



NATIONAL SCIENCE FOUNDATION
OFFICE OF INSPECTOR GENERAL
OFFICE OF INVESTIGATIONS

CLOSEOUT MEMORANDUM

Case Number: A-04110069

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Our office initiated a proactive review of participant support costs to determine if these funds are being used appropriately. Participant support costs are specifically defined costs (GC-1, 7a, 7/02) and these funds cannot be reallocated to any other budget category without NSF permission. The proactive review selected awards closing between 2000 and 2003 that included at least \$70,000 in participant support costs. For each of these awards, we wrote to the grantee requesting financial information and explanatory material related to the expenditures of participant support costs.

In this case, the grantee provided our office with financial documents and explanations related to participant support expenditures under an NSF award.¹ We noted that none of the information provided by the grantee appeared to document any appropriate participant support cost expenditure. Our review of the award showed that the grantee provided a detailed "Budget Summary" to NSF of its planned use for all of its requested participant support costs. We observed that none of these planned listed uses actually qualified as appropriate participant support costs. Despite the fact that the grantee provided the NSF program officer and NSF budget office with this information prior to funding, NSF approved funding the award.

We determined that, although the budget in the award contained inappropriate expenses within the participant support cost category, the grantee provided a good faith budget that NSF approved. This case is closed and no further action will be taken.

¹ NSF proposal [REDACTED], entitled "[REDACTED]"
[REDACTED], as PI and co-PI, respectively, was awarded
to "[REDACTED]".