

# NSF OIG: Promising Practices for Award Management

Office of Sponsored Programs



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# Presenters

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# Poll Question

*Have you ever been involved with a federal audit of a sponsored project?*

- Yes
- No



## Promising Practices for NSF Award Management

REPORT PREPARED BY COTTON & COMPANY LLP

NATIONAL SCIENCE FOUNDATION  
OFFICE OF INSPECTOR GENERAL

January 21, 2022  
OIG 22-6-002



[Link to Full Report](#)

# NSF Promising Practices Report

- Report compiled results of NSF OIG Audits across 18 prominent universities\*
- Suggestions of activities and internal controls to improve stewardship of federal funds – *also applicable to other sponsors*
- Emphasis on a “strong award management environment” aka **internal controls**

*\*UNC was not included in the report as UNC’s NSF OIG Audit is currently in resolution phase*



# Most Common Findings



**Unallowable Expenses** (94% of audited institutions had this finding)

Identifying unallowable expenses at closeout is not sufficient



**Inadequately Supported Expenses** (67%)

Did not maintain sufficient, appropriate evidence to support allowability of costs



**Inappropriately Allocated Expenses** (55%)

Inappropriate allocation of costs; lack of support or allocation methodology



**Non-Compliance with Policies and Procedures** (50%)

Did not comply with institutional policies; did not document compliance

**HIGH-RISK areas** - travel | participant support costs | supplies | equipment



# Travel

- Charged project for upgraded airfare or personal travel without removing additional cost
- Must provide documentation **from time of purchase** showing cost of equivalent economy-class ticket
  - *Airfare costs at a later date cannot be used as support*
- If travel is both business and personal, documentation is required **from time of purchase** showing that the personal travel costs did not increase total costs above what would have been necessary for business travel
- Documentation must demonstrate that **travel directly benefits the award(s) charged**



## Purchases Near Grant Expiration

- ***Common Findings:*** Award recipients charged NSF for materials and supplies and equipment purchased near an award's expiration date when the award recipients had little to no time to use the purchases to benefit the awards.

## Award Period of Performance

- Items received near the end or after the award end date are unallowable
- Allowable items purchased near the end of the award require justification
- It doesn't matter if expenses benefit the continued work of the project
  - *If necessary - work with OSP on sponsor approval/NCE*



# Allocation

- Documentation must be maintained to support that costs were appropriately allocated based on relative benefits received
- If a cost is charged to multiple projects, both the **justification** and **allocation method** must be documented

<b>INADEQUATE JUSTIFICATION</b>	<b>SUFFICIENT JUSTIFICATION</b>
“The PI wanted this expense split 70/30 between these two projects”	“Based on attached estimated usage rates, the microscope is used to directly benefit work on projects A and B for 70% and 30% of its total use, respectively. No other projects or activities use this item.”





## Publications That Did Not Reference Federal Awards

- **Common Findings:** Award recipients charged NSF for costs incurred to publish articles and research papers that did not recognize the NSF award(s) charged.

## Publication Costs

- If publication costs are charged to an award, that award should be referenced in the publication.
- High burden and low success rate debating with auditors how a specific paper relates to an award if the award isn't recognized.



## Payments Made to Consultants Without Consulting Agreements

- ***Common Findings:*** Award recipients charged NSF for consultant costs that could not be verified as allowable because the amounts the consultant invoiced were not supported by a consulting agreement.

## Consultants

- If a certain document is required by our policy but that document was not completed, the expense is unallowable
- If the consultant invoices amounts different from the consulting agreement, the expense is unallowable.
- Consulting agreements must be in place **prior** to consultant begins work.



# Questions?

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