

Report on Research Compliance Volume 18, Number 2. January 20, 2021

In This Month's E-News: February 2021

By Theresa Defino

◆ A National Science Foundation (NSF) Office of Inspector General (OIG) audit of five Established Program to Stimulate Competitive Research (EPSCoR) awards to the University of Kansas Center for Research (KUCR) questioned \$1,550,054 in direct and indirect costs. The largest amount, \$625,532, stemmed from what auditors called “inappropriately retained indirect costs.” KUCR’s charges to NSF “exceeded costs paid to its subrecipients,” auditors said in the Jan. 7 report. Subrecipients, under a 2016 agreement, “billed KUCR for indirect costs on EPSCoR awards at rates that were 8 percentage points lower than their formal negotiated indirect cost rates. KUCR paid subrecipients at the lower rates, but it charged the EPSCoR awards for allowable indirect costs at the full, negotiated indirect cost rates and retained the remainder.” Auditors said NSF was not aware of this arrangement. “KUCR agreed to end the practice,” according to the report, but disagreed that its actions led to overcharges.

Another \$569,477 that auditors questioned was for “unsupported subaward expenses to two EPSCoR awards” for “salary, fringe, material, supplies, and travel costs claimed by Haskell Indian Nations University.” KUCR agreed to repay only \$2,322 of these questioned costs. The third largest category of costs was \$328,494 of unsupported cost share amounts, of which \$273,030 was for expenditures that auditors said lacked documentation. Overall, KUCR did not agree to repay \$874,544 of the \$1,550,054. NSF will determine the final resolution of the audit findings. (1/14/21)

This document is only available to subscribers. Please log in or purchase access.

[Purchase Login](#)