

Promising Practices for NSF Award Management

REPORT PREPARED BY COTTON & COMPANY LLP

NATIONAL SCIENCE FOUNDATION
OFFICE OF INSPECTOR GENERAL

Report: Promising Practices for NSF Award Management

SFS Dialog

February 16, 2022

Welcome

- Recording permission
- SFS update
- Four rules for financial questions from sponsors or auditors
 - Always tell the truth
 - Never create or alter documentation in such a fashion to suggest that it was preexisting
 - Answer only the question that was asked
 - If you don't know the answer, don't guess

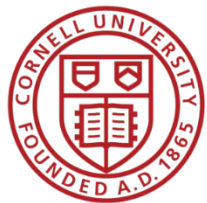
Report details

- Capstone report for 18 audits performed since 9/2018
- Identifies common findings
- Prepared by Cotton & Company, who did the underlying audits
- Issued January 21, 2022
- Available at: [OIG 22-6-002](#)

Frequency of Findings

Common Findings	% of 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%

What kinds of findings might exist at Cornell?



SUGGESTIONS FOR IMPLEMENTING A STRONG AWARD MANAGEMENT ENVIRONMENT

Monitor the allowability of high-risk expenses

- Travel
- Participant support
- Salary
- Material/supply
- Fringe benefits
- Publications
- Consultants
- Subawards

High-risk expenses: travel

- Unjustified upgraded airfare class and combined business and personal travel
 - Contemporaneous comparative quotes, proper allocation of costs
- Lodging
 - Demonstrate reasonableness, avoid no-show charges, ensure allocability
- Fly America Act
- Period of performance
- Meals
 - Double check per diem usage

High-risk expenses: participant support costs

- Ensure eligibility of benefiting participants
- Obtain prior approval for rebudgeting

High-risk expenses: salaries

- Proper certification of salaries
- Salary consistent with work on award
 - All documents (charges, progress report, current and pending support) should agree

High-risk expenses: materials and supplies

- Near term and post term purchases
 - Restocking or future projects are not acceptable justifications
- Promotional items
 - In the rare cases that they are allowable they must have specific approval

High-risk expenses: consultant services

- Inappropriately procured services
- Services outside award's period of performance

High-risk expenses: subawards

- All subs must have sponsor approval either by having been in the original proposal, or through a subsequent award amendment
 - Request in progress report is not sufficient
 - Approval by program officer is not sufficient

Controls over applying indirect cost rate

- Waivers, reductions, errors
- Use of correct base
- Must have controls to prevent overcharging
- Rate(s) in effect at the time of the award must be used
- Provisional rates require subsequent adjustment if rates are not finalized

Sufficient, appropriate documentation

- Must match cash draws (ACM\$)
- Costs billed by service facilities
- Travel
 - Make sure that documents reflect class of travel
 - Business and personal travel combination
- Salary
- Consultant
 - Need agreements

Document allocation methodology

- Required by UG
- Methodology must be reasonable
- Travel benefitting multiple projects
- Trip/traveler/collaborator identified in technical reports
- Correlation between publication costs and citations
- Proper allocation of stipend and tuition

Review and update policies and procedures

- Document compliance with policies
- Review and update procedures, both Cornell's and the sponsor's
- Follow the institution's policies, as well as those of the sponsor

Questions?

- Please enter questions in the Q&A window
- Remember, help is available for SFS
 - Contact your sponsored financial specialist by phone or email
 - Write sfs-help@cornell.edu