

Report on Research Compliance Volume 17, Number 12. November 19, 2020

Recent NSF Audit Resolutions Show Concerns Over Tuition, Speaker Fees

By Theresa Defino

In three recently released resolutions of audits conducted by its Office of Inspector General (OIG), the National Science Foundation (NSF) has required three universities to pay back a total of \$167,863, based in large measure on the concurrence of the awardees.

The resolutions close audits that in some cases go back to expenditures made six years ago, in the University of Cincinnati's case, but UC was also the most successful in defending what it said were appropriate allocations for stipends and tuition assistance.^[1] Of the three, it has to pay back the smallest amount—\$3,018.

The other resolutions concern the University of Connecticut (UConn)^[2] and Johns Hopkins University,^[3] which will have to repay \$73,797 and \$91,048, respectively. NSF posted all three on Oct. 29.

This article examines the UC and UConn audits and resolutions; a future issue will dive into Hopkins'.

UC Prevailed on Questioned Tuition

All audits and resolutions are worthy of scrutiny by postaward officials to glean insights into both what auditors are flagging but also, importantly, whether the findings are later sustained or dismissed by NSF. Moreover, these are also of interest to preaward specialists who help develop budgets for investigators. Close review of audits and resolutions can provide guidance on allowability and a template for an institution to challenge an OIG finding, should it face one that NSF has already dismissed.

UC's audit was issued June 3, 2019. ^[4] OIG questioned \$15,508 in stipend and tuition assistance and \$3,018 in travel costs it said were "incurred outside of the period of performance." Auditors "tested \$935,601 of the approximately \$33 million of costs claimed to NSF" on awards expended from Aug. 1, 2014, to July 31, 2017.

In questioning the tuition assistance, auditors explained that "UC allocated a total of \$15,508 (tuition of \$6,000, plus \$9,508 of stipend) for Graduate Research Fellowship Program (GRFP) costs to NSF Award No. [redacted], which expired on November 30, 2015." Then, according to the auditors, on March 31, 2016, UC moved the expenses to a new award with a different number.

But in a lengthy explanation included in the audit that UC submitted in response to draft findings, UC maintained that the "two awards are a continuation of the same project" and noted that a GRFP analyst deemed the costs "allowable" and "authorized" when reviewing a draft of the audit findings.

"At the time of the graduate student's appointment, the university was not aware that the NSF would issue a new award number for the continuation, which at that time was expected but had not yet been issued," UC explained. "The tuition and stipend payments were assessed against the existing award, and when the NSF issued the continuation under a new award number, it was appropriate to transfer the portion of the cost related to the period of the new award number to that account. Since the graduate student's appointment was continuous, but

the award was renewed during his appointment, we believe it was appropriate to move the expenses for his appointment when the new award segment was set up in our system. Award setup is not an instantaneous process, and such modifications sometimes must be done retroactively.”

UC concluded that, given NSF’s “approval of the student’s appointment and acceptance of his report indicating the expense provided material benefit to the award, as well as the fact that the expenses were charged according to the semesters appointed and the timing of the awards per the NSF’s own rules as confirmed by NSF officials, we do not believe it is appropriate to question this charge or find that UC lacked proper internal controls.”

NSF agreed, stating in the resolution report that it “does not sustain” the finding related to unallocable tuition and stipend. The agency said it “determined that the basis used to question the costs is not applicable and that the questioned costs were otherwise allowable costs under the NSF award.”

This document is only available to subscribers. Please [log in](#) or [purchase access](#).

[Purchase Login](#)