



**NATIONAL SCIENCE FOUNDATION**  
**Division of Institution & Award Support**

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

October 28, 2019

James R. Maples  
Treasurer  
University of Tennessee Knoxville  
711C Andy Holt Tower  
1331 Circle Park Drive  
Knoxville, TN 37996-0174

Reference: OIG Report No. 19-1-005

Dear Mr. Maples:

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 Tennessee Knoxville (UTK) during the period of July 1, 2013 through June 30, 2016.

The audit report questioned a total of \$34,094 in costs claimed under NSF awards and recommended that UTK strengthen its administrative and management controls for the areas in which findings were identified. Based on UTK's agreement with the findings and questioned costs identified in the audit report, NSF's management decision is to disallow all questioned costs in the amount of \$34,094. The table below summarizes the disallowed costs by finding number:

Finding	Description	Questioned	Allowed	Disallowed
1	Charges Not Fully Supporting the Award During the Award Period	\$14,282	\$0	\$14,282
2	Unallowable Costs and Service Awards	\$11,528	\$0	\$11,528
3	Late Charges to Award	\$6,675	\$0	\$6,675
4	Unallowable Cost Transfer	\$1,609	\$0	\$1,609
	<b>Total</b>	<b>\$34,094</b>	<b>\$0</b>	<b>\$34,094</b>

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

Based on the above, the total disallowed amount is \$34,094, of which UTK has provided evidence of \$745 in repayment. **Repayment of the remaining \$33,349 may be made via [www.pay.gov](http://www.pay.gov) or check payable to the National Science Foundation.** Please reference OIG Audit Report No. 19-1-005. 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 University of Tennessee Knoxville'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.

University of Tennessee Knoxville'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