



## Memorandum

AUG 30 1993

Date /s/ Bryan B. Mitchell  
From Bryan B. Mitchell *Bryan Mitchell*  
Principal Deputy Inspector General  
Subject Need for Improved Financial Reporting and Monitoring Related  
to National Institutes of Health Research Funds at  
Universities (A-06-91-00073)  
To Philip R. Lee, M.D.  
Assistant Secretary for Health  
  
Kenneth S. Apfel  
Assistant Secretary  
for Management and Budget

Attached for your review and comment is the management advisory report on our review of selected research projects awarded to universities throughout the United States. The objectives of this review were to determine: (1) if universities were using funds as set forth in the National Institutes of Health's (NIH) approved budgets; and (2) the need for improved NIH monitoring over research costs.

Our review showed that NIH funds were not always spent as budgeted. We also found that in many cases awarded funds were not used during the budget period and were carried forward to the next award period. Both practices are permissible under current Government regulations.

We identified trends which show that certain budgeted cost categories tended to be underspent while other cost categories were overspent. Generally, cost categories labeled personnel, other and travel were underspent while other cost categories labeled supply, equipment and consultant were overspent. Although the Public Health Service (PHS) has a requirement for prior approval for "significant rebudgeting," the term is not defined and consequently ignored. We believe that the absence of such provisions affects NIH's ability to monitor the cost of its research.

We also found that 52 of the 100 research projects reviewed, totaling about \$18.5 million, had unspent budget balances totaling \$1,392,184, about 7.5 percent, at the end of the award period. Projecting these results to the 11,453 research projects totaling about \$2.7 billion in our sample universe, we estimate that 5,956 awards would have unspent budget balances totaling \$159,446,834, about 5.9 percent of the total

amount awarded. The NIH does not require that a separate budget be submitted showing the intended use of unspent budget balances. Officials of NIH advised us that these carry-over amounts did not appear out of line.

The Department of Health and Human Services (HHS) policy and regulations based on the Office of Management and Budget (OMB) Circular A-110 preclude the PHS awarding agencies, such as NIH, from requiring periodic, detailed, line-item expenditure reports from its grantees. Therefore, NIH has little specific information as to how its funds are actually used and whether the actual use of the funds supported the scope of research approved by its peer review committees.

In Fiscal Year 1989, HHS declared that the absence of periodic, detailed, financial expenditure data on its grants was a material weakness for internal control purposes. In 1991, the HHS Office of the Secretary requested OMB to allow HHS to amend its policies and regulations. This proposed amendment would have allowed PHS, including NIH, to require contractors and grantees to submit periodic, detailed, line-item expenditure reports which could be used to monitor expenditures. In June 1991, OMB denied the request.

We agree that the absence of periodic expenditure data is a material weakness for internal control purposes. The OMB mandated forms provide little information that is useful in the management of research projects. In April 1992, OMB gave HHS permission to engage in a pilot project with selected universities to obtain detailed expenditure data by electronic transfer.

We are recommending that HHS expedite the pilot project for the electronic transfer of detailed expenditure data. We are also recommending that PHS define "significant rebudgeting," as used in its Grants Policy Statement. We are further recommending that HHS require grantees to submit a revised budget for the use of unspent grant funds when a substantial carry-over of funds occurs from one budget period to another.

The Assistant Secretary for Management and Budget and the Office of the Assistant Secretary for Health concurred with the findings and recommendations made within this report.

We request that you provide the Office of Audit Services with the status of actions taken on recommendations within 60 days from the date of this report. If you wish to discuss any of the issues raised in this report, please call me or have your

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staff contact Daniel W. Blades, Assistant Inspector General for Public Health Service Audits, at (301)443-3582. To facilitate identification, please refer to Common Identification Number A-06-91-00073 in all correspondence relating to this report.

Attachment

**Department of Health and Human Services**

**OFFICE OF  
INSPECTOR GENERAL**

**NEED FOR IMPROVED FINANCIAL  
REPORTING AND MONITORING  
RELATED TO NATIONAL INSTITUTES OF  
HEALTH RESEARCH FUNDS AT  
UNIVERSITIES**



**AUGUST 1993    A-06-91-00073**



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Principal Deputy Inspector General

Subject: Need for Improved Financial Reporting and Monitoring Related  
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To: Philip R. Lee, M.D.  
Assistant Secretary for Health

Kenneth S. Apfel  
Assistant Secretary  
for Management and Budget

This management advisory report provides you with the results of our review of selected research projects awarded to universities throughout the United States. The objectives of this review were to determine: (1) if universities were using funds as set forth in the National Institutes of Health's (NIH) approved budgets; and (2) the need for improved NIH monitoring over research cost.

Our review showed that NIH funds were not always spent as budgeted. We also found that in many cases awarded funds were not used during the budget period and were carried forward to the next award period. Both practices are permissible under current Government regulations.

We identified trends which show that certain budgeted cost categories tended to be underspent while other cost categories were overspent. Generally, cost categories labeled personnel, other and travel were underspent while other cost categories labeled supply, equipment and consultant were overspent. With regard to the practice of shifting expenditures between budgeted line items, although the Public Health Service (PHS) has a requirement for prior approval for "significant rebudgeting," the term is not defined and consequently ignored. We believe that the absence of such provisions affects NIH's ability to monitor the cost of its research.

We also found that 52 of the 100 research projects reviewed, totaling about \$18.5 million, had unspent budget balances totaling \$1,392,184, about 7.5 percent, at the end of the award period. Projecting these results to the 11,453 research projects totaling about \$2.7 billion in our sample universe, we estimate that 5,956 awards would have unspent budget balances totaling \$159,446,834, about 5.9 percent of the total amount awarded. The NIH does not require that a separate

budget be submitted showing the intended use of unspent budget balances. Officials of NIH advised us that these carry-over amounts did not appear out of line.

The Department of Health and Human Services (HHS) policy and regulations based on the Office of Management and Budget (OMB) Circular A-110 preclude the PHS awarding agencies, such as NIH, from requiring periodic, detailed, line-item expenditure reports from its grantees. Therefore, NIH has little specific information as to how its funds are actually used and whether the actual use of the funds supported the scope of research approved by its peer review committees. We do not believe that Federal funds can be properly managed without periodic information regarding actual and intended use of those funds.

In Fiscal Year (FY) 1989, HHS declared that the absence of periodic, detailed, financial expenditure data on its grants was a material weakness for internal control purposes. In 1991, the HHS Office of the Secretary requested OMB to allow HHS to amend its policies and regulations. This proposed amendment would have allowed PHS, including NIH, to require contractors and grantees to submit periodic, detailed, line-item expenditure reports which could be used to monitor expenditures. In June 1991, OMB denied the request.

We agree that the absence of periodic expenditure data is a material weakness for internal control purposes. The OMB mandated forms provide little information that is useful in the management of research projects. In April 1992, OMB gave the HHS permission to engage in a pilot project with selected universities to obtain detailed expenditure data by electronic transfer.

We are recommending that HHS expedite the pilot project for the electronic transfer of detailed expenditure data. We are also recommending that PHS define "significant rebudgeting," as used in its Grants Policy Statement (GPS). We are further recommending that HHS require grantees to submit a revised budget for the use of unspent grant funds when a substantial carry-over of funds occurs from one budget period to another.

The Assistant Secretary for Management and Budget (ASMB) and the Office of the Assistant Secretary for Health (OASH) concurred with the findings and recommendations made within this report.

BACKGROUND

The NIH awarded approximately \$6 billion in health research and development during FY 1989. Domestic institutions of higher education received approximately 74 percent, or \$4.4 billion, of the NIH awards. Universities for which HHS has audit cognizance received \$3.9 billion.

Direct cost categories included in the grant applications are shown on the Notice of Grant Award. These include: personnel, consultant costs, equipment, supplies, domestic travel, foreign travel, inpatient care costs, outpatient care costs, alterations and renovations, consortium/contractual costs and other expenses. These cost categories are not reflected on the expenditure report which grantees are required to submit to NIH.

The expenditure report is referred to as a Financial Status Report (FSR) and it shows: outlays during the current and previous period, program income, the nonfederal share of outlays, total unliquidated obligations, the nonfederal share of unliquidated obligations, total Federal funds authorized, the unobligated balance of Federal funds and charges related to indirect costs. For purposes of this report, the terms spent and obligated are used interchangeably. The detail of current period expenditures shown on the FSR is limited to total amounts spent for direct and indirect costs. All NIH grantees currently have available an option to electronically submit the standard form FSR discussed above, otherwise a standard hard copy FSR would be submitted.

The PHS Grants Administration Manual, in Circular 89.02, section 3, Authorized Carry Over of Unobligated Balances, authorizes grantee organizations to carry over unobligated research grant funds remaining at the end of a budget period, unless the funds were previously restricted. However, the grantee must notify PHS whether they have elected to carry over unobligated balances and the amount to be carried over. Any unobligated balance which the grantee does not specify as carry-over shall be available for disposition by PHS.

The OMB Circular A-110 permits Federal agencies to restrict transfers of funds among direct cost categories when the transfer amount exceeds 5 percent. The HHS has waived this optional restriction and allows unrestricted transfers among direct cost categories.

In April 1992, OMB gave HHS permission to engage in a pilot project with selected universities to obtain detailed expenditure data by electronic transfer. The NIH is leading this project. The selection of schools, the basic system for electronic transfer and the detail of the data to be

transmitted is under development. In addition, NIH officials informed us that reporting detailed expenditure data was discussed at the September 1992 meeting of the Federal Demonstration Project. The participants concluded that detailed expenditure data should not be reported for all grants and that a study should be made to determine which grants should require detailed expenditure reports.

#### METHODOLOGY

The objectives of this review were to determine (1) if universities were using funds as set forth in NIH approved budgets and (2) the need for improved NIH monitoring over research cost. To accomplish this, we designed a statistical sampling plan that was used to randomly select a representative sample of NIH research projects. (See Appendix A for a description of our sampling methodology.)

The sample universe was 11,453 research projects awarded to 44 major universities during Calendar Year (CY) 1989. These 44 universities received about \$2.7 billion, 70 percent of the \$3.9 billion awarded to universities for which HHS was cognizant. From the 11,453 awards, we randomly selected 100 research projects totaling about \$18.5 million for review (see Appendix D). These 100 research projects were awarded to 39 of the 44 universities (see Appendix C).

We visited the 39 universities to determine the actual amount by cost category spent for each of the 100 research projects. We did not verify the expenditure information on the universities' reports. We then compared the amount of expenditures under each cost category to the amounts NIH approved in the budgets. We also computed the amount of carry-over budgeted funds based on the amounts awarded and actual expenditures. (See Appendix B for computation of our sample results.)

Our review was conducted at the 39 universities, NIH in Bethesda, Maryland, and the Office of the Assistant Secretary for Health in Rockville, Maryland, during the period June 1991 through January 1993.

A draft copy of the report was provided on May 12, 1993 to ASMB and OASH. Both ASMB and OASH concurred with the findings and recommendations made within this report (see Appendices L and M, respectively).

RESULTS OF REVIEW

BUDGETED COSTS VERSUS ACTUAL EXPENDITURES

Our review showed that amounts budgeted for NIH research projects bore little relationship to the amounts spent. Certain cost categories were underspent while others were overspent.

Appendix D shows the variance between the amounts budgeted in the award and the amounts the universities' records showed as being expended against the award budget. In addition, Appendices D through K show how selected line-items of expenditures varied among the 100 awards. We found the following examples illustrate the trends of both over/underspending:

- o "Personnel costs" for 63 of the 100 research projects reviewed were underspent by a total of \$1,140,061. "Personnel costs" were underspent by \$10,000 or more for 34 of the research projects. The amounts underspent on these 34 projects ranged from \$10,171 to \$219,796 (see Appendix E).
- o "Other costs" for 63 awards were underspent by a total of \$396,317. Grantees for 44 awards spent less than 50 percent of the funds budgeted in this cost category (see Appendix F).
- o "Domestic travel costs" for 56 awards were underspent by a total of \$46,316. Grantees for 17 awards spent no funds for travel although they had budgeted amounts ranging from \$452 to \$1,890 in this category (see Appendix G).
- o "Supply costs" for 60 awards were overspent by a total of \$610,761. "Supply costs" were overspent by more than \$5,000 on 34 awards, ranging from \$5,312 to \$44,539. For 20 awards, actual expenditures for supplies were more than twice the amount budgeted (see Appendix H).
- o "Equipment costs" for 38 awards were overspent by a total of \$195,474. For 23 of the 38 awards, no funds were budgeted for equipment; however, expenditures for equipment on these 23 awards ranged from \$586 to \$17,578 (see Appendix I).

- o "Contractual/consultant costs" for 19 awards were overspent by a total of \$138,515. For 12 of these 19 awards no funds were budgeted for contractual or consultant services. The amounts spent on these 12 awards ranged from \$100 to \$16,780 (see Appendices J and K).

This over/underspending of cost categories occurred in the initial year of funding as well as in later years. In some cases, the projects had been funded for more than 20 years. We did not identify any relationship between the amount of over/underspending and the number of years a project had been funded.

The PHS GPS Chapter 8, Post Award Administration, allows recipients a certain degree of latitude in making postaward budget revisions. Unless otherwise restricted by the terms of the award, grantee institutions are permitted to rebudget within and between budget categories in the approved total direct cost budget of the project to meet unanticipated requirements or to accomplish certain programmatic changes.

Chapter 8-5, Prior Approval Authorities Retained by PHS for Research Grants, section 1, Change of Scope or Research Objectives, provides:

"The grantee organization is required to seek approval from the PHS awarding component when there is a change in the scope or research objectives of the project. Actions likely to be considered a change in scope or objectives include, but are not limited to, the following: ... (h) Significant rebudgeting whether or not it requires approval under rules governing budget changes."

The term "significant rebudgeting" is not defined and since this provision was added to the GPS, grantees have not requested prior approval before rebudgeting grant funds. For example:

- o A \$253,796 grant was awarded to a university medical center during CY 1989. This was the 17th year that NIH funded this grant. The NIH approved a budget which included \$78,613 for "personnel costs" and \$64,138 for "supply costs." The university actually spent \$41,856 for "personnel costs" and \$107,230 for "supply costs." The university's expenditures for "personnel costs" amounted to 53 percent of the amount budgeted, while supply expenditures were 167 percent of the amount budgeted.

- o The NIH approved a grant to a university which included \$41,392 for "personnel costs" and \$26,577 for "other costs." The university actually spent \$64,403 for "personnel costs" and spent no funds for "other costs." This was the fifth year that NIH had funded the project.
- o The NIH approved a budget for a grant to another university which contained no funds for "consultant costs" and \$69,628 for "other costs." The university spent \$3,422 for "consultant costs" and \$21,789 under the "other costs" category. This was the third year that NIH had funded this project.

#### CARRY-OVER OF UNSPENT BUDGET BALANCES

Our review also showed that university researchers were not spending all funds awarded for use during CY 1989. When the amount awarded exceeds the amount spent, Federal regulations allow the university to carry over funds to the next year. Underspending primarily occurred in the cost categories for "personnel costs," "other costs," and "domestic travel costs."

The PHS Grants Administration Manual authorizes grantee organizations to carry over unobligated research grant funds remaining at the end of a budget period, unless the funds were previously restricted. However, the grantee must notify PHS whether they have elected to carry over unobligated balances and the amount to be carried over. There is no requirement that a separate budget be submitted showing the intended use of these carry-over funds.

We found that on 52 of the 100 research projects totaling about \$18.5 million, researchers did not use \$1,392,184, or about 7.5 percent, of the funds awarded in the year budgeted. These unspent budget balances were carried over to the next budget period. Twenty-three projects carried over unspent budget balances ranging from \$15,676 to \$427,865 (see Appendix D).

Based on our sample of 100, we estimate that 5,956 of the 11,453 research projects in our universe, totaling about \$2.7 billion, would have carry-over balances of unspent awards totaling \$159,446,834, or about 5.9 percent of total funds awarded. (See Appendix B for computation of our sample results.)

The following examples illustrate the conditions found:

- o A \$184,737 grant was awarded to a university. This was the seventh year that NIH had funded this project. The university spent \$137,764 of the \$184,737 awarded. The university carried over \$46,973.
- o A \$253,259 grant was awarded to another university. This was the third year that NIH had funded this project. The university spent \$123,086 and carried over \$130,173, more than 50 percent of the amount awarded.

### CONCLUSIONS

For many awards, NIH's approved budgets did not accurately reflect how researchers actually used NIH funds. When grantee organizations significantly rebudget funds awarded for research projects, they are required to obtain prior approval from PHS. However, the term "significant rebudgeting" is not defined in PHS policy. Also research funds were not always spent in the year budgeted and were carried forward to the next award period. Additionally, PHS does not have a requirement that a separate budget be submitted showing the intended use of carry-over funds.

The absence of actual line-item expenditure data, the ability to make unrestricted transfers of funds among direct cost categories, and the ability of grantees to carry over funds without a supporting budget, in our opinion, adversely affects NIH's ability to effectively: (1) monitor the actual use of its funds; and (2) evaluate whether unspent balances were reasonable. The HHS attempts to win OMB approval for more detailed expenditure reports have resulted in the approval to conduct a pilot program with selected universities to provide such data through electronic transfer. This program is still under development.

### RECOMMENDATIONS

We recommend that:

- (1) The HHS expedite the pilot project for the electronic transfer of detailed expenditure data and continue to work with OMB for approval to gather detailed expenditure data on all research grants and contracts;
- (2) the PHS define "significant rebudgeting" as used in the PHS Grants Policy Statement, Chapter 8-5, section 1.h.; and

- (3) the HHS require grantees to submit a revised budget for the use of unspent grant funds when a substantial carry-over of funds occurs from one budget period to another.

#### **Auditee Response**

In its written response (see Appendix L), ASMB concurred with our finding regarding the lack of data on the actual costs of research funded by NIH, and that the recommendations should improve NIH's ability to monitor the expenditures of its grantees.

The OASH also concurred with our findings and recommendations in its written response (see Appendix M), and provided the following detailed comments.

#### Recommendation Number One

##### OASH Comment

The OASH agreed with the objective of the pilot project for gathering detailed expenditure data on all research grants and contracts. However, the institutions designated to take part in the project have declined to participate. Nonetheless, OASH is exploring alternative approaches to the current financial reporting requirements, including categorical expenditure reporting.

##### Additional Comments by the Office of Audit Services

We encourage OASH to continue its effort in exploring alternative approaches to the current financial reporting requirements. We also request OASH to keep us informed of its progress with identifying an alternative approach, and seeking approval from OMB for obtaining detailed expenditure data on all research grants and contracts.

#### Recommendation Number Two

##### OASH Comment

The OASH agreed that it would be beneficial to provide additional guidance to grantees by defining the term significant rebudgeting. The OASH intends to revise the PHS Grants Policy Statement to indicate that significant rebudgeting has occurred when the cumulative amount of transfers among direct cost categories for the current budget period exceeds 25 percent of the total amount awarded.

Additional Comments by the Office of Audit Services

We believe that the threshold of 25 percent is reasonable. However, significant rebudgeting should occur when the total amount overspent or underspent in direct cost categories exceeds 25 percent of the total amount awarded for the current budget period. Using the cumulative, or net effect, of amounts over and underspent may offset significant differences in spending within a budget. This may create misleading results and sway conclusions about spending patterns.

Recommendation Number Three

OASH Comment

The OASH agreed that it is appropriate to request revised budgets and additional documentation under certain instances when a substantial amount of carry-over occurs. The OASH also believes that the decision to require additional information should be left to the discretion of the Grants Management Officer (GMO), and plans to include similar language in the PHS Grants Policy Statements.

Additional Comments by the Office of Audit Services

We agree that requiring revised budgets and additional documentation for instances when immaterial amounts are carried over may not be warranted. We also agree that the GMO may be in the best position to determine when such a request is necessary. However, we believe that instructions for the carry over of funds should be clear and specifically require GMOs to instruct grantees to submit a revised budget for the use of unspent grant funds when a substantial carry-over of funds from one budget year to another occurs. Furthermore, decisions made by GMOs should be adequately documented, and reviewed and approved by a superior.

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We request that you provide the Office of Audit Services with the status of actions taken on recommendations within 60 days from the date of this report. If you wish to discuss any of the issues raised in this report, please call me or have your staff contact Daniel W. Blades, Assistant Inspector General for Public Health Service Audits, at (301)443-3582. To facilitate identification, please refer to Common Identification Number A-06-91-00073 in all correspondence relating to this report.

# APPENDICES

SAMPLE DESCRIPTION

- Sample Objective: The objective of our sample was to determine whether colleges and universities used NIH research funds as budgeted for each line item of projects awarded.
- Background Information: The NIH awarded approximately \$6 billion for health research and development during FY 1989. Domestic institutions of higher education received approximately 74 percent, or \$4.4 billion, of the NIH awards. Universities for which HHS has audit cognizance received \$3.9 billion.
- Population: The population consisted of 16,958 research projects awarded to 128 colleges and universities. The populations included only research projects that were awarded:
- During CY 1989;
  - to domestic colleges and universities for which the Office of Inspector General was the cognizant audit agency; and
  - to those colleges and universities which received the top 95 percent of NIH funds.
- Sample Design: A sample was selected using stratified random sampling. Two strata were identified. We sampled from the first strata and projected our results to this strata. We determined that it was not necessary to sample and project results from the second strata.
- The first strata consisted of the 44 colleges and universities which were awarded the most funds. These schools were awarded 11,453 research projects amounting to \$2,729,490,868. The schools in the first strata received 70 percent of the funds awarded to the colleges and universities for which HHS was assigned audit cognizance.

The second strata consisted of the remaining 84 colleges and universities. These schools received 5,505 research projects with awards totaling \$955,390,481. The schools in the second strata received 25 percent of the funds awarded to the colleges and universities for which HHS was assigned audit cognizance.

Sample Size:	One hundred research projects were selected from the first strata.
Source of Random Numbers:	The Office of Audit Services' Statistical Sampling Software was used to determine the random numbers for drawing the sample.
Characteristics to be Measured:	For each research project and cost category, we measured the difference between the amounts awarded by the PHS and the amounts actually spent by the universities.
Other Evidence:	None.
Extrapolation:	The total amount awarded by the PHS on the 100 sampled research projects was \$18,514,980. Fifty-two sampled projects had unspent budget balances totaling \$1,392,184. Based on our sample, we estimated that 5,956 awards would have unspent budget balances totaling \$159,446,834.

SAMPLE RESULTS

Sample Population	11,453
Standard Sample Size	100
Value of Research Projects Sampled	\$18,514,980
Sample Research Projects with Unspent Budget Balances at the 90% Confidence Level	52
Upper Limit	6,935
Lower Limit	4,966
Amount of Unspent Budget Balances on 52 Research Projects with Unspent Budget Balances at the 90% Confidence Level	\$1,392,184
Upper Limit	\$247,754,830
Lower Limit	\$71,138,837
Estimated Number of Research Projects with Unspent Budget Balances	5,956
Estimated Amount of Unspent Budget Balances	\$159,446,834

LISTING OF 39 COLLEGES AND UNIVERSITIES VISITED

BOSTON UNIVERSITY  
UNIVERSITY OF MASSACHUSETTS MEDICAL CENTER AT WORCESTER  
HARVARD UNIVERSITY  
YALE UNIVERSITY  
NEW YORK UNIVERSITY MEDICAL CENTER  
ROCKERFELLER UNIVERSITY  
YESHIVA UNIVERSITY  
MT. SINAI SCHOOL OF MEDICINE  
VIRGINIA COMMONWEALTH UNIVERSITY  
UNIVERSITY OF VIRGINIA  
JOHNS HOPKINS UNIVERSITY  
UNIVERSITY OF PITTSBURGH  
UNIVERSITY OF PENNSYLVANIA  
UNIVERSITY OF MIAMI  
VANDERBILT UNIVERSITY  
UNIVERSITY OF NORTH CAROLINA CHAPEL HILL  
UNIVERSITY OF ALABAMA AT BIRMINGHAM  
DUKE UNIVERSITY  
EMORY UNIVERSITY  
OHIO STATE UNIVERSITY  
CASE WESTERN RESERVE UNIVERSITY  
UNIVERSITY OF WISCONSIN AT MADISON  
UNIVERSITY OF CHICAGO  
UNIVERSITY OF MINNESOTA  
UNIVERSITY OF MICHIGAN  
UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER  
BAYLOR COLLEGE OF MEDICINE  
UNIVERSITY OF UTAH  
UNIVERSITY OF COLORADO HEALTH SCIENCE CENTER  
UNIVERSITY OF IOWA  
WASHINGTON UNIVERSITY AT ST. LOUIS  
UNIVERSITY OF WASHINGTON  
UNIVERSITY OF SOUTHERN CALIFORNIA  
UNIVERSITY OF ARIZONA  
UNIVERSITY OF CALIFORNIA, BERKELEY  
UNIVERSITY OF CALIFORNIA, DAVIS  
UNIVERSITY OF CALIFORNIA, LOS ANGELES  
UNIVERSITY OF CALIFORNIA, SAN DIEGO  
UNIVERSITY OF CALIFORNIA, SAN FRANCISCO

COMPARISON OF TOTAL AMOUNTS BUDGETED BY NIH TO  
ACTUAL UNIVERSITY EXPENDITURES FOR THE 100 PROJECTS REVIEWED

OIG SAMPLE NUMBER	AMOUNTS BUDGETED BY NIH	UNIVERSITY EXPENDITURES	DIFFERENCE	PERCENT
04614	\$918,330.00	\$490,466.00	\$427,866.00	53.41%
04943	\$253,259.00	\$123,086.00	\$130,173.00	48.60%
03302	\$463,346.00	\$367,709.00	\$95,637.00	79.36%
01837	\$206,428.00	\$124,108.00	\$72,320.00	64.97%
02296	\$136,121.00	\$80,303.81	\$55,817.19	58.99%
03639	\$267,761.00	\$207,823.00	\$50,138.00	80.55%
00202	\$184,737.00	\$137,764.00	\$46,973.00	74.57%
11460	\$166,999.00	\$110,103.00	\$45,896.00	70.58%
08716	\$60,723.00	\$18,647.00	\$42,076.00	30.71%
09960	\$140,099.00	\$103,996.00	\$36,104.00	74.23%
08796	\$84,723.00	\$49,213.00	\$35,510.00	58.09%
02249	\$118,029.00	\$88,581.34	\$29,447.66	75.05%
05691	\$154,040.00	\$126,566.00	\$28,484.00	81.51%
08278	\$141,911.00	\$116,761.98	\$25,149.04	82.28%
06073	\$183,258.00	\$158,219.08	\$25,038.94	86.34%
08601	\$136,056.00	\$116,209.00	\$20,846.00	84.68%
02827	\$157,421.00	\$137,376.00	\$20,045.00	87.27%
02777	\$67,036.00	\$47,918.00	\$19,118.00	71.48%
06796	\$146,467.00	\$127,989.64	\$17,477.36	87.99%
05896	\$258,778.00	\$242,436.00	\$16,342.00	93.68%
03622	\$130,844.00	\$114,755.00	\$16,089.00	87.70%
10722	\$343,539.00	\$327,557.00	\$15,982.00	95.35%
04690	\$151,138.00	\$136,461.62	\$15,676.48	89.63%
00823	\$135,306.00	\$125,895.00	\$9,410.00	93.05%
02624	\$80,897.00	\$72,210.01	\$8,686.99	89.26%
07241	\$226,148.00	\$217,780.64	\$8,367.36	96.30%
04578	\$536,308.00	\$527,853.82	\$7,454.18	98.61%
06209	\$96,697.00	\$89,445.00	\$7,252.00	92.50%
07312	\$166,842.00	\$160,198.70	\$6,443.30	96.13%
06426	\$160,040.00	\$153,608.00	\$6,432.00	95.98%
09818	\$92,927.00	\$87,457.00	\$5,470.00	94.11%
07420	\$173,125.00	\$168,022.00	\$5,103.00	97.05%
00167	\$222,016.00	\$216,987.00	\$5,028.00	97.74%
03423	\$83,072.00	\$78,138.46	\$4,933.54	94.06%
02830	\$69,174.00	\$64,569.00	\$4,605.00	93.34%
00981	\$196,243.00	\$191,647.00	\$4,596.00	97.66%
02880	\$157,562.00	\$154,817.00	\$2,745.00	98.26%
05863	\$123,209.00	\$120,711.00	\$2,498.00	97.97%
01352	\$199,840.00	\$197,374.93	\$2,465.07	98.77%
00173	\$189,979.00	\$187,653.00	\$2,326.00	98.78%
05894	\$22,653.00	\$20,520.00	\$2,133.00	90.58%
05444	\$187,651.00	\$185,575.00	\$2,076.00	98.89%
08980	\$1,012,229.00	\$1,010,683.00	\$1,546.00	99.85%
04164	\$239,336.00	\$238,034.00	\$1,302.00	99.46%
10085	\$119,064.00	\$118,143.71	\$920.29	99.23%
05867	\$122,484.00	\$121,792.00	\$692.00	99.44%
04678	\$65,112.00	\$64,478.00	\$634.00	99.03%
08170	\$131,209.00	\$130,924.91	\$284.09	99.78%
00407	\$96,791.00	\$96,518.46	\$272.54	99.72%
11079	\$116,076.00	\$114,918.03	\$157.97	99.86%
01569	\$79,208.00	\$79,098.00	\$110.00	99.86%
02044	\$190,984.00	\$190,948.00	\$36.00	99.98%
<b>SUBTOTAL OF 52</b>				
<b>UNDERSPENT PROJECTS</b>	<b>\$10,139,022.00</b>	<b>\$8,746,838.00</b>	<b>\$1,392,184.00 (1)</b>	<b>86.27%</b>

COMPARISON OF TOTAL AMOUNTS BUDGETED BY NIH TO  
ACTUAL UNIVERSITY EXPENDITURES FOR THE 100 PROJECTS REVIEWED

ORG SAMPLE NUMBER	AMOUNTS BUDGETED BY NIH	UNIVERSITY EXPENDITURES	DIFFERENCE	PERCENT
10133	\$220,622.00	\$314,809.48	(\$94,187.48)	142.60%
07654	\$343,644.00	\$430,865.00	(\$87,221.00)	125.38%
01704	\$93,240.00	\$174,650.00	(\$81,410.00)	187.31%
06352	\$163,067.00	\$243,484.00	(\$80,417.00)	149.32%
03350	\$183,201.00	\$238,320.29	(\$45,119.29)	123.35%
00352	\$92,656.00	\$130,974.69	(\$38,318.69)	141.36%
04748	\$88,732.00	\$126,348.00	(\$37,616.00)	142.39%
10398	\$92,346.00	\$125,395.14	(\$33,049.14)	135.79%
01813	\$126,985.00	\$159,056.00	(\$32,071.00)	125.26%
06223	\$145,984.00	\$175,838.66	(\$29,854.66)	120.45%
01816	\$285,607.00	\$312,691.00	(\$27,084.00)	109.48%
09873	\$144,345.00	\$170,987.30	(\$26,642.30)	118.46%
07453	\$73,955.00	\$100,004.00	(\$26,049.00)	135.22%
09161	\$129,431.00	\$152,539.00	(\$23,108.00)	117.85%
08949	\$183,191.00	\$199,360.00	(\$16,169.00)	108.83%
01196	\$196,441.00	\$210,456.00	(\$14,015.00)	107.13%
06556	\$399,958.00	\$413,551.99	(\$13,593.99)	103.40%
01788	\$197,360.00	\$210,490.00	(\$13,130.00)	106.65%
09016	\$172,299.00	\$185,084.00	(\$12,785.00)	107.42%
02402	\$104,331.00	\$116,210.92	(\$11,879.92)	111.39%
00654	\$106,514.00	\$116,565.56	(\$10,051.56)	109.44%
05091	\$224,821.00	\$234,318.00	(\$9,497.00)	104.22%
05429	\$237,378.00	\$245,479.00	(\$8,101.00)	103.41%
10880	\$392,289.00	\$398,807.08	(\$6,518.08)	101.66%
09513	\$183,922.00	\$188,938.00	(\$5,016.00)	102.73%
00023	\$208,637.00	\$212,156.00	(\$3,519.00)	101.69%
09671	\$194,095.00	\$196,840.00	(\$2,745.00)	101.41%
02206	\$89,768.00	\$92,123.00	(\$2,355.00)	102.62%
07885	\$145,363.00	\$147,580.50	(\$2,217.50)	101.53%
05173	\$123,231.00	\$125,442.00	(\$2,211.00)	101.79%
00441	\$146,204.00	\$148,403.13	(\$2,199.13)	101.50%
02145	\$163,798.00	\$165,705.00	(\$1,907.00)	101.16%
04323	\$152,212.00	\$153,914.67	(\$1,702.67)	101.12%
10397	\$101,259.00	\$102,460.96	(\$1,201.96)	101.19%
11143	\$130,307.00	\$131,229.00	(\$922.00)	100.71%
11296	\$229,296.00	\$229,392.00	(\$96.00)	100.04%
07133	\$92,180.00	\$92,224.02	(\$44.02)	100.05%
06301	\$236,885.00	\$236,886.00	(\$1.00)	100.00%
<b>SUBTOTAL OF 38</b>				
<b>OVERSPENT PROJECTS</b>	<b>\$6,605,554.00</b>	<b>\$7,409,579.39</b>	<b>(\$804,025.39)</b>	<b>112.17%</b>
08031	\$288,043.00	\$288,043.00	\$0.00	100.00%
08558	\$253,796.00	\$253,796.00	\$0.00	100.00%
10971	\$249,460.00	\$249,459.99	\$0.01	100.00%
11011	\$200,708.00	\$200,708.00	\$0.00	100.00%
09580	\$170,523.00	\$170,523.00	\$0.00	100.00%
09957	\$168,668.00	\$168,668.00	\$0.00	100.00%
06458	\$142,977.00	\$142,977.00	\$0.00	100.00%
01738	\$126,969.00	\$126,969.00	\$0.00	100.00%
05467	\$118,556.00	\$118,556.00	\$0.00	100.00%
07092	\$52,704.00	\$52,704.00	\$0.00	100.00%
<b>SUBTOTAL OF 10</b>				
<b>NO VARIANCE PROJECTS</b>	<b>\$1,770,404.00</b>	<b>\$1,770,403.99</b>	<b>\$0.01</b>	<b>100.00%</b>
<b>TOTAL OF 100</b>				
<b>PROJECTS REVIEWED</b>	<b>\$18,514,980.00 (1)</b>	<b>\$17,926,821.38</b>	<b>\$588,158.62</b>	<b>96.82%</b>

## NOTE TO APPENDIX D:

1.) THE 7.5 PERCENT OF UNUSED BALANCE IS FOUND BY DIVIDING \$1,392,184 BY \$18,514,980.

COMPARISON OF AMOUNTS BUDGETED BY NIH FOR  
PERSONNEL COSTS TO AMOUNTS EXPENDED BY THE UNIVERSITIES

OIG SAMPLE NUMBER	AMOUNTS BUDGETED BY NIH	UNIVERSITY EXPENDITURES	DIFFERENCE	PERCENT
04814	534,452.00	314,656.00	219,796.00	58.87%
01837	89,189.00	27,828.00	61,361.00	30.98%
00202	108,160.00	58,788.00	47,364.00	55.38%
08980	496,587.00	454,590.00	40,997.00	91.73%
02249	71,818.00	30,796.11	40,822.89	43.00%
08558	78,813.00	41,856.00	36,757.00	53.24%
03302	256,184.00	221,419.46	34,764.54	86.43%
11298	102,440.00	68,026.00	34,414.00	66.41%
06173	62,777.00	31,006.00	31,771.00	49.39%
04576	267,081.00	237,886.08	29,194.92	89.07%
07654	249,420.00	220,595.00	28,825.00	88.44%
05691	69,020.00	40,942.00	28,078.00	59.32%
02296	74,202.00	49,729.17	24,472.83	67.02%
08943	71,964.00	47,821.00	24,143.00	66.45%
05209	51,509.00	28,109.00	23,400.00	54.57%
01816	167,021.00	145,283.00	21,738.00	86.98%
05429	112,420.00	90,818.00	21,602.00	80.78%
08796	40,979.00	20,234.00	20,745.00	49.38%
02880	81,196.00	60,471.00	20,725.00	74.48%
07241	105,369.00	84,918.32	20,450.68	80.59%
00173	73,904.00	54,194.00	19,710.00	73.33%
11450	65,641.00	47,130.00	18,511.00	71.80%
07312	70,235.00	53,467.78	16,767.22	76.13%
10722	202,802.00	187,712.00	15,090.00	92.56%
02146	97,207.00	82,492.00	14,715.00	84.86%
08278	73,942.00	59,356.33	14,585.67	80.27%
08501	49,455.00	35,577.00	13,878.00	71.94%
06073	86,232.00	72,545.21	13,686.79	84.13%
08715	14,214.00	1,021.00	13,193.00	7.18%
11011	94,188.00	81,008.26	13,177.74	86.01%
03622	80,657.00	70,211.00	10,446.00	87.05%
02827	85,013.00	74,833.00	10,380.00	87.79%
02624	64,905.00	54,645.23	10,259.77	84.19%
09671	94,253.00	84,082.00	10,171.00	89.21%
08031	109,519.00	100,492.24	9,026.76	91.76%
05425	71,855.00	63,453.00	8,402.00	88.31%
02206	52,535.00	44,744.00	7,791.00	85.17%
01569	50,632.00	43,000.00	7,632.00	84.93%
06796	69,596.00	62,156.15	7,439.85	89.31%
09967	82,818.00	75,573.76	7,044.24	91.47%
10133	50,248.00	43,524.62	6,723.38	86.62%
09580	72,765.00	68,853.00	5,912.00	91.88%
04323	69,023.00	63,144.09	5,878.91	91.48%
09818	49,300.00	43,773.00	5,527.00	88.79%
06301	124,353.00	119,117.00	5,236.00	95.79%
02777	29,290.00	24,347.00	4,943.00	83.12%
08949	85,422.00	80,818.00	4,604.00	94.61%
10971	118,899.00	112,436.88	4,462.12	94.58%
02402	54,559.00	50,187.74	4,371.26	91.99%
07885	81,200.00	78,876.75	4,323.25	94.68%
02830	54,050.00	49,803.00	4,247.00	92.14%
04678	50,400.00	46,404.00	3,996.00	92.07%
04164	126,989.00	123,141.00	3,848.00	96.97%
07420	104,926.00	101,303.00	3,623.00	96.55%
00441	97,359.00	93,744.98	3,614.02	96.29%
00823	61,813.00	58,526.00	3,087.00	94.99%
01738	67,940.00	65,019.00	2,921.00	95.70%
10398	58,732.00	56,540.34	2,191.66	96.27%
11079	39,546.00	37,387.88	2,158.12	94.54%
00157	91,568.00	89,450.00	2,118.00	97.69%
08170	81,702.00	59,973.44	1,728.56	97.20%
00407	61,501.00	60,510.66	990.34	98.39%
10085	59,493.00	59,464.20	28.80	99.95%
<b>SUBTOTAL OF 63</b>				
<b>UNDERSPENT PROJECTS</b>	<b>\$6,345,470.00</b>	<b>\$5,205,408.68</b>	<b>\$1,140,061.32</b>	<b>82.03%</b>

COMPARISON OF AMOUNTS BUDGETED BY NIH FOR  
PERSONNEL COSTS TO AMOUNTS EXPENDED BY THE UNIVERSITIES

OIG SAMPLE NUMBER	AMOUNTS BUDGETED BY NIH	UNIVERSITY EXPENDITURES	DIFFERENCE	PERCENT
06352	78,160.00	123,882.00	(45,722.00)	158.50%
01704	48,990.00	89,048.00	(40,356.00)	182.88%
03350	98,345.00	129,505.48	(31,160.48)	131.68%
07453	52,104.00	76,820.00	(24,716.00)	147.44%
09090	41,392.00	64,403.76	(23,011.76)	156.59%
01813	63,825.00	83,047.00	(19,222.00)	130.12%
09613	79,834.00	97,372.00	(17,538.00)	121.97%
10880	174,264.00	189,047.68	(14,783.68)	108.48%
01198	92,287.00	106,985.00	(14,698.00)	115.93%
05091	124,661.00	138,738.00	(14,077.00)	111.29%
09616	100,581.00	114,485.00	(13,904.00)	113.82%
02044	93,022.00	106,382.53	(13,360.53)	114.36%
09873	71,824.00	84,222.29	(12,398.29)	117.26%
04748	47,337.00	59,167.00	(11,830.00)	124.99%
00352	37,537.00	49,197.18	(11,660.18)	131.06%
05895	59,763.00	69,539.00	(9,776.00)	116.36%
05487	60,177.00	69,386.00	(9,209.00)	115.30%
01788	102,707.00	111,114.00	(8,407.00)	108.19%
05867	69,693.00	76,165.00	(6,472.00)	109.29%
11143	63,438.00	69,666.42	(6,227.42)	109.82%
06223	79,407.00	85,626.03	(6,219.03)	107.83%
09181	73,062.00	78,559.00	(5,497.00)	107.52%
03839	110,142.00	115,326.00	(5,184.00)	104.71%
06458	60,411.00	65,199.90	(4,788.90)	107.93%
05863	54,810.00	58,725.00	(3,915.00)	107.14%
00654	66,530.00	70,372.72	(3,842.72)	105.78%
00981	89,431.00	92,673.00	(3,242.00)	103.63%
01352	91,171.00	94,263.44	(3,092.44)	103.39%
00023	94,600.00	97,224.00	(2,624.00)	102.77%
07133	59,898.00	62,342.66	(2,444.66)	104.08%
04569	47,823.00	49,604.49	(1,781.49)	103.73%
10397	55,350.00	56,893.10	(1,543.10)	102.79%
06556	205,928.00	206,992.62	(1,064.62)	100.52%
03423	51,169.00	52,208.99	(1,039.99)	102.03%
05444	116,944.00	117,101.00	(157.00)	100.13%
05894	11,979.00	11,999.00	(20.00)	100.17%
<b>SUBTOTAL OF 36</b>				
<b>OVERSPENT PROJECTS</b>	<b>\$2,828,296.00</b>	<b>\$3,223,281.29</b>	<b>(\$394,985.29)</b>	<b>113.97%</b>
<b>TOTAL OF 100</b>				
<b>PROJECTS REVIEWED(1)</b>	<b>\$9,173,766.00</b>	<b>\$8,428,689.97</b>	<b>\$745,076.03</b>	<b>91.88%</b>

NOTE TO APPENDIX E:

1.) NO VARIANCE FOR SAMPLE NUMBER 07092 HAVING \$48,800 BUDGETED FOR PERSONNEL COSTS.

COMPARISON OF AMOUNTS BUDGETED BY NIH FOR  
OTHER COSTS TO AMOUNTS EXPENDED BY THE UNIVERSITIES

OIG SAMPLE NUMBER	AMOUNTS BUDGETED BY NIH	UNIVERSITY EXPENDITURES	DIFFERENCE	PERCENT
03838	\$63,673.00	\$9,328.00	\$54,247.00	14.87%
08943	\$69,628.00	\$21,789.00	\$47,839.00	31.29%
09060	\$26,577.00	\$0.00	\$26,577.00	0.00%
04814	\$18,561.00	\$636.00	\$17,925.00	3.43%
06091	\$15,613.00	\$620.00	\$14,993.00	3.97%
03302	\$33,948.00	\$19,388.82	\$14,559.18	57.11%
05429	\$35,510.00	\$22,427.00	\$13,083.00	63.16%
01362	\$11,839.00	\$0.00	\$11,839.00	0.00%
06073	\$13,172.00	\$1,866.57	\$11,305.43	14.17%
01813	\$10,838.00	\$0.00	\$10,838.00	0.00%
10880	\$14,991.00	\$5,034.95	\$9,956.05	33.59%
01788	\$8,669.00	\$0.00	\$8,669.00	0.00%
02044	\$10,152.00	\$1,813.02	\$8,338.98	17.86%
07664	\$13,771.00	\$5,526.00	\$8,245.00	40.13%
04576	\$26,724.00	\$18,654.53	\$8,069.47	69.80%
01198	\$7,973.00	\$0.00	\$7,973.00	0.00%
05867	\$6,650.00	\$0.00	\$6,650.00	0.00%
05896	\$8,350.00	\$1,739.00	\$6,611.00	20.83%
00167	\$13,075.00	\$6,727.00	\$6,348.00	51.45%
09871	\$9,445.00	\$3,291.00	\$6,154.00	34.84%
00823	\$5,752.00	\$0.00	\$5,752.00	0.00%
02827	\$9,856.00	\$4,473.00	\$5,383.00	45.38%
01815	\$4,800.00	\$0.00	\$4,800.00	0.00%
08568	\$10,586.00	\$6,141.00	\$4,445.00	58.01%
00202	\$8,184.00	\$3,920.00	\$4,264.00	47.90%
08796	\$5,927.00	\$1,801.00	\$4,126.00	30.39%
09513	\$7,040.00	\$3,069.00	\$3,971.00	43.59%
04164	\$4,475.00	\$834.00	\$3,641.00	18.64%
08031	\$13,230.00	\$9,608.35	\$3,621.65	72.63%
02402	\$5,253.00	\$1,650.00	\$3,603.00	31.41%
05425	\$6,951.00	\$3,428.00	\$3,523.00	49.32%
07420	\$5,000.00	\$1,568.00	\$3,432.00	31.36%
02295	\$8,800.00	\$5,372.12	\$3,427.88	61.05%
03423	\$4,536.00	\$1,188.48	\$3,347.52	26.20%
00352	\$4,335.00	\$1,467.62	\$2,867.38	33.86%
07133	\$3,190.00	\$421.41	\$2,768.59	13.21%
01837	\$2,664.00	\$0.00	\$2,664.00	0.00%
06352	\$3,097.00	\$561.00	\$2,536.00	18.11%
09616	\$3,041.00	\$936.00	\$2,105.00	30.78%
05091	\$2,700.00	\$687.00	\$2,013.00	25.44%
06223	\$3,612.00	\$1,774.50	\$1,837.50	49.13%
09818	\$4,468.00	\$2,655.00	\$1,813.00	59.42%
05444	\$1,778.00	\$0.00	\$1,778.00	0.00%
01738	\$1,653.00	\$0.00	\$1,653.00	0.00%
05894	\$1,999.00	\$421.00	\$1,578.00	21.06%
05883	\$1,795.00	\$306.00	\$1,489.00	17.05%
04748	\$2,200.00	\$859.00	\$1,341.00	39.05%
04569	\$1,817.00	\$608.41	\$1,208.59	33.48%
02777	\$1,606.00	\$444.00	\$1,162.00	27.85%
08170	\$4,880.00	\$3,750.87	\$1,129.13	76.86%
06796	\$2,895.00	\$1,768.61	\$1,126.39	61.09%
09873	\$1,517.00	\$397.85	\$1,119.15	26.23%
10971	\$6,230.00	\$5,261.50	\$968.50	84.45%
03622	\$3,200.00	\$2,322.00	\$878.00	72.56%
09580	\$2,399.00	\$1,537.00	\$862.00	64.07%
00173	\$44,755.00	\$43,906.00	\$849.00	98.10%
01569	\$800.00	\$0.00	\$800.00	0.00%
00654	\$1,620.00	\$905.86	\$714.14	55.92%
11079	\$3,034.00	\$2,342.91	\$691.09	77.22%
11143	\$3,780.00	\$3,362.82	\$417.18	88.96%
08715	\$300.00	\$92.00	\$208.00	30.67%
07453	\$538.00	\$423.00	\$115.00	78.62%
04878	\$3,100.00	\$3,030.00	\$70.00	97.74%
<b>SUBTOTAL OF 63</b>				
<b>UNDERSPENT PROJECTS</b>	<b>\$638,450.00</b>	<b>\$242,133.20</b>	<b>\$396,316.80</b>	<b>37.93%</b>

COMPARISON OF AMOUNTS BUDGETED BY NIH FOR  
OTHER COSTS TO AMOUNTS EXPENDED BY THE UNIVERSITIES

OIG SAMPLE NUMBER	AMOUNTS BUDGETED BY NIH	UNIVERSITY EXPENDITURES	DIFFERENCE	PERCENT
06980	\$23,838.00	\$33,408.00	(\$59,568.00)	349.89%
06458	\$14,220.00	\$30,287.66	(\$16,067.66)	212.99%
06556	\$85,041.00	\$100,278.03	(\$15,235.03)	117.91%
02145	\$8,891.00	\$17,747.00	(\$8,856.00)	199.81%
07312	\$7,538.00	\$16,285.78	(\$8,747.78)	216.05%
04323	\$3,150.00	\$8,989.79	(\$5,839.79)	285.39%
11011	\$2,160.00	\$7,968.12	(\$5,808.12)	368.89%
00023	\$9,156.00	\$13,169.00	(\$4,013.00)	143.83%
10133	\$15,215.00	\$18,856.49	(\$3,641.49)	123.93%
11450	\$2,904.00	\$8,292.00	(\$3,388.00)	216.67%
05209	\$1,584.00	\$4,268.00	(\$2,684.00)	269.44%
08949	\$4,400.00	\$7,045.00	(\$2,645.00)	160.11%
10398	\$1,013.00	\$3,616.14	(\$2,602.14)	358.87%
05173	\$1,949.00	\$4,365.00	(\$2,416.00)	223.96%
08278	\$2,543.00	\$4,495.17	(\$1,952.17)	176.77%
00981	\$7,354.00	\$9,130.00	(\$1,776.00)	124.15%
07241	\$3,960.00	\$5,689.98	(\$1,729.98)	143.69%
09181	\$811.00	\$2,421.00	(\$1,610.00)	298.52%
02206	\$1,611.00	\$2,875.00	(\$1,264.00)	178.46%
02830	\$600.00	\$1,652.00	(\$1,052.00)	275.33%
02880	\$2,802.00	\$3,828.00	(\$1,026.00)	138.82%
00407	\$981.00	\$1,943.30	(\$962.30)	198.09%
05467	\$1,503.00	\$1,932.00	(\$429.00)	128.54%
10722	\$7,772.00	\$8,040.00	(\$268.00)	103.45%
10085	\$1,350.00	\$1,517.25	(\$167.25)	112.39%
03350	\$18,727.00	\$18,807.43	(\$80.43)	100.43%
10397	\$2,156.00	\$2,195.94	(\$39.94)	101.85%
07885	\$8,000.00	\$8,038.51	(\$38.51)	100.64%
00441	\$0.00	\$240.00	(\$240.00)	-
02249	\$0.00	\$15.00	(\$15.00)	-
<b>SUBTOTAL OF 30</b>				
<b>OVERSPENT PROJECTS</b>	<b>\$239,229.00</b>	<b>\$393,391.57</b>	<b>(\$154,162.57)</b>	<b>164.44%</b>
<b>TOTAL OF 100</b>				
<b>PROJECTS REVIEWED(1)</b>	<b>\$877,679.00</b>	<b>\$635,524.77</b>	<b>\$242,154.23</b>	<b>72.41%</b>

NOTE TO APPENDIX F:

1.) SEVEN OF THE RESEARCH PROJECTS DID NOT HAVE AMOUNTS BUDGETED  
OR UNIVERSITY EXPENDITURES INCURRED FOR OTHER COSTS.

COMPARISON OF AMOUNTS BUDGETED BY NIH FOR  
DOMESTIC TRAVEL TO AMOUNTS EXPENDED BY THE UNIVERSITIES

OIG SAMPLE NUMBER	AMOUNTS BUDGETED BY NIH	UNIVERSITY EXPENDITURES	DIFFERENCE	PERCENT
08980	\$7,040.00	\$2,517.00	\$4,523.00	35.76%
04814	\$8,000.00	\$3,180.00	\$2,820.00	53.00%
02827	\$2,840.00	\$17.00	\$2,823.00	0.64%
04578	\$6,968.00	\$4,430.15	\$2,537.85	63.58%
08558	\$1,890.00	\$0.00	\$1,890.00	0.00%
00981	\$5,095.00	\$3,279.00	\$1,816.00	64.36%
09873	\$1,960.00	\$178.00	\$1,782.00	9.08%
09513	\$1,760.00	\$0.00	\$1,760.00	0.00%
06458	\$1,470.00	\$0.00	\$1,470.00	0.00%
02249	\$1,350.00	\$0.00	\$1,350.00	0.00%
11450	\$1,320.00	\$0.00	\$1,320.00	0.00%
01569	\$1,200.00	\$0.00	\$1,200.00	0.00%
03423	\$1,158.00	\$0.00	\$1,158.00	0.00%
05091	\$1,128.00	\$0.00	\$1,128.00	0.00%
08949	\$1,056.00	\$0.00	\$1,056.00	0.00%
08795	\$1,573.00	\$597.00	\$976.00	37.95%
02145	\$1,416.00	\$444.00	\$972.00	31.36%
05173	\$900.00	\$0.00	\$900.00	0.00%
06352	\$895.00	\$0.00	\$895.00	0.00%
10133	\$1,960.00	\$1,070.05	\$889.95	54.59%
09580	\$875.00	\$0.00	\$875.00	0.00%
09957	\$800.00	\$0.00	\$800.00	0.00%
10397	\$784.00	\$0.00	\$784.00	0.00%
09616	\$720.00	\$0.00	\$720.00	0.00%
01738	\$651.00	\$0.00	\$651.00	0.00%
01837	\$1,421.00	\$805.00	\$616.00	56.85%
04164	\$1,790.00	\$1,194.00	\$596.00	66.70%
05429	\$4,515.00	\$3,935.00	\$580.00	87.15%
00023	\$2,970.00	\$2,391.00	\$579.00	80.51%
03302	\$8,095.00	\$7,528.26	\$566.74	93.00%
07312	\$986.00	\$454.23	\$531.77	48.07%
01813	\$452.00	\$0.00	\$452.00	0.00%
08170	\$700.00	\$271.67	\$428.33	38.81%
08715	\$1,500.00	\$1,080.00	\$420.00	72.00%
00157	\$1,538.00	\$1,123.00	\$415.00	73.02%
11143	\$800.00	\$388.50	\$411.50	48.56%
08031	\$2,700.00	\$2,300.40	\$399.60	85.20%
07885	\$800.00	\$416.40	\$383.60	52.05%
00173	\$2,520.00	\$2,164.00	\$356.00	85.87%
01198	\$2,292.00	\$1,949.00	\$343.00	85.03%
09181	\$869.00	\$555.00	\$314.00	63.87%
02830	\$1,000.00	\$729.00	\$271.00	72.90%
00202	\$968.00	\$720.00	\$248.00	74.38%
02777	\$727.00	\$506.00	\$221.00	69.60%
06073	\$890.00	\$698.00	\$192.00	78.43%
02044	\$1,620.00	\$1,436.52	\$183.48	88.67%
11296	\$1,408.00	\$1,225.00	\$183.00	87.00%
02295	\$880.00	\$703.00	\$177.00	79.89%
10971	\$965.00	\$813.16	\$151.84	84.27%
07654	\$2,100.00	\$1,995.00	\$105.00	95.00%
07420	\$500.00	\$404.00	\$96.00	80.80%
05444	\$1,068.00	\$992.00	\$76.00	92.88%
01788	\$1,355.00	\$1,296.00	\$59.00	95.65%
02402	\$949.00	\$900.74	\$48.26	94.91%
10722	\$784.00	\$774.00	\$10.00	98.72%
05425	\$486.00	\$481.00	\$5.00	98.97%
<b>SUBTOTAL OF 56 UNDERSPENT PROJECTS</b>	<b>\$102,257.00</b>	<b>\$55,941.08</b>	<b>\$46,315.92</b>	<b>54.71%</b>

COMPARISON OF AMOUNTS BUDGETED BY NIH FOR  
DOMESTIC TRAVEL TO AMOUNTS EXPENDED BY THE UNIVERSITIES

OIG SAMPLE NUMBER	AMOUNTS BUDGETED BY NIH	UNIVERSITY EXPENDITURES	DIFFERENCE	PERCENT
11011	\$675.00	\$3,548.75	(\$2,873.75)	531.67%
03022	\$750.00	\$3,013.00	(\$2,263.00)	401.73%
10880	\$1,342.00	\$3,217.77	(\$1,875.77)	239.77%
08501	\$800.00	\$2,570.00	(\$1,770.00)	321.25%
03639	\$3,801.00	\$5,540.00	(\$1,739.00)	145.75%
09671	\$1,155.00	\$2,856.00	(\$1,701.00)	247.27%
04748	\$500.00	\$2,081.00	(\$1,581.00)	418.20%
07241	\$1,320.00	\$2,729.23	(\$1,409.23)	206.76%
04678	\$700.00	\$2,030.00	(\$1,330.00)	290.00%
06796	\$918.00	\$2,123.21	(\$1,205.21)	231.29%
05863	\$750.00	\$1,823.00	(\$1,073.00)	243.07%
10398	\$705.00	\$1,714.15	(\$1,009.15)	243.14%
01352	\$1,000.00	\$1,951.33	(\$951.33)	195.13%
02880	\$990.00	\$1,869.00	(\$879.00)	188.79%
00823	\$849.00	\$1,510.00	(\$661.00)	232.87%
07453	\$528.00	\$1,338.00	(\$810.00)	253.41%
04569	\$1,384.00	\$2,130.84	(\$746.84)	153.96%
01815	\$800.00	\$1,350.00	(\$550.00)	168.75%
06223	\$1,355.00	\$1,885.49	(\$530.49)	139.15%
05209	\$528.00	\$1,030.00	(\$502.00)	195.08%
08276	\$1,350.00	\$1,841.18	(\$491.18)	136.38%
09950	\$4,325.00	\$4,800.02	(\$475.02)	110.98%
11079	\$718.00	\$1,178.06	(\$462.06)	164.53%
10085	\$540.00	\$988.36	(\$448.36)	183.03%
04323	\$1,350.00	\$1,778.79	(\$428.79)	131.76%
09818	\$730.00	\$1,151.00	(\$421.00)	157.67%
02206	\$895.00	\$1,279.00	(\$384.00)	142.91%
05867	\$800.00	\$1,103.00	(\$303.00)	137.88%
03350	\$1,470.00	\$1,707.95	(\$237.95)	116.19%
00407	\$1,092.00	\$1,302.50	(\$210.50)	119.28%
05691	\$1,298.00	\$1,432.00	(\$134.00)	110.32%
00654	\$630.00	\$753.48	(\$123.48)	119.60%
06556	\$5,218.00	\$5,299.29	(\$81.29)	101.56%
00441	\$1,575.00	\$1,607.51	(\$32.51)	102.06%
07133	\$1,460.00	\$1,483.44	(\$23.44)	101.61%
05467	\$1,444.00	\$1,449.00	(\$5.00)	100.35%
02824	\$0.00	\$851.89	(\$851.89)	-
05896	\$0.00	\$407.00	(\$407.00)	-
<b>SUBTOTAL OF 38</b>				
<b>OVERSPENT PROJECTS</b>	<b>\$45,543.00</b>	<b>\$76,764.24</b>	<b>(\$31,221.24)</b>	<b>168.55%</b>
<b>TOTAL OF 100</b>				
<b>PROJECTS REVIEWED(1,2)</b>	<b>\$147,800.00</b>	<b>\$132,705.32</b>	<b>\$15,094.68</b>	<b>89.79%</b>

NOTES TO APPENDIX G:

- 1.) FIVE OF THE RESEARCH PROJECTS DID NOT HAVE AMOUNTS BUDGETED OR UNIVERSITY EXPENDITURES INCURRED FOR DOMESTIC TRAVEL COSTS.
- 2.) NO VARIANCE FOR SAMPLE NUMBER 05894 HAVING \$486 BUDGETED FOR DOMESTIC TRAVEL.

COMPARISON OF AMOUNTS BUDGETED BY NIH FOR  
SUPPLY COSTS TO AMOUNTS EXPENDED BY THE UNIVERSITIES

OIG SAMPLE NUMBER	AMOUNTS BUDGETED BY NIH	UNIVERSITY EXPENDITURES	DIFFERENCE	PERCENT
04814	\$82,275.00	\$28,928.00	\$55,348.00	32.73%
06468	\$27,039.00	\$2,816.99	\$24,222.01	10.42%
06556	\$27,861.00	\$5,242.91	\$22,618.09	18.82%
08980	\$85,407.00	\$64,842.00	\$20,765.00	75.69%
09950	\$11,011.00	(\$8,294.57)	\$17,305.57	-57.17%
08715	\$19,312.00	\$2,934.00	\$16,378.00	15.19%
02296	\$15,840.00	\$2,884.26	\$12,955.74	18.21%
06796	\$23,569.00	\$11,159.82	\$12,409.18	47.35%
09613	\$24,204.00	\$12,397.00	\$11,807.00	51.22%
07133	\$20,804.00	\$9,741.49	\$11,062.51	46.83%
08943	\$11,356.00	\$1,223.00	\$10,133.00	10.77%
05467	\$10,954.00	\$2,530.00	\$8,424.00	23.10%
05863	\$20,135.00	\$12,734.00	\$7,401.00	63.24%
00981	\$29,364.00	\$23,143.00	\$6,221.00	78.81%
11460	\$14,218.00	\$8,442.00	\$5,776.00	59.38%
05091	\$7,766.00	\$2,586.00	\$5,180.00	33.30%
09616	\$5,816.00	\$542.00	\$5,074.00	9.65%
10880	\$42,986.00	\$38,991.00	\$3,995.00	90.71%
00023	\$29,896.00	\$25,805.00	\$3,891.00	86.90%
11143	\$8,474.00	\$4,695.74	\$3,778.26	55.41%
03302	\$8,475.00	\$5,255.87	\$3,219.13	62.02%
02044	\$23,899.00	\$20,794.43	\$2,904.57	87.74%
08276	\$9,000.00	\$8,557.94	\$2,442.06	72.87%
09161	\$11,989.00	\$9,704.00	\$2,285.00	80.94%
06301	\$14,400.00	\$12,391.00	\$2,009.00	86.05%
06352	\$26,953.00	\$25,756.00	\$1,197.00	95.56%
10086	\$13,500.00	\$12,334.41	\$1,165.59	91.37%
10397	\$8,880.00	\$7,871.82	\$1,008.18	88.65%
05867	\$1,000.00	\$0.00	\$1,000.00	0.00%
02830	\$8,400.00	\$7,602.00	\$798.00	90.50%
03622	\$1,500.00	\$969.00	\$531.00	64.60%
05895	\$1,200.00	\$697.00	\$503.00	58.08%
00407	\$455.00	\$0.00	\$455.00	0.00%
03350	\$14,700.00	\$14,337.96	\$362.04	97.54%
02777	\$10,829.00	\$10,486.00	\$343.00	96.83%
09873	\$1,960.00	\$1,922.12	\$37.88	98.07%
04323	\$12,780.00	\$12,758.85	\$21.15	99.83%
04569	\$9,224.00	\$9,206.35	\$17.65	99.81%
<b>SUBTOTAL OF 38 UNDERSPENT PROJECTS</b>	<b>\$696,831.00</b>	<b>\$411,786.39</b>	<b>\$285,044.61</b>	<b>59.09%</b>

COMPARISON OF AMOUNTS BUDGETED BY NIH FOR  
SUPPLY COSTS TO AMOUNTS EXPENDED BY THE UNIVERSITIES

OIG SAMPLE NUMBER	AMOUNTS BUDGETED BY NIH	UNIVERSITY EXPENDITURES	DIFFERENCE	PERCENT
01815	\$23,000.00	\$87,539.00	(\$44,539.00)	293.65%
08558	\$64,138.00	\$107,230.00	(\$43,092.00)	167.19%
06173	\$19,961.00	\$51,835.00	(\$31,874.00)	259.81%
11298	\$26,503.00	\$53,539.00	(\$27,036.00)	202.01%
09967	\$11,894.00	\$35,815.22	(\$23,921.22)	301.12%
05001	\$13,321.00	\$36,027.00	(\$22,706.00)	270.45%
10308	\$1,948.00	\$22,858.82	(\$20,910.82)	1174.55%
05429	\$21,314.00	\$40,864.00	(\$19,550.00)	191.72%
02249	\$13,500.00	\$32,734.64	(\$19,234.64)	242.48%
08031	\$37,800.00	\$55,944.59	(\$18,144.59)	148.00%
00352	\$19,088.00	\$37,021.80	(\$17,935.80)	193.97%
07654	\$25,476.00	\$42,903.00	(\$17,427.00)	168.41%
02402	\$14,568.00	\$30,538.94	(\$15,968.94)	209.82%
04578	\$55,393.00	\$70,680.99	(\$15,287.99)	127.80%
09671	\$14,781.00	\$29,845.00	(\$15,064.00)	202.19%
01704	\$14,310.00	\$28,961.00	(\$14,651.00)	202.38%
07241	\$33,686.00	\$48,314.13	(\$14,628.13)	143.42%
04748	\$12,450.00	\$26,259.00	(\$13,809.00)	210.92%
01813	\$10,688.00	\$24,424.00	(\$13,736.00)	228.52%
02880	\$22,806.00	\$36,461.00	(\$13,655.00)	159.87%
06223	\$15,351.00	\$28,092.80	(\$12,741.80)	183.00%
01837	\$22,202.00	\$34,683.00	(\$12,481.00)	158.22%
05209	\$13,065.00	\$24,968.00	(\$11,903.00)	191.11%
08949	\$18,920.00	\$30,586.00	(\$11,666.00)	161.66%
01509	\$7,473.00	\$15,726.00	(\$8,253.00)	210.44%
09580	\$25,483.00	\$33,112.00	(\$7,629.00)	130.04%
10133	\$3,920.00	\$11,383.30	(\$7,463.30)	290.39%
06073	\$21,802.00	\$29,248.26	(\$7,446.26)	134.15%
01198	\$26,909.00	\$34,314.00	(\$7,405.00)	127.52%
02206	\$6,444.00	\$13,797.00	(\$7,353.00)	214.11%
02145	\$5,970.00	\$12,654.00	(\$6,684.00)	211.96%
01738	\$15,447.00	\$21,946.00	(\$6,499.00)	142.07%
01788	\$21,872.00	\$27,662.00	(\$5,990.00)	127.64%
01352	\$39,558.00	\$44,870.12	(\$5,312.12)	113.43%
07885	\$5,000.00	\$9,727.02	(\$4,727.02)	194.54%
02827	\$11,433.00	\$15,947.00	(\$4,514.00)	139.48%
11011	\$22,448.00	\$28,903.87	(\$6,455.87)	119.85%
04164	\$13,031.00	\$17,349.00	(\$4,318.00)	133.14%
00173	\$1,440.00	\$5,746.00	(\$4,306.00)	399.03%
07312	\$15,389.00	\$19,539.30	(\$4,150.30)	126.97%
10971	\$24,394.00	\$28,344.69	(\$3,950.69)	118.20%
11079	\$17,948.00	\$21,811.79	(\$3,863.79)	121.53%
07420	\$5,000.00	\$8,833.00	(\$3,833.00)	176.66%
10722	\$20,783.00	\$24,534.00	(\$3,771.00)	118.16%
09818	\$3,115.00	\$6,841.00	(\$3,526.00)	213.19%
05425	\$20,597.00	\$23,732.00	(\$3,135.00)	115.22%
05444	\$2,136.00	\$5,050.00	(\$2,914.00)	236.42%
08795	\$1,788.00	\$4,143.00	(\$2,357.00)	231.97%
04878	\$6,200.00	\$8,381.00	(\$2,181.00)	135.18%
00157	\$18,594.00	\$20,648.00	(\$2,054.00)	111.05%
00441	\$2,187.00	\$4,094.27	(\$1,907.27)	187.21%
00202	\$13,771.00	\$15,504.00	(\$1,733.00)	112.58%
00823	\$21,647.00	\$23,259.00	(\$1,612.00)	107.45%
07453	\$1,672.00	\$3,102.00	(\$1,430.00)	185.53%
02824	\$10,000.00	\$11,364.00	(\$1,364.00)	113.64%
00654	\$5,351.00	\$6,492.06	(\$1,141.06)	121.32%
08501	\$23,235.00	\$24,037.00	(\$802.00)	103.45%
03639	\$2,273.00	\$2,791.00	(\$518.00)	122.79%
08170	\$1,120.00	\$1,206.15	(\$86.15)	107.69%
03423	\$428.00	\$491.12	(\$63.12)	114.75%
<b>SUBTOTAL OF 60</b>				
<b>OVERSPENT PROJECTS</b>	<b>\$971,745.00</b>	<b>\$1,582,505.88</b>	<b>(\$610,760.88)</b>	<b>162.85%</b>
<b>TOTAL OF 100</b>				
<b>PROJECTS REVIEWED(1)</b>	<b>\$1,668,576.00</b>	<b>\$1,994,292.27</b>	<b>(\$325,716.27)</b>	<b>119.52%</b>

NOTE TO APPENDIX H:

1.) OIG SAMPLE NUMBERS 07092 AND 05894 DID NOT HAVE AMOUNTS EITHER AWARDED TO OR EXPENDED IN THE SUPPLY COSTS CATEGORY.

COMPARISON OF AMOUNTS BUDGETED BY NIH FOR  
EQUIPMENT COSTS TO AMOUNTS EXPENDED BY THE UNIVERSITIES

OIG SAMPLE NUMBER	AMOUNTS BUDGETED BY NIH	UNIVERSITY EXPENDITURES	DIFFERENCE	PERCENT
03302	\$18,828.00	\$0.00	\$18,828.00	0.00%
09067	\$9,000.00	\$0.00	\$9,000.00	0.00%
02777	\$4,680.00	(\$3,788.00)	\$8,468.00	-80.94%
08031	\$18,315.00	\$9,968.25	\$8,356.75	54.36%
04814	\$7,700.00	\$0.00	\$7,700.00	0.00%
06444	\$11,704.00	\$6,721.00	\$4,983.00	57.42%
07241	\$3,872.00	\$0.00	\$3,872.00	0.00%
11460	\$7,172.00	\$3,548.00	\$3,626.00	49.44%
04164	\$10,740.00	\$7,155.00	\$3,585.00	66.62%
01198	\$3,544.00	\$0.00	\$3,544.00	0.00%
07453	\$3,080.00	\$0.00	\$3,080.00	0.00%
02044	\$3,384.00	\$525.05	\$2,858.95	15.52%
03622	\$6,850.00	\$4,574.00	\$2,276.00	66.77%
05467	\$2,008.00	\$0.00	\$2,008.00	0.00%
01738	\$1,860.00	\$0.00	\$1,860.00	0.00%
06352	\$1,790.00	\$0.00	\$1,790.00	0.00%
00023	\$2,640.00	\$1,275.00	\$1,365.00	48.30%
04323	\$3,150.00	\$2,100.00	\$1,050.00	66.67%
06616	\$900.00	\$0.00	\$900.00	0.00%
07420	\$9,800.00	\$9,187.00	\$613.00	93.74%
02145	\$2,282.00	\$1,898.00	\$384.00	83.91%
08943	\$895.00	\$565.00	\$330.00	63.13%
00173	\$4,320.00	\$4,000.00	\$320.00	92.59%
09950	\$5,017.00	\$4,837.71	\$179.29	96.43%
00981	\$2,658.00	\$2,515.00	\$143.00	94.62%
08276	\$5,580.00	\$5,496.00	\$84.00	98.49%
<b>SUBTOTAL OF 26</b>				
<b>UNDERSPENT PROJECTS</b>	<b>\$151,549.00</b>	<b>\$60,563.01</b>	<b>\$90,985.99</b>	<b>39.96%</b>
07854	\$4,500.00	\$52,599.00	(\$48,099.00)	1168.87%
04576	\$11,932.00	\$29,801.86	(\$17,669.86)	248.09%
05429	\$2,258.00	\$17,752.00	(\$15,494.00)	786.18%
08980	\$2,640.00	\$12,178.00	(\$9,538.00)	461.29%
05425	\$16,200.00	\$22,581.00	(\$6,381.00)	139.39%
01837	\$35,524.00	\$40,896.00	(\$5,172.00)	114.56%
02880	\$1,800.00	\$5,541.00	(\$3,741.00)	307.83%
08796	\$1,788.00	\$5,085.00	(\$3,299.00)	284.71%
08949	\$2,024.00	\$3,925.00	(\$1,901.00)	193.92%
08715	\$9,500.00	\$11,213.00	(\$1,713.00)	118.03%
06073	\$1,335.00	\$2,725.56	(\$1,390.56)	204.16%
01569	\$3,495.00	\$4,874.00	(\$1,379.00)	139.46%
09818	\$1,350.00	\$2,509.00	(\$1,159.00)	185.85%
08501	\$4,658.00	\$5,419.00	(\$761.00)	116.34%
11079	\$6,247.00	\$8,355.35	(\$108.35)	101.73%
10133	\$0.00	\$17,577.98	(\$17,577.98)	-
07133	\$0.00	\$12,315.89	(\$12,315.89)	-
06796	\$0.00	\$11,877.97	(\$11,877.97)	-
06458	\$0.00	\$4,918.32	(\$4,918.32)	-
01788	\$0.00	\$3,183.00	(\$3,183.00)	-
00854	\$0.00	\$2,903.85	(\$2,903.85)	-
05209	\$0.00	\$2,793.00	(\$2,793.00)	-
00823	\$0.00	\$2,523.00	(\$2,523.00)	-
10971	\$0.00	\$2,416.39	(\$2,416.39)	-
00157	\$0.00	\$2,038.00	(\$2,038.00)	-
09161	\$0.00	\$1,995.00	(\$1,995.00)	-
09873	\$0.00	\$1,529.35	(\$1,529.35)	-
10397	\$0.00	\$1,515.56	(\$1,515.56)	-
05863	\$0.00	\$1,409.00	(\$1,409.00)	-
07312	\$0.00	\$1,342.00	(\$1,342.00)	-
07885	\$0.00	\$1,196.57	(\$1,196.57)	-
04748	\$0.00	\$1,193.00	(\$1,193.00)	-
06301	\$0.00	\$1,117.00	(\$1,117.00)	-
01352	\$0.00	\$983.80	(\$983.80)	-
02402	\$0.00	\$874.45	(\$874.45)	-
10880	\$0.00	\$775.18	(\$775.18)	-
10722	\$0.00	\$604.00	(\$604.00)	-
02206	\$0.00	\$586.00	(\$586.00)	-
<b>SUBTOTAL OF 38</b>				
<b>OVERSPENT PROJECTS</b>	<b>\$105,249.00</b>	<b>\$300,723.08</b>	<b>(\$195,474.08)</b>	<b>285.73%</b>
<b>TOTAL OF 100</b>				
<b>PROJECTS REVIEWED(1)</b>	<b>\$256,798.00</b>	<b>\$361,286.09</b>	<b>(\$104,488.09)</b>	<b>140.69%</b>

NOTE TO APPENDIX I:

1.) THIRTY-SIX OF THE RESEARCH PROJECTS DID NOT HAVE AMOUNTS BUDGETED OR UNIVERSITY EXPENDITURES INCURRED FOR EQUIPMENT COSTS.

COMPARISON OF AMOUNTS BUDGETED BY NIH FOR  
THIRD PARTY/CONTRACTUAL COSTS TO AMOUNTS EXPENDED BY THE UNIVERSITIES

ORG SAMPLE NUMBER	AMOUNTS BUDGETED BY NIH	UNIVERSITY EXPENDITURES	DIFFERENCE	PERCENT
04569	\$64,542.00	\$48,885.52	\$15,678.48	75.71%
05896	\$92,998.00	\$79,412.00	\$13,586.00	85.39%
09067	\$8,100.00	\$0.00	\$8,100.00	0.00%
09060	\$2,163.00	\$0.00	\$2,163.00	0.00%
00167	\$30,094.00	\$28,218.00	\$1,876.00	93.77%
08501	\$4,375.00	\$3,300.00	\$1,075.00	75.43%
<b>SUBTOTAL OF 6</b>				
<b>UNDERSPENT PROJECTS</b>	<b>\$202,272.00</b>	<b>\$159,795.52</b>	<b>\$42,476.48</b>	<b>79.00%</b>
10133	\$114,533.00	\$163,494.70	(\$48,961.70)	142.75%
11296	\$3,740.00	\$11,367.00	(\$7,617.00)	303.66%
06301	\$9,300.00	\$15,429.00	(\$6,129.00)	165.90%
08170	\$21,974.00	\$26,042.78	(\$4,068.78)	118.52%
09873	\$19,975.00	\$20,417.32	(\$442.32)	102.21%
04576	\$0.00	\$16,780.00	(\$16,780.00)	-
00202	\$0.00	\$7,913.00	(\$7,913.00)	-
04323	\$0.00	\$1,082.62	(\$1,082.62)	-
<b>SUBTOTAL OF 8</b>				
<b>OVERSPENT PROJECTS</b>	<b>\$169,522.00</b>	<b>\$262,516.42</b>	<b>(\$92,994.42)</b>	<b>154.86%</b>
<b>TOTAL OF 100</b>				
<b>PROJECTS REVIEWED(1,2)</b>	<b>\$371,794.00</b>	<b>\$422,311.94</b>	<b>(\$50,517.94)</b>	<b>113.59%</b>

## NOTES TO APPENDIX J:

- 1.) EIGHTY-FIVE OF THE RESEARCH PROJECTS DID NOT HAVE AMOUNTS BUDGETED OR UNIVERSITY EXPENDITURES INCURRED FOR THIRD PARTY/CONTRACTUAL COSTS.
- 2.) NO VARIANCE FOR SAMPLE NUMBER 01569 HAVING \$10,000 BUDGETED FOR THIRD PARTY/CONTRACTUAL COSTS.

COMPARISON OF AMOUNTS BUDGETED BY NIH FOR  
CONSULTANT COSTS TO AMOUNTS EXPENDED BY THE UNIVERSITIES

OIG SAMPLE NUMBER	AMOUNTS BUDGETED BY NIH	UNIVERSITY EXPENDITURES	DIFFERENCE	PERCENT
04878	\$9,000.00	\$0.00	\$9,000.00	0.00%
05896	\$4,988.00	\$600.00	\$4,388.00	12.03%
07664	\$3,000.00	\$1,116.00	\$1,885.00	37.17%
11079	\$3,536.00	\$1,900.00	\$1,635.00	53.75%
08501	\$2,500.00	\$1,666.00	\$834.00	66.64%
02777	\$756.00	\$0.00	\$756.00	0.00%
05867	\$650.00	\$0.00	\$650.00	0.00%
06566	\$336.00	\$200.00	\$136.00	59.52%
<b>SUBTOTAL OF 8</b>				
<b>UNDERSPENT PROJECTS</b>	<b>\$24,764.00</b>	<b>\$5,481.00</b>	<b>\$19,283.00</b>	<b>22.13%</b>
00173	\$1,080.00	\$22,009.00	(\$20,929.00)	2037.87%
00157	\$2,325.00	\$5,715.00	(\$3,390.00)	245.81%
03639	\$0.00	\$11,408.00	(\$11,408.00)	-
08943	\$0.00	\$3,422.00	(\$3,422.00)	-
00441	\$0.00	\$2,625.00	(\$2,625.00)	-
05209	\$0.00	\$1,800.00	(\$1,800.00)	-
00023	\$0.00	\$1,067.00	(\$1,067.00)	-
11450	\$0.00	\$450.00	(\$450.00)	-
06796	\$0.00	\$200.00	(\$200.00)	-
10971	\$0.00	\$130.00	(\$130.00)	-
05429	\$0.00	\$100.00	(\$100.00)	-
<b>SUBTOTAL OF 11</b>				
<b>OVERSPENT PROJECTS</b>	<b>\$3,405.00</b>	<b>\$48,926.00</b>	<b>(\$45,521.00)</b>	<b>1436.89%</b>
<b>TOTAL OF 100</b>				
<b>PROJECTS REVIEWED(1)</b>	<b>\$28,169.00</b>	<b>\$54,407.00</b>	<b>(\$26,238.00)</b>	<b>193.14%</b>

NOTE TO APPENDIX K:

1.) EIGHTY-ONE OF THE RESEARCH PROJECTS DID NOT HAVE AMOUNTS BUDGETED  
OR UNIVERSITY EXPENDITURES INCURRED FOR CONSULTANT COSTS.



Washington, D.C. 20201

JUN 21 1993

MEMORANDUM TO BRYAN B. MITCHELL  
Principal Deputy Inspector General

FROM: *[Signature]* Kenneth S. Apfel *[Signature]*  
Assistant Secretary for Management and Budget

SUBJECT: OIG Draft Report on Need for Improved Financial Reporting and Monitoring Related to National Institutes of Health Research Funds at Universities

Thank you for sharing your draft report on the need for improved financial reporting and monitoring on NIH grants. The lack of data on actual costs of research funded by NIH is a cause for concern. We concur with your recommendations which should improve NIH's ability to monitor the expenditures of its grantees.

IG	<del>_____</del>
PDIG	<del>_____</del>
DIG-AS	<del>_____</del>
DIG-EI	<del>_____</del>
DIG-OI	<del>_____</del>
AIG-MP	<del>_____</del>
OGC/IG	<del>_____</del>
EX SEC	<del>_____</del>
DATE SENT	<del>6/21</del>

JUN 21 1993

RECEIVED  
OFFICE OF INSPECTOR GENERAL



Rockville MD 20857

AUG 1 1993

**MEMORANDUM**

From: Director  
Office of Management

Subject: Office of Inspector General (OIG) Draft Report "Need for Improved Financial Reporting and Monitoring Related to National Institutes of Health Research Funds at Universities"

To: Deputy Inspector General for Audit Services, OIG/OS

Attached are the Public Health Service (PHS) comments on the subject draft report. We agree with the report's finding that there is a need for improvements in the financial reporting and monitoring of grant funds. We concur with the recommendation directed to PHS and are in agreement with the recommendations directed to the Office of the Secretary. Our comments delineate the steps we have taken or plan to take to address the finding and recommendations.

*John C. West*  
Wilford J. Forbush

Attachment

PUBLIC HEALTH SERVICE (PHS) COMMENTS ON THE OFFICE OF  
INSPECTOR GENERAL (OIG) DRAFT REPORT "NEED FOR IMPROVED  
FINANCIAL REPORTING AND MONITORING RELATED TO NATIONAL  
INSTITUTES OF HEALTH (NIH) RESEARCH FUNDS AT  
UNIVERSITIES," A-06-91-00073

General Comments

We concur with the finding that improvements are needed in the financial reporting and monitoring of grant funds. We have long recognized that the lack of detailed financial expenditure data potentially hinders our efforts to properly monitor expenditures and improve the stewardship of Federal funds. In the absence of authority to receive detailed expenditure data, we continue to review estimated budgets and progress reports to ensure the adequate monitoring of grant funds.

Although we understand the OIG's concern that grant funds are (1) not always used during the budget period but are carried forward to the next period, and (2) not always spent as budgeted, one needs to recognize that PHS awards funds on a project period basis, which is the estimated total time for the research activity to be completed. While research projects can last 12-18 months, many typically have project periods of 3-5 years. These projects are incrementally funded on a budget period basis, typically lasting 12 months. In a sense, these budget periods are artificial segmentations of the project period established to reflect the Federal budgetary practice of providing funding through appropriations on an annual basis.

The authority to carryover and rebudget funds provides the flexibility for providing continued funding at the anticipated levels when project delays occur or when expenditures deviate from the established budget. To further illustrate the flexibility in the process, PHS specifically allows a research grantee to extend the final budget period of the project up to one year in order to complete the project. Therefore, while it is important to monitor the extent to which funds are carried forward or rebudgeted, these actions alone do not necessarily signify problems with the research project.

We believe that it would be counterproductive to take a highly restrictive approach which could encourage recipients to place undue emphasis on ensuring that all expenditures are made prior to the end of each budget period.

OIG Recommendation

1. We recommend that the Department of Health and Human Services (HHS) expedite the pilot project [approved by the

Office of Management and Budget (OMB) in April 1992] for the electronic transfer of detailed expenditure data and continue to work with OMB for approval to gather detailed expenditure data on all research grants and contracts.

PHS Comment

We agree with the objective of this recommendation. In keeping with the request to obtain categorical expenditure reports, PHS and the Office of the Assistant Secretary for Management and Budget (OASMB) proposed to OMB that authority be granted to conduct a pilot project for the electronic transfer of detailed expenditure data. This pilot project was to be conducted through institutions participating in the Federal Demonstration Project (FDP). Despite our efforts, these institutions have declined to participate in this pilot project.

Nonetheless, we are exploring with NIH and OASMB alternative approaches to the current financial reporting requirements and formats, including categorical expenditure reporting, possibly with selected FDP participants.

OIG Recommendation

2. We recommend that HHS require grantees to submit a revised budget for the use of unspent grant funds when a substantial carry-over of funds from one budget year to another occurs.

PHS Comment

We agree that it is appropriate to request revised budgets and/or additional documentation in certain instances when a substantial amount of carryover occurs. However, in some instances projects are delayed and the initial approved budget is still appropriate. In other instances a single item approved for purchase is delayed. As a consequence, we plan to leave to the Grants Management Officer's (GMO) discretion the decision of requiring a revised budget or additional documentation. We plan to add language to the PHS Grants Policy Statement to state that GMOs shall request revised budgets or additional information if it is necessary to understand the circumstances for the unobligated balance.

OIG Recommendation

3. We recommend that PHS define "significant rebudgeting" as used in the PHS Grants Policy Statement, Chapter 8-5, section 1.h.

PHS Comment

We concur with this recommendation and agree that it would be helpful to provide additional guidance to grantees by defining the term "significant rebudgeting" to indicate the level which may begin to suggest a possible change in project scope. We intend to revise the PHS Grants Policy Statement to indicate that "significant rebudgeting" has occurred when the cumulative amount of transfers among direct cost categories for the current budget period exceeds 25 percent of the total amount awarded.

This would not mean that, once this threshold has been reached, a change in the scope of the research project has occurred. However, it provides the grantee with better guidance as to when the GMO should be contacted to discuss issues regarding change of scope.