# CLOSEOUT MEMORANDUM

Case Number: A03110063

This grant[1] was selected as part of our proactive review of FY 2001 awards for conferences, workshop, and symposia to assess compliance with applicable laws, regulations, and award conditions. As part of this review, we requested documents from the grantee describing how it dispensed program income, if any was generated. We concluded there was no program income, but several charges appeared questionable. We closed the initial file[2] and opened this case to question those charges, which included a possible indication of reallocation of Participant Support without NSF approval, a charge for a banquet (a possible social event), a charge for mugs given to the conference attendees, and a No-Cost Extension (NCE) that may have been exercised for the purpose of spending out the grant. We wrote the grantee and asked for explanations and supporting documentation.

The Director of Audit & Management Advisory Services[3] provided the requested information. She explained the banquet was a working event and part of the conference. She noted the mugs were in the original proposal budget, which was approved, but, nonetheless, agreed they were not a direct benefit to the workshop. There were no reallocated funds—participant support was indeed spent on participants. She explained the NCE expenses and that they were actually planned to occur after the workshop (they were technical services for creating a web page and reports).

Since the grant was closed, the grantee planned to reimburse NSF $400 for the mugs by putting the funds into another NSF grant, and ensuring it was an allowable cost. We agreed and requested documentation showing it had done so. The grantee provided documentation about the transfer of funds from the closed account into another NSF grant[4] where the funds paid a site licensing fee. Software licensing costs is an approved line item on the this grant's budget. Accordingly, this case is _closed._

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