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CLOSEOUT MEMORANDUM

Case Number: A03120076

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This case was opened to investigate several issues that arose regarding an award¹ as part of a proactive review of conference/workshop awards for compliance with program income rules. Although no program income appears to have been earned, a review of the awardee's supporting documentation raised issues regarding cost-sharing, reallocation of participant support, and a potential conflict of interests (COI) allegation involving the approving NSF program director.²

The awardee supplied documentation, including general ledger entries and receipts, supporting its satisfaction of its cost-sharing obligation. Those documents also showed: participant support funds had been inappropriately used to provide hotel accommodations for awardee's employees and non-participating spouses; a duplicative airfare charge for a participant; and the apparent reallocation of funds for non-participant support purposes.³ NSF awarded funds were classified entirely under the participant support category.

Additional information from the awardee revealed that its travel agent had reimbursed the awardee for the duplicate airfare, but the awardee had not passed the refund to the grant account. The awardee also provided email correspondence in an effort to show that it had NSF approval for the reallocation of funds; however, it became evident that the awardee had not followed through with the process and did not request the reallocation properly. Thus, the awardee did not have the requisite prior written approval from the program officer.

The awardee reimbursed the NSF grant account⁴ for the hotel charges for its employees and the participant's spouse as well as the duplicative airfare charge. After consultation with the program officer,⁵ we decided not to pursue further the awardee's failed request to reallocate participant support costs as an investigative issue. Instead that issue has been included in a referral to audit outlining several potential failures in the awardee's internal controls for managing participant support funds.

The potential COI involves the program director who approved the award and who also received participant support⁶ to attend the workshop. At the time the award was made, she was a former employee of the awardee institution. This program director left NSF soon after approving the award and was not an NSF employee at the time she attended the workshop. Because the program director is no longer an NSF employee, we are unable to pursue this administratively.

Accordingly, this case is closed.

1 [REDACTED]

2 [REDACTED]

3 video production expenses

4 [REDACTED]

5 [REDACTED] the cognizant NSF program officer for the award at the time the funds were reallocated

6 [REDACTED]