	22,683,651	
<b>Total</b>		<b>74,994</b>	<b>5</b>	<b>63,507</b>	<b>11,482</b>	<b>223,655,742</b>	<b>179,787,221</b>	
<b>2013</b>	Full Time	37,043	4	32,239	4,800	173,380,017	140,771,074	
<b>2013</b>	Part-time	8,783	0	6,889	1,894	18,664,779	11,856,524	
<b>2013</b>	Reduced Part-time	25,315	1	20,518	4,796	27,591,639	19,110,900	
<b>Total</b>		<b>71,141</b>	<b>5</b>	<b>59,646</b>	<b>11,490</b>	<b>219,636,435</b>	<b>171,738,498</b>	
<b>2014</b>	Full Time	37,969	12	32,783	5,174	179,126,649	138,263,494	
<b>2014</b>	Part-time	8,662	0	6,746	1,916	18,555,164	10,732,577	
<b>2014</b>	Reduced Part-time	24,018	3	19,380	4,635	26,423,117	17,393,683	
<b>Total</b>		<b>70,649</b>	<b>15</b>	<b>58,909</b>	<b>11,725</b>	<b>224,104,929</b>	<b>166,389,754</b>	
<b>2015</b>	Full Time	37,187	21	31,597	5,569	174,748,479	126,937,918	
<b>2015</b>	Part-time	9,173	5	7,146	2,022	19,879,307	10,866,962	
<b>2015</b>	Reduced Part-time	22,587	1	18,533	4,053	25,654,244	16,162,693	
<b>Total</b>		<b>68,947</b>	<b>27</b>	<b>57,276</b>	<b>11,644</b>	<b>220,282,030</b>	<b>153,967,573</b>	
<b>2016</b>	Full Time	35,513	57	29,743	5,713	165,632,923	109,886,098	
<b>2016</b>	Part-time	9,577	10	7,381	2,186	20,687,282	10,244,737	
<b>2016</b>	Reduced Part-time	24,498	20	20,228	4,250	28,204,596	17,176,559	
<b>Total</b>		<b>69,588</b>	<b>87</b>	<b>57,352</b>	<b>12,149</b>	<b>214,524,801</b>	<b>137,307,394</b>	
<b>2017</b>	Full Time	34,108	39	28,221	5,848	157,415,075	94,231,548	
<b>2017</b>	Part-time	9,383	16	6,810	2,557	19,166,171	8,476,028	
<b>2017</b>	Reduced Part-time	24,145	65	19,877	4,203	27,977,900	15,618,042	
<b>Total</b>		<b>67,636</b>	<b>120</b>	<b>54,908</b>	<b>12,608</b>	<b>204,559,146</b>	<b>118,325,618</b>	
<b>2018</b>	Full Time	31,815	83	26,200	5,532	148,125,838	73,272,393	
<b>2018</b>	Part-time	8,314	71	6,034	2,209	17,228,310	5,572,834	

<b>2018</b>	Reduced Part-time	25,404	314	20,101	4,989	31,951,748	14,716,330
<b>Total</b>		<b>65,533</b>	<b>468</b>	<b>52,335</b>	<b>12,730</b>	<b>197,305,896</b>	<b>93,561,557</b>
<b>2019</b>	Full Time	28,984	2,073	22,729	4,182	131,773,238	37,481,318
<b>2019</b>	Part-time	0	0	0	0	0	0
<b>2019</b>	Reduced Part-time	29,996	5,531	20,627	3,838	39,023,626	8,018,334
<b>Total</b>		<b>58,980</b>	<b>7,604</b>	<b>43,356</b>	<b>8,020</b>	<b>170,796,864</b>	<b>45,499,652</b>
<b>Program Year</b>	<b>Type</b>	<b>Members Enrolled</b>	<b>Members Earning or Not Exited</b>	<b>Earned an Award</b>	<b>Did Not Earn</b>	<b>Amount Earned</b>	<b>Amount Used</b>
2020	Full Time	22,590	21,265	445	880	2,630,594	291,466
2020	Part-time	0	0	0	0	0	0
2020	Reduced Part-time	0	0	0	0	0	0
2020	Affiliate	0	0	0	0	0	0
<b>Total</b>		<b>22,590</b>	<b>21,265</b>	<b>445</b>	<b>880</b>	<b>2,630,594</b>	<b>291,466</b>
<b>Cumulative to Date</b>		<b>1,538,945</b>	<b>29,621</b>	<b>1,205,265</b>	<b>304,059</b>	<b>4,096,507,790</b>	<b>2,991,288,857</b>

