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OIG: Awardee Use of OMB Flexibilities Hampered by Lack of Federal Guidance

With the completion of its 10 reviews of universities' implementation of COVID-19 administrative flexibilities granted by the Office of Management and Budget last year, the National Science Foundation (NSF) Office of Inspector General (OIG) has issued a "capstone" report on its findings. The picture it paints is of the flexibilities providing some level of assistance but also of award recipients not making full opportunity of them, sometimes out of fear born of less-than-ideal implementation across the federal government. "Because OMB required federal agencies to issue their own guidance regarding whether and how recipients should implement the COVID-19 flexibilities, recipients did not believe they had access to sufficient, timely guidance that would allow them to ensure they were able to appropriately implement the flexibilities granted by each agency," the Aug. 3 report said. "Further, because federal agencies were not always timely in publishing comprehensive agency-specific guidance, many recipients were unable to implement the flexibilities and/or relied on guidance published by non-regulatory bodies."

The reviewed universities "were generally prudent in their stewardship of federal resources" and "generally complied with relevant guidance," the report said. Awardees "might have been less hesitant to use the flexibilities if the guidance had been clearer and reduced opportunities for inconsistent interpretation," auditors added. OIG also said that "recipients could have more effectively monitored federal spending during the pandemic if federal agencies had required recipients to formally track the use of implemented flexibilities as well as flexibility-related spending," and recommended that such monitoring be required if similar flexibilities are granted in the future. Among the 13 flexibilities, "allowability of salaries and other project activities" was used by all 10 universities; in contrast, just three had extended closeouts. The report does not mention that in some of the 10 reviews, auditors found unrelated questioned costs they said were unallowable and recommended NSF require repayment.

[Link to capstone report](#)

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