



NATIONAL SCIENCE FOUNDATION
Division of Institution & Award Support

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August 9, 2021

Paige G. Brown, CPA
Director
Research Financial Services
University of Kentucky
337 Peterson Service Building
Lexington, KY 40506

Reference: OIG Report No. 21-1-006

Dear Ms. Brown:

The National Science Foundation (NSF) has completed the review and resolution of the NSF Office of Inspector General (NSF OIG) Performance Audit of the Implementation of OMB COVID-19 Flexibilities by the University of Kentucky Research Foundation (UKRF) dated March 31, 2021.

While the audit report did not identify any exceptions related to UKRF's use of the COVID-19 flexibilities, the report questioned \$33,151 and recommended improvements in UKRF's oversight of expenses charged to NSF awards. Based on UKRF's agreement with the finding and questioned costs identified in the audit report, NSF's management decision is to disallow all questioned costs in the amount of \$33,151. UKRF has provided NSF evidence of \$33,151 in repayment.

Please be aware that UKRF'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.

NSF accepts UKRF's stated corrective actions as responsive to the compliance and internal control recommendation related to the audit finding and considers the audit report resolved and closed.

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 703-292-4579.

Sincerely,

Carrie Davison

Carrie Davison, Team Lead – Audit Resolution
Resolution and Advanced Monitoring Branch
Division of Institution and Award Support