



NATIONAL SCIENCE FOUNDATION
OFFICE OF INSPECTOR GENERAL
OFFICE OF INVESTIGATIONS

CLOSEOUT MEMORANDUM

Case Number: A03120078

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We reviewed 71 grants selected by a random sampling procedure from NSF Fiscal Year 2001 awards for conferences, workshops and symposia. As part of the review, we requested grant records from each grantee. Where the records indicated possible issues, we opened inquiries to resolve the issues.

In a grant that supported proposal development workshops for prospective PIs¹, our analysis indicated certain cost-related issues, including participant support expenditures. We opened an inquiry to resolve the issues and wrote to the grantee, a small non-profit organization. Our subsequent discussions with the grantee's accountant indicated that significant participant support funds were reallocated to other cost categories without prior written approval from NSF. We also identified unallowable costs and credits that were not applied to the grant.

The grantee agreed with our analysis and refunded NSF for credits and a mischarge. The grantee also provided NSF with justification for reallocation of participant support funds and requested retroactive approval. In a strongly worded letter to the grantee, the NSF program officer approved the request but emphasized the grantee's responsibilities to adhere to grant conditions and obtain NSF approvals when required. Finally, the program officer asked that the grantee take certain steps to avoid recurrence of this issue.

Because the grantee has a number of active awards involving significant participant support funds, we have referred the matter to the Office of Audit for further review. Accordingly, this case is closed.

¹ [REDACTED]