



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

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

February 7, 2020

Nicole Pilman  
Director of Sponsored Financial Reporting  
University of Minnesota  
200 Oak Street Southeast, Suite 450  
Minneapolis, MN 55455-2003

Reference: OIG Report No. 19-1-006

Dear Ms. Pilman:

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 Minnesota (UMN) during the period of March 1, 2014 through February 28, 2017.

The audit report questioned a total of \$73,260 in costs claimed under NSF awards and recommended that UMN strengthen its administrative and management controls for the areas in which findings were identified. Based on UMN'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 \$73,260. The table below summarizes the disallowed costs by finding number:

Finding	Description	Questioned	Disallowed	Allowed
1	Unallocable and/or Unreasonable Expenses Charged against Expired Awards	\$65,973	\$65,975	\$0
2	Unsupported Expenses	\$6,995	\$6,995	\$0
3	Unallowable Expense Charges	\$292	\$292	\$0
	<b>Total</b>	<b>\$73,260</b>	<b>\$73,260</b>	<b>\$0</b>

UMN has provided NSF evidence of \$5,442 in repayment. **Repayment of the remaining \$67,818 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. 19-1-006. 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 UMN'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 accepts UMN's stated corrective actions as responsive to the compliance and internal control recommendations related to the audit findings and 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.

UMN'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