

PI ARTICLE: NSF Award Management

On the Resident Instruction side, the National Science Foundation (NSF) is our biggest sponsor – providing approximately 20% of our award funding. In 2022, the NSF OIG published the following report prepared by Cotton & Company LLP: <https://oig.nsf.gov/sites/default/files/reports/2022-01/22-6-002-Promising-Practices-NSF-Award-ManagementRedacted.pdf>

The report provided information on 18 performance audits of research institutions conducted by Cotton & Company on costs claimed by NSF award recipients and provides an excellent summary of issues identified and suggested controls to strengthen these areas. My reason for making this a PI Article is that it provides a very good window into issues that auditors and sponsors are seeing when they look under the hood of grants management at universities and where we need to collectively make sure we focus in terms of compliance and managing our awards.

The biggest common findings identified across these 18 audits are shown below:

Common Findings	Percentage of Audit Reports with Finding
Unallowable Expenses	94%
Inappropriately Applied Indirect Costs	83
Inadequately Supported Expenses	67
Inappropriately Allocated Expenses	55
Non-Compliance with Policies and Procedures	50

Notable findings within the categories:

- **Unallowable Expenses.** As the biggest problem area, the top 4 sub-categories they identified include:
 - Travel: unjustified upgraded airfare class, lodging, non-U.S. flag carriers, travel outside of the award period of performance, questionable meal expenses, combining business and personal travel
 - Participant Support Costs: non-participant expenses, re-budgeting without NSF approval
 - Salary and Wages: effort not appropriately certified, salary expenses inconsistent with certified effort
 - Materials and Supplies: purchases after the grant end date
- **Inappropriately Applied Indirect Costs:** Top 2 (Application using the incorrect rates, application to an incorrect base)
- **Inadequately Supported Expenses:** Top 2 (Costs Claimed in ACM\$, Internal Service Providers)
- **Inappropriately Allocated Expenses:** Top 2 (Travel, Materials and Supplies)
- **Non-Compliance with Policies and Procedures:** Top 2 (non-compliance with award recipient policies – essentially, not following own policies), non-compliance with NSF program-specific policies)

The outcomes here speak to why compliance is so important. I strongly encourage PIs and research administrators centrally and out in the units to read this report and be proactive in preventing these issues from occurring at Georgia Tech.

If you have any questions, please contact Josh Rosenberg at josh.rosenberg@business.gatech.edu.