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NSF Allows Nearly Half of Costs OIG Questioned in U. of Delaware Audit

Three years after auditors for the National Science Foundation (NSF) Office of Inspector General (OIG) issued a report of the University of Delaware (UD) questioning \$426,667 in costs, NSF has resolved the findings, mostly in favor of UD. The audit covered Dec. 1, 2013, to Nov. 30, 2016, and encompassed more than \$1.8 million of the \$82 million in costs. In a three-page letter to UD dated May 12, NSF agreed with \$258,467 of the questioned costs, but in a somewhat unusual move, said that “based on alternative documentation reviewed and accepted during resolution, NSF will require repayment of only \$214,027.” As part of its initial response to the audit, UD had agreed to repay \$170,287 but disputed the balance.

The largest category of costs auditors questioned is \$233,075 for what they called unsupported costs. Of this amount, NSF allowed \$185,685, due to “consideration of circumstances and alternative documentation.” In the category of equipment purchases at the end of an award or that provided no benefit to an award, “NSF’s management decision [is] to sustain and disallow \$26,177 and to allow \$99,281.” It provided no specifics on its reasoning. Regarding unallowable or unreasonable travel, NSF agreed that \$23,277 should be repaid, but again referring to “circumstances and alternative documentation,” said it was allowing \$21,192. NSF also said UD has not adequately addressed three “compliance and internal control recommendations.” NSF is requiring UD to provide “corrective actions and updated policies in response to the recommendations” within 30 days of the letter. Strengthening administrative and management controls over the use of credit cards, equipment and related purchases near the end of awards and revising travel policies and procedures are among the recommendations.

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