



NATIONAL SCIENCE FOUNDATION  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS

## CLOSEOUT MEMORANDUM

Case Number: A03120079

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We reviewed 71 grants selected by a random sampling procedure from NSF Fiscal Year 2001 awards for conferences, workshops and symposia. As part of the review, we requested grant financial records from each grantee. Where those records indicated possible abuse or were not sufficient for our analysis, we opened inquiries to resolve those issues.

In this instance, our review of the grantee's<sup>1</sup> records showed that participant support fund from an NSF grant supporting a biology conference<sup>2</sup> appeared to be expended on non-participant support items, and the grantee's classification of particular charges appeared questionable. For example, a number of items appear unrelated to participant support; a boat trip was classified as lodging, supporting documentation was in a foreign language; advertising charges were classified as lodging, no documentation was provided for the expenditure of registration fees charged to the NSF award, and a number of travel reimbursements had questionable lodging, meals, and miscellaneous charges.

During the course of this investigation, the grantee provided us with additional documentation to explain some charges, reclassified other charges and reimbursed NSF for the remainder, thereby resolving the investigative issues.<sup>3</sup>

As part of our review, we inquired about the grantee's system for determining that expenses charged to the NSF award were reasonable, allowable, and allocable. The grantee told us that expenditures are reviewed and approved by the PI and a departmental administrator. The grantee's accounting department plays no role in the review of reasonableness, allowability, or allocability. Its role is limited to confirming that invoices and travel expense reports have proper signatures and that documentation is attached. It also checks to see that time sheets are properly signed and countersigned. It claims its accounting department does not have the expertise to determine appropriateness of charges to an award and said that responsibility rests with the PI and the departmental administrator.

Through discussions with OIG Audit we concluded that this system did not demonstrate an adequate separation of duties or adequate internal controls. OIG Investigations referred this issue to OIG Audit for review and possible inclusion in the audit plan.

This case is closed.

<sup>1</sup>

NSF Award [REDACTED] entitled [REDACTED]. The PI was [REDACTED], an employee of the grantee.

<sup>3</sup> The grantee reimbursed NSF [REDACTED] for duplicate non-labor expenses and duplicate travel expenses.