



NATIONAL SCIENCE FOUNDATION
Division of Institution & Award Support

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April 10, 2025

Margaret Sova McCabe
mccabe@uark.edu
 Vice Chancellor for Research and Innovation
 University of Arkansas
 305 Administration Building
 85 South Prospect Street
 Fayetteville, AR 72701

Reference: OIG Report No. 24-1-002

Dear Margaret Sova McCabe,

The National Science Foundation (NSF) has completed the review and resolution of the NSF Office of Inspector General (NSF OIG) audit report on costs incurred under NSF awards by University of Arkansas (Arkansas) dated November 15, 2023.

The audit report questioned \$257,693 in costs claimed under NSF awards and recommended that Arkansas strengthen its administrative and management controls for the areas in which findings were identified. As a result of its resolution efforts, NSF sustains all the findings and recommendations and has determined that \$252,954 will be disallowed. The table below summarizes the resolution of each finding by recommendation:

Rec	Description	Questioned	Allowed	Disallowed	Final Action Complete
1.1	ACM\$ Drawdowns that Exceeded Expenses	\$125,124	\$0	\$125,124	Yes
1.2	ACM\$ Drawdowns that Exceeded Expenses	\$0	\$0	\$0	Yes
2.1	Unallowable Expenses	\$122,090	\$0	\$122,090	Yes
2.2	Unallowable Expenses	\$0	\$0	\$0	Yes
2.3	Unallowable Expenses	\$0	\$0	\$0	Yes
3.1	Inappropriately Allocated Expenses	\$4,739	\$4,739	\$0	Yes
3.2	Inappropriately Allocated Expenses	\$1,464	\$0	\$1,464	Yes
3.3	Inappropriately Allocated Expenses	\$0	\$0	\$0	Yes
3.4	Inappropriately Allocated Expenses	\$0	\$0	\$0	Yes
4.1	Inadequately Supported Expenses	\$4,276	\$0	\$4,276	Yes
4.2	Inadequately Supported Expenses	\$0	\$0	\$0	Yes
4.3	Inadequately Supported Expenses	\$0	\$0	\$0	Yes
5.1	Non-Compliance with Arkansas Professional/Consultant Services Policy	\$0	\$0	\$0	Yes
	Summary of Total Questioned Costs:	\$257,693	\$4,739	\$252,954	

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 Arkansas. Based on the table above NSF considers all audit report findings, recommendations, and questioned costs resolved and closed. No further actions are required by Arkansas.

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 Carrie Davison at (703) 292-4579 or cdavison@nsf.gov

Sincerely,

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

cc: Yolanda M. Harden, Director of Financial Compliance for Sponsored Programs