



NATIONAL SCIENCE FOUNDATION
Division of Institution & Award Support

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December 12, 2022

Debora Talley
Director of Sponsored Programs
University of Michigan
5000 Wolverine Tower
3003 S. State St.
Ann Arbor, MI 48409-1287

Reference: OIG Report No. 21-1-018

Dear Debora Talley,

The National Science Foundation (NSF) has completed the review and resolution of the Office of Inspector General (OIG) audit report on the implementation of Office of Management and Budget (OMB) Coronavirus Disease 2019 (COVID -2019) flexibilities at the University of Michigan (UM) for the period March 1, 2020 to September 30, 2020.

The audit report identified one area for improvement related to UM's use of the COVID-19 flexibilities on monitoring travel credits. The report also questioned \$11,499 in costs claimed under NSF awards and recommended that UM strengthen its administrative and management controls for the areas in which findings were identified. Based on UM's agreement with the findings and questioned costs identified in the audit report, NSF's management decision is to sustain and disallow all questioned costs in the amount of \$11,499. The table below summarizes the disallowed costs by finding number:

Finding	Description	Questioned	Allowed	Disallowed
1	Unallowable Rebudgeting of Participant Support Costs	\$11,499	\$0	\$11,499
2	Insufficient Controls Related to the Application of Indirect Cost Rates	\$0	\$0	\$0
Total:		\$11,499	\$0	\$11,499

UM has provided NSF evidence of \$11,499 in repayment.

Please be aware that UM'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.

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, Senior Cost Analyst
Resolution and Advanced Monitoring Branch
Division of Institution and Award Support