Dear Mr. Doty:

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 Colorado State University (CSU) during the period of October 1, 2012 through September 30, 2015.

The audit report questioned a total of $19,365 in costs claimed under NSF awards and recommended that CSU 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 questioned costs in the amount of $3,486 will be disallowed. The table below summarizes the allowed and disallowed costs by finding number:

<table>
<thead>
<tr>
<th>Finding</th>
<th>Description</th>
<th>Questioned</th>
<th>Disallowed</th>
<th>Allowed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Unallowable costs incurred due to lack of supporting documentation</td>
<td>$10,989</td>
<td>$3,486</td>
<td>$7,503</td>
</tr>
<tr>
<td>2</td>
<td>Allocation of costs to award</td>
<td>$2,376</td>
<td>$0</td>
<td>$2,376</td>
</tr>
<tr>
<td>3</td>
<td>Transferring between awards upon expiration</td>
<td>$6,000</td>
<td>$0</td>
<td>$6,000</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>$19,365</strong></td>
<td><strong>$3,486</strong></td>
<td><strong>$15,879</strong></td>
</tr>
</tbody>
</table>

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

- **Finding 1: Unallowable costs incurred due to lack of supporting documentation**
  NSF partially sustains the finding. Based on CSU’s concurrence, NSF’s management decision is to disallow questioned costs totaling $3,486 under award 1011801. NSF determined that the
remaining questioned costs were allowable expenses under award 1011801 based on legible documentation. It is NSF’s management decision to disallow $3,486 and allow $7,503.

- **Finding 2: Allocation of costs to award**
  NSF does not sustain the finding. NSF determined that the questioned $2,376 were allowable travel expenses under Award 1157779 for a student who was self-supported at the time of the trip. It is NSF’s management decision to allow the questioned costs of $2,376.

- **Finding 3: Transferring between awards upon expiration**
  NSF does not sustain the finding. NSF determined that the questioned $6,000 were allowable pre-award costs under Award 1321845. It is NSF’s management decision to allow the questioned costs of $6,000.

NSF accepts CSU’s stated corrective actions as responsive to the compliance and internal control recommendations related to the audit findings. Therefore, all compliance and internal control recommendations are considered resolved and closed.

Based on the above, the total disallowed amount is $3,486. **Repayment of the $3,486 may be made via www.pay.gov or check payable to the National Science Foundation.** Please reference OIG Audit Report No. 19-1-003. Any necessary adjustments to ACM$ because 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, C 7000  
Alexandria, VA 22314

Please be aware that the Colorado State University’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](https://www.nsf.gov/publications/pub_summ.jsp?ods_key=pappg).

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

CSU’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 me at 703-292-4579.

Sincerely,

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