



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

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May 23, 2025

Kelly McKinney ([kelly.mckinney@utdallas.edu](mailto:kelly.mckinney@utdallas.edu))  
Senior Director Sponsored Programs Administration  
The University of Texas at Dallas  
800 W. Campbell Road, AD 3.202  
Richardson, TX 75080

Reference: OIG Report No. 22-1-002

Dear Kelly McKinney,

The National Science Foundation (NSF) has completed the review and resolution of the Office of Inspector General (OIG) audit report on costs incurred under NSF awards by The University of Texas at Dallas (UTD) dated December 9, 2021.

The audit report questioned \$249,210 in questioned costs claimed on NSF awards and recommended that UTD strengthen its administrative and management controls for the areas in which findings were identified. As a result of its resolution efforts, NSF has determined to sustain \$249,210; however, based on alternative documentation reviewed and accepted during resolution, NSF will require repayment of only \$188,314. The table below summarizes the resolution of each finding by recommendation:

Recs	Audit Report Description	Questioned	Sustained	Disallowed	Allowed	Final Action Complete
1.1	Inadequately Supported Expenses	\$91,220	\$91,220	\$91,220	\$0	No
1.2	Inadequately Supported Expenses	\$551	\$551	\$551	\$0	No
1.3	Strengthen Procedures Over Creating and Retaining Documentation	\$0	\$0	\$0	\$0	Yes
2.1	Expenses Not Appropriately Allocated to NSF Awards	\$65,226	\$65,226	\$65,226	\$0	No
2.2	Expenses Not Appropriately Allocated to NSF Awards	\$5,378	\$5,378	\$5,378	\$0	No
2.3	Strengthen Controls Over Allocation of Expenses	\$0	\$0	\$0	\$0	Yes
2.4	Strengthen Controls Over Travel Allocation	\$0	\$0	\$0	\$0	Yes
3.1	NSF Approval Not Obtained Before Transferring Award	\$63,753	\$63,753	\$2,857	\$60,896	No

	Research to Other Organizations					
3.2	Strengthen Controls Over Transferring Parts of NSF-funded Research	\$0	\$0	\$0	\$0	Yes
4.1	Unallowable Expenses	\$23,082	\$23,082	\$23,082	\$0	No
4.2	Strengthen Procedures Over Booking and Approval of Travel Expenses	\$0	\$0	\$0	\$0	Yes
4.3	Establish Controls Over Participant Support Costs	\$0	\$0	\$0	\$0	Yes
4.4	Strengthen Controls Over Application of Fringe Benefits	\$0	\$0	\$0	\$0	Yes
4.5	Strengthen Procedures and Controls Over Graduate Research Fellowship Program funding	\$0	\$0	\$0	\$0	Yes
5.1	Strengthen Procedures Over Subaward Expenses	\$0	\$0	\$0	\$0	Yes
5.2	Strengthen Procedures Over Application of Risk Assessments on Subrecipients	\$0	\$0	\$0	\$0	Yes
5.3	Strengthen Procedures Over Consultant Services	\$0	\$0	\$0	\$0	Yes
5.4	Strengthen Procedures Over Travel Forms	\$0	\$0	\$0	\$0	Yes
5.5	Strengthen Procedures Over Equipment	\$0	\$0	\$0	\$0	Yes
5.6	Strengthen Procedures Over Cost Transfers	\$0	\$0	\$0	\$0	Yes
5.7	Strengthen Procedures Over Effort Certification	\$0	\$0	\$0	\$0	Yes
5.8	Strengthen Procedures Over Application of IDC Rates on Subrecipient Expenses	\$0	\$0	\$0	\$0	Yes
6.1	Insufficient Controls Related to the Application of Indirect Cost Rates	\$0	\$0	\$0	\$0	Yes
6.2	Insufficient Controls Related to the Application of Indirect Cost Rates	\$0	\$0	\$0	\$0	Yes
<b>Summary of Total Questioned Costs</b>		<b>\$249,210</b>	<b>\$249,210</b>	<b>\$188,314</b>	<b>\$60,896</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 UTD. UTD is required to provide documentation to complete final action under Recs 1.1, 1.2, 2.1, 2.2, 3.1, and 4.1, as summarized in the attachment to this email. **Evidence of corrective actions taken for Recs 1.1, 1.2, 2.1, 2.2, 3.1, and 4.1 must be provided to NSF no later than 90 days from the date of this letter.** Final actions will be considered complete upon determination by NSF that corrective actions taken are responsive to the report recommendations.

Based on the above, the total disallowed amount is \$188,314. UTD has provided evidence of \$12,524 in repayment. **Repayment of \$175,790 must be made via [www.pay.gov](http://www.pay.gov).** Please reference OIG Audit Report No. 22-1-002 in the comments section as well as on all documentation. 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. Failure to provide timely repayment may result in DFM initiating formal collection through the Department of Treasury, Debt Management Services.**

Please be aware that UTD'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](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 feel free to contact me at (703) 292-4827 or [rrey@nsf.gov](mailto:rrey@nsf.gov).

Sincerely,

Chief, Resolution and Advanced Monitoring Branch  
Division of Institution and Award Support  
(703) 292-4827