



NATIONAL SCIENCE FOUNDATION
Division of Institution & Award Support

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April 23, 2025

Mr. Tracy R. Walters (trwalte@clemson.edu)
Director, Grants and Contracts Administration
Clemson University, Division of Research
230 Kappa St.
Clemson, SC 29634-5355

Reference: OIG Report No. 21-1-007

Dear Mr. Tracy Walters,

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 Clemson University (Clemson) dated April 30, 2021.

The audit report questioned \$276,440 in costs claimed on NSF awards and recommended that Clemson 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 \$226,381 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	Inadequately Supported Expenses	\$49,814	\$0	\$49,814	Yes
1.2	Inadequately Supported Expenses	\$33,434	\$33,434	\$0	Yes
1.3	Strengthen Monitoring Procedures and Internal Control Processes for Applying Indirect Costs to Federal Awards	\$0	\$0	\$0	No
2.1	Inappropriately Allocated Expenses	\$20,471	\$20,471	\$0	No
2.2	Inappropriately Allocated Expenses	\$36,847	\$36,847	\$0	No
2.3	Strengthen Administrative and Management Controls and Processes for Allocating Expenses to Sponsored Projects	\$0	\$0	\$0	No
2.4	Encourage Principal Investigators to Identify and Report all Award-Related Travel in Annual Reports to NSF	\$0	\$0	\$0	No

2.5	Implement a Process to Ensure Review of All Travel Days and Changes	\$0	\$0	\$0	No
2.6	Provide Staff Training on Allocating Publication Costs	\$0	\$0	\$0	No
3.1	Unreasonable and Unallocable Computer Cluster Node Access Expenses	\$58,000	\$58,000	\$0	No
3.2	Assess the Fee Structure and Period Allotted for Access to the Computer Cluster Node Infrastructure	\$0	\$0	\$0	No
3.3	Strengthen the Administrative and Management Procedures and Internal Controls for Allocating Expenses to Sponsored Projects	\$0	\$0	\$0	No
4.1	Inadequately Supported Expenses	\$4,396	\$4,396	\$0	No
4.2	Inadequately Supported Expenses	\$41,224	\$41,224	\$0	Yes
4.3	Strengthen the Policies and Procedures Related to Creating and Retaining Documentation	\$0	\$0	\$0	No
5.1	Unallowable Expenses	\$2,151	\$1,906	\$245	No
5.2	Unallowable Expenses	\$21,538	\$21,538	\$0	Yes
5.3	Strengthen Policies and Procedures Related to Creating and Retaining Documentation	\$0	\$0	\$0	No
5.4	Strengthen Administrative and Management Processes and Procedures Surrounding the Approval of Travel Expense Reports	\$0	\$0	\$0	No
5.5	Establish Clear Guidance Regarding the Allowability of Participant Support Funding for Employee Travel	\$0	\$0	\$0	No
5.6	Establish Procedures to Ensure that Salary Payments do not Exceed the Employee's Institutional Base Salary	\$0	\$0	\$0	No
6.1	Incorrect Indirect Cost Rate Applied to Supplemental Funding	\$8,565	\$8,565	\$0	Yes
6.2	Strengthen Proposal Submission and Award Set-up Practices	\$0	\$0	\$0	No
7.1	Ensure Risk Evaluations Have Been Performed for All Subawards Issued Prior to June 2018 and that Risk Evaluations Remain Active	\$0	\$0	\$0	No
8.1	Strengthen Pre-Award Procedures and Internal Controls for Reviewing NSF Proposal Budgets	\$0	\$0	\$0	No

8.2	Strengthen Procedures and Internal Controls to Ensure that Principal Investigators submit Final Reports to NSF	\$0	\$0	\$0	No
9.1	Strengthen Administrative and Management Procedures for Equipment Expenditures	\$0	\$0	\$0	No
9.2	Strengthen Administrative and Management Procedures to Confirm Completed the Subrecipient Documentation Package	\$0	\$0	\$0	No
9.3	Strengthen Administrative and Management Procedures and Internal Controls Related to the Effort Certification Process	\$0	\$0	\$0	No
9.4	Strengthen Administrative and Management Processes Surrounding Document Retention for Purchases on Sponsored Awards	\$0	\$0	\$0	No
9.5	Strengthen Directives, Procedures, and Internal Controls for Obtaining Approval for Foreign Travel	\$0	\$0	\$0	No
9.6	Strengthen Directives, Procedures, and Internal Controls for Procuring Contract Services on Sponsored Projects	\$0	\$0	\$0	No
9.7	Strengthen Procedures and Internal Controls for Reviewing Account Codes that are Required to Incur Indirect Costs	\$0	\$0	\$0	No
10.1	Strengthen Current Award Set-up Practices	\$0	\$0	\$0	No
10.2	Require Subrecipients to Apply Indirect Costs Using the Rates that Were Established in the Negotiated Indirect Cost Rate Agreement in Effect as of the Date the Subaward	\$0	\$0	\$0	No
Summary of Total Questioned Costs		\$276,440	\$226,381	\$50,059	--

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 Clemson. Clemson is required to provide documentation to complete final action under Recs 1.2, 1.3, 2.2, 2.3, 2.4, 2.5, 2.6, 3.2, 3.3, 4.2, 4.3, 5.2, 5.3, 5.4, 5.5, 5.6, 6.2, 7, 8.1, 8.2, 9.1, 9.2, 9.3, 9.4, 9.5, 9.6, 9.7, 10.1, and 10.2, as summarized in the attachment to the email dated April 22, 2025. **Evidence of corrective actions taken for the pending recommendations 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 the corrective actions taken are responsive to the report recommendations.

Based on the above, the total disallowed amount is \$226,381. Clemson has provided evidence of \$141,360 in repayment. **Repayment of \$50,059 must be made via www.pay.gov.** Please reference OIG Audit Report No. 21-1-007 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 Clemson'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 from the date of this letter, or May 22, 2025.**

The University's patience, timely response, 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 r-ray@nsf.gov.

Sincerely,

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