

Report on Research Compliance Volume 19, Number 8. July 28, 2022 In This Month's E-News: August 2022

By Theresa Defino

◆ **An audit of San Francisco State University (SFSU) by the National Science Foundation (NSF) Office of Inspector General (OIG) that tested more than \$1.9 million of \$13.8 million in costs claimed on 35 awards as of Sept. 2, 2021, found just \$260 of unallowable expenses.** “We judgmentally selected 50 transactions,” the auditors explained. The largest category of expenses was equipment (\$1,162,603), followed by subawards (\$379,916), salaries and wages (\$122,259), other direct costs (\$80,990), materials and supplies (\$55,675) and travel (\$34,498). The sole unallowable expenditure was part of one award. “In March 2017, SFSU charged NSF Award No. [redacted] for \$260 in expenses that a traveler claimed for a cancelled flight. However, because SFSU had purchased travel insurance for the flight, it should have requested a refund for this expense. Because SFSU elected to purchase a new flight rather than reschedule and/or claim reimbursement for the cancelled flight, the cost of the cancelled airfare is unallowable,” the auditors said. In its response to the draft audit OIG shared with SFSU, SFSU agreed to make repayment for these costs.

In addition, auditors “identified three compliance-related findings for which there were no questioned costs: non-compliance with NSF terms and conditions, non-compliance with SFSU policies, and insufficient controls related to the application of indirect cost rates.” The report also identifies an “area for improvement for SFSU to consider related to timeliness of effort certification,” as auditors found five awards for which effort was certified from 165 to 1,668 days after the period of performance ended. SFSU agreed to update its indirect cost rates. The report did not include any response from SFSU related to the effort reporting recommendations. (7/21/22)

◆ **In fiscal year (FY) 2021, NIH funded 1,513 new early stage investigators (ESIs) on R01-equivalent awards, Michael Lauer, director of the Office of Extramural Research, announced July 18.** “This new all-time high level of support for ESIs represents a 7.2% increase over FY 2020. As there were 5,410 total applicants, this represents a funding rate of 28.0%,” Lauer wrote on his *OpenMike* blog. This follows FY 2020’s total of 1,412 ESIs, which at the time represented an “all time high,” he said.

Other data showed early stage males had a higher funding rate (28.6%) than females (27.7%). Asians had the highest discussion and funding rates (62% and 28.8%), followed by white investigators who had the same discussion rate and a funding rate of 28.2%. Discussion and funding rates were lowest for Black or African American investigators (46.8% and 23.2%, respectively). Data also show the rate of funding to at-risk investigators—defined as those who have a prior award but have no award after the first one expires—fell. In FY 2021, NIH funded 2,026 of these investigators, compared to 2,108 in FY 2020. “The funding rate for this group also fell to 25.4%, compared to 27.0% last fiscal year. That said, it is important to note though that there have been more At-Risk applicants and awardees in FY 2021 compared to when we first started following this group in FY 2016,” Lauer said. (7/21/22)

◆ **Although the nomination was received June 22, the Senate Commerce, Science, and Transportation Committee has not yet scheduled a hearing on Arati Prabhakar to be the next director of the White House Office of Science and Technology Policy (OSTP).** The post requires Senate confirmation. In his June 21 announcement, President Joe Biden called Prabhakar a “brilliant and highly-respected engineer and applied physicist.” The announcement noted she “has been unanimously confirmed by the Senate before, to lead the National Institute of Standards and

Technology (NIST), and was the first woman to hold that role. She later served as director of the Defense Advanced Research Projects Agency (DARPA).”

The position comes with other related roles: Prabhakar would also serve assistant to the president’s chief advisory for science and technology, co-chair of the President’s Council of Advisors on Science and Technology, and be a member of the President’s Cabinet. Eric Lander, the previous OSTP director, resigned Feb. 16 following a bullying scandal. OSTP is important to research universities as it is currently involved in implementing a national security memorandum designed to protect the research enterprise from undue foreign influences, amid fears of lack of harmonization and overreach. (7/14/22)

◆ **Following an audit that tested more than \$1.5 million of \$25.9 million of costs claimed to NSF by West Virginia University Research Corporation (WVURC) from Sep. 1, 2017, to Aug. 31, 2020, “auditors questioned a total of \$43,156 of direct and indirect costs claimed by WVURC during the audit period,” according to a report issued by OIG dated July 5.** The largest category of questioned costs was \$23,018 in unallocable and unreasonable expenses, which were for five transactions charged to four awards, consisting of a \$10,650, liquid helium recovery system, \$7,800 in publication fees, \$4,256 in travel (the destination is redacted) and \$235 for AirPods. Auditors said the helium charges should have been made across several awards. The publication fee charges were “an error,” and the travel was misassigned to an award that had not been transferred to WVURC. In taking aim at the AirPods, the report said they “were useful for listening to webinars, the knowledge of which was utilized in the NSF project. However, the AirPods were not used exclusively on the NSF award. Per WVURC, they were used for general work to conduct online meetings and listen to webinars on various devices.”

The second largest category of questioned costs was \$17,335, which included two computers, an iPad, supplies, stock room charges and conference registration, all of which were expended near or after an award expiration. For example, the iPad was purchased seven days after expiration, and one computer was acquired with 32 days left on the award, while conference registration was expended 103 days after award expiration. WVURC agreed with all the findings and promised to make repayment. (7/14/22)

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