



NATIONAL SCIENCE FOUNDATION
Division of Institution & Award Support

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December 23, 2019

Patty Leslie
Chief Financial Officer
University Corporation for Atmospheric Research
P.O. Box 3000
Boulder, CO 80307-3000

Reference: OIG Report No. 19-1-009

Dear Ms. Leslie:

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 Corporation for Atmospheric Research (UCAR) during the period of April 1, 2012 through March 31, 2015.

The audit report questioned a total of \$171,804 in costs claimed under NSF awards and recommended that UCAR strengthen its administrative and management controls for the areas in which findings were identified. Based on UCAR'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 \$171,804. The table below summarizes the disallowed costs by funding number:

Finding	Description	Questioned	Disallowed	Allowed
1	Unreasonable Payroll Transfers	\$94,559	\$94,559	\$0
2	Unreasonable Travel	\$22,048	\$22,048	\$0
3	Unallowable Indirect Costs	\$22,650	\$22,650	\$0
4	Unreasonable Legal Fees	\$18,902	\$18,902	\$0
5	Unallocable Retroactive Salary Adjustments	\$9,032	\$9,032	\$0
6	Underspend Participant Support	\$4,613	\$4,613	\$0
Total		\$171,804	\$171,804	\$0

NSF accepts UCAR'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.

Please be aware that UCAR'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.

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UCAR has provided evidence of repayment for the disallowed amount of \$171,804. Therefore, NSF considers all audit report findings and questioned costs resolved and closed.

UCAR'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 Carrie Davison at 703-292-4579.

Sincerely,

Carrie Davison

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