August 26, 2022

Diana Hulme, Associate Vice President for Research
Brent Ewers, Director of EPSCoR
University of Wyoming
1000 E. University Avenue, Department 3355,
Room 305/308 Old Main
Laramie, WY 82071

Reference: OIG Report No. 21-1-003

Dear Ms. Hulme and Mr. Ewers,

The National Science Foundation (NSF) has completed the review and resolution of the Office of Inspector General (OIG) audit report, dated January 13, 2021, on costs incurred for two Established Programs to Stimulate Competitive Research (EPSCoR) awards to the University of Wyoming (UW).

The audit report identified a total of $256,351 in questioned costs claimed on NSF awards. The audit report identified instances of noncompliance with certain Federal regulations, NSF policies, and award terms and conditions in UW’s administration of both EPSCoR Awards for Open Track-1 Award No. 1655726, and Closed Track-1 Award No. 1208909. NSF determined that questioned costs of $256,351 will be disallowed.

The table below summarizes the allowed and disallowed costs by finding number:

<table>
<thead>
<tr>
<th>Finding</th>
<th>Audit Report Description</th>
<th>Questioned Costs</th>
<th>Disallowed</th>
<th>Allowed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Unsupported Cost Share Transfer</td>
<td>$90,000</td>
<td>$90,000</td>
<td>$0</td>
</tr>
<tr>
<td>2</td>
<td>Unsupported and Unallowable Promotional Costs</td>
<td>$7,908</td>
<td>$7,908</td>
<td>$0</td>
</tr>
<tr>
<td>3</td>
<td>Unallowable SRAP Activity Expenses</td>
<td>$15,207</td>
<td>$15,207</td>
<td>$0</td>
</tr>
<tr>
<td>4</td>
<td>Unallowable Indirect Costs Charged</td>
<td>$24,773</td>
<td>$24,773</td>
<td>$0</td>
</tr>
<tr>
<td>5</td>
<td>Unallowable Meal Expenses</td>
<td>$864</td>
<td>$864</td>
<td>$0</td>
</tr>
<tr>
<td>6</td>
<td>Unsupported Sub-Award Expenses</td>
<td>$117,599</td>
<td>$117,599</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$256,351</strong></td>
<td><strong>$256,351</strong></td>
<td><strong>$0</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 NSF, and documentation provided by UW. The following provides the basis for the management decisions reached by NSF:

- **FINDING 1: Unsupported Cost Share Transfer**
  NSF sustains the finding. UW concurred with NSF’s management decision to disallow the questioned costs of $90,000. NSF has determined that the corrective actions taken by the University are responsive to improve compliance and internal recommendation to strengthen controls over approvals for awards with cost share.

- **FINDING 2: Unsupported and Unallowable Promotional Expenses**
  NSF sustains the finding. UW concurred with NSF’s management decision to disallow questioned costs of $7,908. NSF has determined that the corrective actions taken by the University are responsive to compliance and internal recommendation(s) to strengthen procurement card policies and procedures.

- **FINDING 3: Unallowable Entertainment Expenses**
  NSF sustains the finding. UW agreed to repay indirect costs of $4,150, charged to participant support costs. However, the University did not concur with $11,057 in questioned costs charged to its EPSCoR awards for the Summer Research Apprentice Program (SRAP). Federal regulations applicable to these awards states that the costs of entertainment are unallowable, except where specific costs that might otherwise be considered entertainment have a programmatic purpose, and are authorized, either in the approved budget for the federal award or with prior written approval. NSF considered UW’s SRAP program collateral and schedule of activities, which included weekend activities for students. However, UW did not provide documentation that it had provided justification linking the programmatic purpose and benefit of the entertainment costs to specific award objectives. Entertainment costs that have a programmatic purpose for specific award objectives should be identified in the proposal budget justification; this allows NSF to review and concur that the costs are necessary and allocable to the performance of the award. If a need for such activities is identified after the award is funded, written justification, explaining the purpose and benefit of the entertainment costs to programmatic purposes and award objectives must be approved by NSF. It is therefore NSF’s management decision to disallow questioned costs of $15,027.

- **FINDING 4: Unallowable Indirect Costs Charged**
  NSF sustains the finding. Based on UW’s concurrence, NSF’s management decision is to disallow the questioned costs of $24,773 charged in indirect costs for Participant Support Costs (PSCs) for the University’s Summer Research Apprentice Program (SRAP). NSF has determined that the corrective actions taken by the University are responsive to compliance and internal recommendation(s) to segregate participant support costs.

- **FINDING 5: Unallowable Meal Expenses**
  NSF sustains the finding. Based on UW’s concurrence, NSF’s management decision is to disallow the questioned costs of $864 in unallowable meal costs charged for UW’s Summer Research Apprentice Program (SRAP) participants. NSF has determined that the corrective actions taken by the
University are responsive to the compliance and internal recommendation(s) to provide updated administrative and management controls and processes that describe the allowability and reasonableness of meal costs.

- **FINDING 6: Unsupported Subrecipient Expenses**  
  NSF sustains the finding. Based on UW’s concurrence, NSF’s management decision is to disallow the questioned costs of $117,599. NSF determined that UW’s action to cease funding the subrecipient and repay questioned costs as responsive to compliance and internal recommendation(s) in the audit report.

  The total disallowed amount is $256,351, of which the University of Wyoming has provided evidence of $90,000 in repayment. Repayment of the remaining $166,351 may be made via [www.pay.gov](http://www.pay.gov) or check payable to the National Science Foundation. Please reference OIG Audit Report No. 21-1-003. Any necessary adjustments to ACM$ 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 Suite C 7027  
  2415 Eisenhower Avenue,  
  Alexandria, VA 22314

  Please be aware that University of Wyoming’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).

  Based on the above, NSF considers all findings and questioned costs resolved. Upon verification that repayment of the remaining $166,351 in disallowed costs has been completed, the audit report will be fully closed out by NSF.

  UW’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 Charlotte Grant-Cobb, Lead Analyst at 703-292-7827.

  Sincerely,

  **Rochelle Ray**  
  Branch Chief,  
  Resolution and Advanced Monitoring Branch  
  Division of Institution and Award Support