



NATIONAL SCIENCE FOUNDATION
Division of Institution & Award Support

2415 Eisenhower Avenue
Alexandria, VA 22314
(703) 292-8244

March 25, 2019

Elizabeth Metzger
University Controller
University of New Mexico
MSC 01 1300
Albuquerque, NM 87131

Reference: OIG Report No. 18-1-004

Dear Ms. Metzger:

The National Science Foundation (NSF) has completed the review and resolution of the Office of Inspector General (OIG) audit report on costs incurred under NSF awards by the University of New Mexico (UNM) during the period of July 1, 2013 through June 30, 2016.

The audit report identified a total of \$48,842 in questioned costs claimed on NSF awards and recommended that UNM strengthen its administrative and management controls for the areas in which findings were identified. As a result of its resolution efforts, NSF has determined that \$28,733 will be allowed and that \$20,109 will be disallowed. The table below summarizes the allowed and disallowed costs by finding number:

Finding	Description	Questioned	Disallowed	Allowed
1	Unreasonable Equipment	\$28,733	\$0	\$28,733
2	Unreasonable Transactions	\$16,775	\$16,775	\$0
3	Unreasonable Travel	\$3,334	\$3,334	\$0
Total		\$48,842	\$20,109	\$28,733

To resolve the audit findings and questioned costs, NSF conducted detailed reviews of applicable Federal and NSF requirements, proposal and award information maintained by NSF, and documentation provided by UNM. The following provides the basis for the management decisions reached by NSF:

- **Finding 1: Unreasonable Equipment**
NSF does not sustain this finding. NSF determined that the \$28,733 were allowable costs based upon review and acceptance of documentation to justify that the equipment purchases were necessary and reasonable for the completion of the corresponding awards. It is NSF's management decision to allow the questioned costs of \$28,733.

- **Finding 2: Unreasonable Transactions**

NSF sustains the finding. Based on UNM's concurrence, NSF's management decision is to disallow the questioned costs of \$16,775.

- **Finding 3: Unreasonable Travel**

NSF sustains the finding. Based on UNM's concurrence, NSF's management decision is to disallow the questioned costs of \$3,334.

NSF accepts UNM's stated corrective actions as responsive to the compliance and internal control recommendations related to the audit findings above. NSF considers all compliance and internal control recommendations resolved and closed.

Based on the above, the total disallowed amount is \$20,109, of which UNM has provided evidence of \$13,879 in repayment. **Repayment of the remaining \$6,230 may be made via www.pay.gov or check payable to the National Science Foundation.** Please reference OIG Audit Report No. 18-1-004. Any necessary adjustments to ACM\$ as a result of the repayment will be made by the NSF Division of Financial Management.

Check repayments must be addressed as follows:

National Science Foundation
Attention: NSF Cashier
2415 Eisenhower Avenue
Alexandria, VA 22314

Please be aware that UNM's right to appeal cost disallowances by NSF is outlined in Chapter XII.B of the NSF Proposal and Award Policies and Procedures Guide (PAPPG), which may be found online at: https://www.nsf.gov/publications/pub_summ.jsp?ods_key=pappg.

NSF considers all of the audit report findings and questioned costs resolved. Upon verification that repayment of the remaining \$6,230 disallowed costs has been completed, the audit report will be fully closed out by NSF.

UNM's timely responses and full cooperation with the NSF audit resolution process have been greatly appreciated. Should you have any questions regarding this letter or the NSF audit resolution process, please contact Chris Andall at 703-292-4565.

Sincerely,

Carrie Davison

Carrie Davison, Team Lead – Audit Resolution
Resolution and Advanced Monitoring Branch
Division of Institution and Award Support