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U. of Michigan 'Flexibilities' Audit Questions Some Costs

The National Science Foundation Office of Inspector General (OIG) has completed its 10th audit of a university's use of administrative flexibilities in spending NSF awards as offered by the Office of Management and Budget and again found no problems or "exceptions." However, like some of the others, auditors questioned costs unrelated to flexibilities granted during the pandemic. In conducting an audit of the University of Michigan (UM), dated Aug. 2, OIG tested 39 transactions totaling \$1,006,989, "and identified four examples in which UM used the COVID-19 flexibilities," which affected just \$36,896.

Of this amount, \$30,053 was for "equipment, materials, and supplies that UM has not yet used to benefit the award, as the Principal Investigator's (PI's) laboratory remained closed as of the completion of our audit fieldwork"; \$2,686 was for "airfare expenses purchased to enable student researchers to return home earlier than anticipated due to COVID-19"; there was "2,830 in airfare expenses associated with a cancelled flight"; and \$1,327 in hotel expenses associated with a cancelled trip." As OIG explained, "these expenses are not typically allowable on NSF awards" but were okayed "because these costs relate to the cancellation of events and other activities necessary and reasonable for the performance of these awards." OIG recommended that UM improve its oversight of travel credits. It also questioned a total of \$11,499 for "unallowable rebudgeted participant support cost funding." OIG did not find misspending but said UM did not seek NSF approval for the rebudgeting. UM agreed to make repayment of this amount.

[Link to audit](#)

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