



NATIONAL SCIENCE FOUNDATION
Division of Institution & Award Support

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September 24, 2025

Alexandria Hui (a.hui@northeastern.edu)
Executive Director, Research Finance Operations
Northeastern University
360 Huntington Avenue, 130BV
Boston, MA 02115

Reference: OIG Report No. 25-1-005

Dear Alexandria Hui,

The National Science Foundation (NSF) has completed the review and resolution of the Office of Inspector General (NSF OIG) audit report on subaward costs incurred under NSF awards by Northeastern University (Northeastern) dated February 6, 2025.

The audit report questioned \$1,049,082 in costs claimed on NSF awards and recommended that Northeastern strengthen its administrative and management controls for the areas in which findings were identified. As a result of its resolution efforts, NSF determined that \$652,397 will be disallowed. The table below summarizes the resolution of each finding by recommendation:

Rec	Audit Report Description	Questioned	Allowed	Disallowed	Final Action Complete
1.1	Unallowable Expenses	\$421,495	\$392,545	\$28,950	No
1.2	Unallowable Expenses	\$514,630	\$0	\$514,630	Yes
1.3	Unallowable Expenses	\$0	\$0	\$0	No
1.4	Unallowable Expenses	\$0	\$0	\$0	No
1.5	Unallowable Expenses	\$0	\$0	\$0	No
1.6	Unallowable Expenses	\$0	\$0	\$0	No
2.1	Inadequately Supported Expenses	\$8,080	\$1,328	\$6,752	No
2.2	Inadequately Supported Expenses	\$96,012	\$0	\$96,012	Yes
2.3	Inadequately Supported Expenses	\$0	\$0	\$0	No
2.4	Inadequately Supported Expenses	\$0	\$0	\$0	No
3.1	Indirect Cost Rates Not Appropriately Applied	\$2,812	\$2,812	\$0	Yes
3.2	Indirect Cost Rates Not Appropriately Applied	\$6,053	\$0	\$6,053	Yes
3.3	Indirect Cost Rates Not Appropriately Applied	\$0	\$0	\$0	No
4.1	Inappropriately Allocated Salary Expense	\$0	\$0	\$0	No
5.1	Fringe Benefit Rates Not Appropriately Applied	\$0	\$0	\$0	No

Rec	Audit Report Description	Questioned	Allowed	Disallowed	Final Action Complete
6.1	Non-Compliance with Federal Financial Management Requirements	\$0	\$0	\$0	No
7.1	Non-Compliance with Institutional Policies	\$0	\$0	\$0	No
7.2	Non-Compliance with Institutional Policies	\$0	\$0	\$0	No
8.1	Non-Compliance with Subaward Terms & Conditions	\$0	\$0	\$0	No
8.2	Non-Compliance with Subaward Terms & Conditions	\$0	\$0	\$0	No
Summary of Total Questioned Costs:		\$1,049,082	\$396,685	\$652,397	

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 Northeastern.

Based on the above, the total disallowed amount is \$652,397. Northeastern has provided NSF evidence of \$616,695 in repayments. **Repayment of the remaining \$35,702 must be made via www.pay.gov.** Please reference OIG Audit Report No. 25-1-005. 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. Failure to provide timely repayment may result in DFM initiating formal collection through the Department of Treasury, Debt Management Services.**

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

Additionally, Northeastern is required to provide documentation to complete final actions under Recommendations (Recs) 1.3, 1.4, 1.5, 1.6, 2.3, 2.4, 3.3, 4.1, 5.1, 6.1, 7.1, 7.2, 8.1, and 8.2, as summarized in the attachment to the email dated September 24, 2025. **Evidence of corrective actions taken for these recommendations must be provided to NSF no later than 90 days from the date of this letter.** Final actions will be considered complete upon determinations by NSF that corrective actions taken are responsive to the report recommendations.

Northeastern'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 (703) 292-4579 or cdavison@nsf.gov.

Sincerely,

Carrie Davison
Senior Cost Analyst

Resolution and Advanced Monitoring Branch
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