



NSF OIG CORNER

Frequent Audit Findings Volume II

By Ken Lish

In the December 2020 issue of this magazine, we focused on frequent audit findings related to not receiving formal approval for subawards, applying incorrect indirect cost rates, and not properly allocating or documenting expenses. In this article, we'll highlight three common audit findings related to travel.

Frequent Finding 1: Unjustified Upgraded Airfare

We often identify instances where award recipients overcharge NSF for costs associated with upgraded airfare tickets. This can happen when recipients do not subtract the difference between the cost of an equivalent economy-class ticket and an upgrade to first or business class. In other instances, an upgrade may be allowable, but the recipient does not provide a justification to support that the upgrade meets one of the exceptions listed in the *Uniform Guidance*. To help avoid this finding, recipients could require travelers to document the difference between an equivalent economy-class ticket and the upgrade so the recipient can remove the unallowable portion or provide a justification documenting how the upgrade meets one of the exceptions in the *Uniform Guidance*. During one of our audits, we observed an institution with a strong control in place to prevent this type of finding from occurring: when travelers book non-standard airfare using its travel system, the system automatically creates an exception form that requires the traveler to justify the non-standard airfare.

Frequent Finding 2: Travel Benefitting Multiple Projects

Another travel finding we frequently observe is recipients charging an NSF award for costs incurred for employees to attend, or present papers at, conferences that benefit multiple awards, but allocate 100 percent of the travel costs to a single award. We suggest recipients establish policies and procedures that define how costs should be allocated and how that allocation methodology should be documented. Award recipients could also provide training to staff on allocating costs in accordance with the established policy. As an example of a promising practice, we noted one institution that provides instructions to travelers and administrators for allocating travel expenses by percentage or by amount across multiple funding sources.

Frequent Finding 3: Combined Business and Personal Travel

Combining personal travel with a business trip is another area that often results in audit findings. This happens when recipients do not maintain documentation to show that the cost of a trip did not increase because the traveler combined a business trip with personal travel. For example, if a traveler stays the weekend after a conference, the recipient would need documentation to show that the airfare would have been the same whether the traveler departed on Friday or Sunday. To help avoid this finding,

recipients could develop policies and procedures requiring documentation to support that personal travel combined with business travel does not increase the total cost of the trip. As a promising practice, one institution we audited requires travelers to add a description to the travel voucher describing the business purpose each day or note "personal" for any time the travel was not business-related.

By ensuring your institution has policies and procedures that address these common findings, you can help avoid cost disallowances.

Where can I find more information?

If you're interested in learning more about all our frequent findings, we recommend reading our report, *Promising Practices for NSF Award Management*. Also, check out our audits of NSF award recipients and the associated resolution decisions:

- Audit Reports: <https://oig.nsf.gov/reports-publications/reports>
- Resolution Decisions: www.nsf.gov/bfa/responses.jsp

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