



AT A GLANCE

Review of the National Science Foundation CARES Act Spending Plan
Report No. OIG 20-6-001

May 21, 2020

WHY WE DID THIS REVIEW

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) provided \$76 million to NSF, including \$75 million to support its ongoing grant response to COVID-19 and \$1 million to assist in the administration of those grants. We conducted a review to identify whether NSF's plan for expending those funds was reasonable, prudent, and met the intent of the funding objectives.

WHAT WE REVIEWED

We reviewed NSF's *CARES Act Spending Plan* and *Review Team* documents, related policies and procedures, and additional information provided directly by NSF's senior leadership.

WHAT WE FOUND

We found NSF's plan to be reasonable, prudent, and consistent with the intent of the Act's funding objectives. NSF is using existing funding mechanisms with established policies, procedures, and controls to disperse the funds provided by the CARES Act. This reduces the risk of misuse and helps ensure accountability. NSF also established a process to ensure appropriate financial controls over CARES Act funds by using a unique fund code. Further, NSF is using funding mechanisms that allow for quickly mobilizing the research community so that CARES Act funds can have a timely and immediate impact.

REPORT FRAUD, WASTE, ABUSE, OR WHISTLEBLOWER REPRISAL

- File online report: <https://www.nsf.gov/oig/report-fraud/form.jsp>
- Anonymous Hotline: 1.800.428.2189
- Email: oig@nsf.gov
- Mail: 2415 Eisenhower Avenue, Alexandria, VA 22314 ATTN: OIG HOTLINE

CONTACT US

For further information or questions, please contact us at OIGpublicaffairs@nsf.gov or 703.292.7100. Follow us on Twitter at [@nsfoig](https://twitter.com/nsfoig). Visit our website at www.nsf.gov/oig.



National Science Foundation • Office of Inspector General
2415 Eisenhower Avenue, Alexandria, Virginia 22314

MEMORANDUM

DATE: May 21, 2020

TO: Teresa Grancorvitz
Office Head and Chief Financial Officer
Office of Budget, Finance and Award Management
[REDACTED]

FROM: Mark Bell
Assistant Inspector General
Office of Audits

SUBJECT: Report No. OIG 20-6-001, Review of the National Science Foundation CARES Act Spending Plan

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) is a wide-ranging statute enacted on March 27, 2020, to address the health, economic, and societal impacts of the Coronavirus Disease 2019 (COVID-19) pandemic. It provides NSF with a total of \$76 million, including \$75 million to support its ongoing grant response to COVID-19 and \$1 million to assist in the administration of those grants. These funds include Rapid Response Research (RAPID) awards and are in addition to NSF's existing active grant portfolio, which totaled more than \$33 billion in FY 2019. NSF developed a plan for spending its CARES Act funds using existing processes and funding mechanisms, and we conducted a sufficiency review of this plan as a routine activity. We found NSF's plan to be reasonable, prudent, and consistent with the intent of the Act's funding objectives.

NSF's Spending Plan

NSF plans to use the \$76 million provided by the CARES Act to support additional fast-track, fundamental, and transformational research activity associated with (1) improving the understanding of SARS-CoV-2, the coronavirus causing COVID-19; (2) developing a predictive understanding of the spread of the virus; and (3) enabling approaches that mitigate the negative



Source: NSF OIG-generated depiction of information from NSF

impacts of COVID-19 on public health, society, and the economy. NSF will track the CARES Act funding by using a unique fund code. As shown in Figure 1, NSF plans to spend the \$76 million as follows:

- \$67.25 million will be allocated for the RAPID and Early-Concept Grants for Exploratory Research (EAGER) funding mechanisms. RAPID is a type of proposal used when there is a severe urgency regarding availability of, or access to, data, facilities, or specialized equipment, including quick-response research on natural or anthropogenic disasters and similar unanticipated events. EAGER is a type of proposal used to support exploratory work in its early stages on untested, but potentially transformative, research ideas or approaches. The RAPID and EAGER programs have been in place since 2009, and previous awards were used to advance understanding of the Ebola and Zika disease outbreaks and measures to contain them. RAPID awards have also been used to fund research to improve responses to natural disasters such as Hurricane Harvey and unexpected events like the Gulf of Mexico oil spill.
- \$5 million will be allocated to the Education and Human Resources account to support fundamental and transformational research activities that align with the three identified research areas.
- \$2.75 million will be allocated to the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs. This funding will be focused on the development and deployment of new technologies, products, processes, and services with the potential to positively impact the nation’s and world’s ability to respond to COVID-19.
- \$1 million will support measures taken by NSF to secure ongoing continuity of operations during this period, including additional oversight, management, and reporting requirements for COVID-19 program funding.

NSF has already begun implementing the spending plan and anticipates obligating most, if not all, CARES Act funding by early June (see Figure 2).



Source: NSF OIG-generated depiction of information from NSF

Conclusion

As specified in the spending plan, NSF is using existing funding mechanisms with established policies, procedures, and controls to disperse the funds provided by the CARES Act. This reduces the risk of misuse and helps ensure accountability. NSF also established a process to ensure appropriate financial controls over CARES Act funds by using a unique fund code. Further, NSF is using funding mechanisms that allow for quickly mobilizing the research community so that CARES Act funds can have a timely and immediate impact.

We find this plan to be reasonable, prudent, and consistent with the intent of the Act’s funding objectives.

Objective, Scope, & Methodology

The objective of our review was to identify whether NSF's plan for expending CARES Act funds was reasonable, prudent, and met the intent of the funding objectives of preventing, preparing for, and responding to COVID-19. To accomplish our objective, we:

- Reviewed NSF's *CARES Act Spending Plan* and *Review Team* documents;
- Evaluated NSF's plan to identify if an executable spending strategy was established, whether that strategy met the intent of the legislation, and whether controls had been identified to properly account for the expenditure of funds;
- Reviewed NSF policies, procedures, and supplementary documentation related to the programs identified within the spending plan;
- Communicated all questions and comments regarding the spending plan to NSF's senior leadership; and
- Reviewed all subsequent documentation and answers provided by NSF's senior leadership.

We did not conduct any expenditure or control testing as part of this review.

We provided a draft of this memorandum to NSF management for review on May 19, 2020. NSF provided us with updated information for Figure 2 of this memorandum but did not communicate any additional comments or concerns.

cc: Ellen Ochoa Victor McCrary
 Ann Bushmiller John Veysey
 Fleming Crim Christina Sarris
 Rafael Cotto Allison Lerner
 Lisa Vonder Haar Ken Chason
 Dan Buchtel Ken Lish
 Karen Scott Louise Nelson