



NATIONAL SCIENCE FOUNDATION
Division of Institution & Award Support

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September 16, 2025

Dale Huls (dalehuls@montana.edu)
Director, Office of Sponsored Programs
Montana State University
328 Montana Hall
Boseman, MT 59717

Reference: OIG Report No. 24-1-006

Dear Dale Huls:

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 under NSF awards by Montana State University (MSU) dated January 31, 2024.

The audit report identified a total of \$119,241 in questioned costs claimed under NSF awards and recommended that MSU 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 \$78,101 will be disallowed. The table below summarizes the resolution of each finding by recommendation:

Recs	Audit Report Description	Questioned	Disallowed	Allowed	Final Action Complete
1.1	Unallowable Expenses	\$72,578	\$36,289	\$36,289	No
1.2	Unallowable Expenses	\$14,303	\$14,303	\$0	Yes
1.3	Unallowable Expenses	\$0	\$0	\$0	Yes
1.4	Unallowable Expenses	\$0	\$0	\$0	Yes
1.5	Unallowable Expenses	\$0	\$0	\$0	Yes
1.6	Unallowable Expenses	\$0	\$0	\$0	Yes
1.7	Unallowable Expenses	\$0	\$0	\$0	Yes
2.1	Inadequately Supported Expenses	\$9,702	\$4,851	\$4,851	No
2.2	Inadequately Supported Expenses	\$12,313	\$12,313	\$0	Yes
2.3	Inadequately Supported Expenses	\$0	\$0	\$0	Yes
2.4	Inadequately Supported Expenses	\$0	\$0	\$0	No

3.1	Inappropriately Allocated Expenses	\$6,439	\$6,439	\$0	Yes
3.2	Inappropriately Allocated Expenses	\$0	\$0	\$0	Yes
4.1	ACM\$ Drawdowns That Exceeded Expenses	\$3,906	\$3,906	\$0	Yes
4.2	ACM\$ Drawdowns That Exceeded Expenses	\$0	\$0	\$0	Yes
5.1	Non-Compliance with MSU Policies	\$0	\$0	\$0	Yes
5.2	Non-Compliance with MSU Policies	\$0	\$0	\$0	Yes
5.3	Non-Compliance with MSU Policies	\$0	\$0	\$0	Yes
Summary of Total Questioned Costs		\$119,241	\$78,101	\$41,140	—

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 MSU.

MSU is required to provide documentation to complete final action under Recs 1.1, 2.1, and 2.4 as summarized in the attachment to this email. **Evidence of corrective action for each recommendation must be provided to NSF no later than 90 days from the date of this letter, December 15, 2025.** All final actions will be considered complete upon NSF determination that the corrective actions implemented are responsive to the report recommendations.

Based on the above, the total disallowed amount is \$78,101. MSU has provided evidence of \$36,961 in repayments. **Repayment of the remaining \$41,140 must be made via www.pay.gov.** Please reference OIG Audit Report No. 24-1-006 in the comments section. Any necessary adjustments to ACM\$ because 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, December 15, 2025. Failure to provide timely repayment may result in DFM initiating formal collection through the Department of Treasury, Debt Management Services.**

Please be aware that MSU'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. **An appeal must be filed within 30 days of the date of this letter.**

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 diasauditresolution@nsf.gov.

Sincerely,

Shaun Minick
Acting Branch Chief
Resolution and Advanced Monitoring Branch
Division of Institution and Award Support