



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

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

September 4, 2024

Susan Boucher ([sboucher@edc.org](mailto:sboucher@edc.org))  
Director, Corporate Compliance  
Educational Development Center  
300 Fifth Avenue, Suite 2010,  
Waltham, MA 02451  
Reference: OIG Report No. 22-1-008

Dear Susan Boucher

The National Science Foundation (NSF) has completed the review and resolution of the NSF Office of Inspector General (NSF OIG) audit report on costs incurred on 38 NSF awards from each award's inception date through September 2, 2021, by Educational Development Center (EDC) dated June 28, 2022.

The audit report questioned \$88,089 in costs claimed under NSF awards and recommended that EDC strengthen its administrative and management controls for the areas in which findings were identified. As a result of its resolution efforts, NSF has determined that \$88,089 will be sustained. The table below summarizes the resolution of each finding by recommendation:

Recs	Audit Report Description	Questioned	Sustained	Allowed	Disallowed	Repaid ACM\$	Repayment Due pay.gov
<b>Sustained</b>							
1.1	Unallowable Expenses	\$ 66,270	\$ 66,270	\$ 54,527	\$ 11,743		\$ 11,743
1.2	Unallowable Expenses	\$ 8,375	\$ 8,375	\$ -	\$ 8,375		\$ 8,375
<b>Finding 1 Totals</b>		<b>\$ 74,645</b>	<b>\$ 74,645</b>	<b>\$ 54,527</b>	<b>\$ 20,118</b>		<b>\$ 20,118</b>
<b>Sustained</b>							
2.1	Inappropriate ACM\$ Drawdowns	\$ 13,444	\$ 13,444	\$ -	\$ 13,444	\$ 13,444	\$ -
<b>Finding 2 Totals</b>		<b>\$ 13,444</b>	<b>\$ 13,444</b>	<b>\$ -</b>	<b>\$ 13,444</b>	<b>\$ 13,444</b>	
<b>Sustained</b>							
3.1	Non-Compliance with EDC's Travel Policy	-	-	-			

3.2	<u>Non-Compliance with EDC's Procurement Policy</u>	-	-	-			
<b>Sustained</b>							
4.1	<u>Insufficient Controls related to the application of Subrecipient Indirect Cost Rates</u>	-	-	-			
4.2	<u>Insufficient Controls related to the application of Fringe Benefit Rates</u>	-	-	-			
<b>Summary Total Questioned Costs</b>		<b>\$ 88,089</b>	<b>\$ 88,089</b>	<b>\$ 54,527</b>	<b>\$ 33,562</b>	<b>\$ 13,444</b>	<b>\$ 20,118</b>

To resolve the audit findings and questioned costs, NSF conducted detailed reviews of applicable Federal and NSF requirements, proposal and award information maintained by the Agency, and documentation provided by EDC.

Based on the above, the total disallowed amount is \$33,562. EDC has provided evidence of repayment of \$13,444. Repayment of \$20,118 must be made via [www.pay.gov](http://www.pay.gov). Please reference OIG Audit Report No. 22-1-008 in the comments section as well as on all documentation. Any necessary adjustments to ACM\$ as a result of the repayment will be made by the NSF Division of Financial Management (DFM).

**Repayment of disallowed costs must be received no later than 90 days from the date of this letter, or December 3, 2024. Failure to provide timely repayment may result in DFM initiating formal collection through the Department of Treasury, Debt Management Services.**

NSF requires that EDC provide, within 30 days of the date of this letter, a Corrective Action Plan Schedule for this report, i.e., a list of actions, tasks and target dates for completion. **Evidence of corrective action taken for all compliance and internal control recommendations should be provided to NSF no later than 90 days from the date of this letter, or December 3, 2024.**

Attached is a Summary Schedule of Allowed and Disallowed Costs, which includes the list of Compliance and Internal Control Recommendations requiring final action. Upon verification that repayment of the remaining \$20,118 of disallowed costs has been completed, and that corrective actions are responsive to the compliance and internal control recommendations in the audit report, OIG Audit Report 22-1-008 will be fully closed out by NSF.

Please be aware that EDC'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=papppg](https://www.nsf.gov/publications/pub_summ.jsp?ods_key=papppg). **An appeal must be filed within 30 days from the date of this letter, or October 4, 2024.**

EDC'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 feel free to contact [rdaniels@nsf.gov](mailto:rdaniels@nsf.gov) or Charlotte Grant-Cobb at [cgrantco@nsf.gov](mailto:cgrantco@nsf.gov).

Sincerely,

Charlotte D. Grant-Cobb, Lead Analyst  
Resolution and Advanced Monitoring Branch  
Division of Institution and Award Support

Attachment: Schedule of Allowed and Disallowed Costs and  
Compliance and Internal Control Recommendations