



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

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

September 19, 2019

Jeffrey Friedland  
Associate Vice President for Research  
Administration  
University of Delaware  
210-A Hulliher Hall  
Newark, DE 19716-1551

Reference: OIG Report No. 19-6-002

Dear Mr. Friedland:

The National Science Foundation (NSF) has completed the review and resolution of the NSF Office of Inspector General (NSF OIG) Alert Memo on the University of Delaware's EPSCoR award 1301765 dated July 16, 2019.

The alert memo states that accounting records were not maintained for \$166,336 in costs that were charged to NSF award 1301765. The University explained/responded that the cause of the variance was a coding error that was subsequently corrected during the implementation of an accounting system upgrade in May 2018. Because of the condition cited in the alert memo, the University conducted a broader review of NSF awards and identified additional misapplied funds totaling \$323,984 under direct awards and \$10,626 under pass-through awards.

Based on the above, NSF disallows the \$490,320 of total mischarges identified. However, NSF accepts the University's agreement to repay the disallowed amount and corrective actions as responsive to the NSF OIG compliance and internal control recommendation.

The University has provided NSF evidence that \$244,901 has been repaid. **Repayment of the remaining \$245,419 may be made via check payable to the National Science Foundation.** Please be sure reference NSF OIG Report No. 19-6-002. 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 Delaware'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 alert memo findings and questioned costs resolved. Upon verification that repayment of all disallowed costs has been completed, the alert memo will be fully closed out by NSF.

The University's timely responses and cooperation with the NSF audit resolution process are 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