



NATIONAL SCIENCE FOUNDATION
Division of Institution & Award Support

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Reference: OIG Report No. 22-6-006

Dear Ian Waitz,

The National Science Foundation (NSF) has completed the review and resolution of the Office of Inspector General (OIG) routine activity memorandum on the Graduate Research Fellowship Program (GRFP) administration at the Massachusetts Institute of Technology (MIT).

To resolve the report recommendations, NSF conducted detailed reviews of applicable Federal and NSF requirements, proposal and award information maintained by the Agency, and documentation provided by MIT. The summary below provides the bases for the management decisions reached by NSF:

- **Recommendation 1:** Require MIT to develop controls to ensure submission of fellowship completion reports certifying the status – in progress, completed, graduated, transferred, or withdrawn – of fellows at the institution and degree, if awarded.

NSF Management Decision: MIT submitted the 2022 completion report timely on March 22, 2023. Controls have been implemented to ensure the accurate submission of completion reports. **NSF has determined the corrective actions taken by MIT are responsive and considers Recommendation 1 closed.**

- **Recommendation 2:** Direct MIT to determine what actions are necessary to reconcile the \$6.8 million variance between the funds received from NSF and the funds recorded in MIT's general ledger for Award No. 1122374 and implement corrective actions, as necessary.

NSF Management Decision: NSF directed MIT to verify the period allowability of costs and to prepare a JE for expenses that were otherwise allowable to be transferred to award 1122374. MIT provided a revised general ledger statement for award 1122374 as evidence that funds received no longer exceed booked expenses. MIT has revised its processes for recording and managing GRFP awards. **NSF has determined the corrective actions taken by MIT are responsive and considers Recommendation 2 closed.**

- **Recommendation 3:** Direct MIT to strengthen its administrative and management internal controls and accounting processes to ensure that charges to Graduate Research Fellowship Program awards are accurate.

NSF Management Decision: MIT has implemented controls to ensure that stipends are paid in accordance with the GRFP *Administrative Guide* so that Fellows are not over or under paid. **NSF has determined the corrective actions taken by MIT are responsive and considers Recommendation 3 closed.**

- **Recommendation 4:** Ensure MIT develops controls to guarantee the payment of fellows in whole-month increments.

NSF Management Decision: While MIT's payroll system automatically calculates salary and stipend payments on a per day basis, MIT has implemented controls to ensure that NSF Fellows are paid in whole-month increments, consistent with GRFP guidelines. **NSF has determined the corrective actions taken by MIT are responsive and considers Recommendation 4 closed.**

- **Recommendation 5:** Ensure MIT develops controls to confirm the accuracy of Program Expense Reports

NSF Management Decision: MIT has implemented controls to confirm the accuracy of Program Expense Reports. **NSF has determined the corrective actions taken by MIT are responsive and considers Recommendation 5 closed.**

NSF considers all report recommendations resolved and closed.

MIT's timely responses and full cooperation with NSF to resolve this report is 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
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