

Evaluation of NSF's Compliance with the Payment Integrity Information Act of 2019 for Fiscal Year 2025





At a Glance

Evaluation of NSF's Compliance with the Payment Integrity Information Act for Fiscal Year 2025

OIG 26-03-001 | May 12, 2026

WHY WE DID THIS EVALUATION

The Payment Integrity Information Act of 2019 (PIIA) aims to improve efforts to identify and reduce government-wide improper payments. Agencies are required to identify and review all programs and activities administered that may be susceptible to significant improper payments based on guidance provided by Office of Management and Budget (OMB). We conducted this evaluation to determine whether NSF complied with PIIA requirements for fiscal year (FY) 2025.

WHAT WE FOUND.

NSF met OMB reporting and risk assessment requirements for FY 2025 by publishing payment integrity information in its annual financial report and posting required information on the PaymentAccuracy.gov website, the centralized location for all federal payment integrity information. NSF also conducted improper payment risk assessments for all programs with outlays over \$10 million on a 3-year risk assessment cycle. NSF's most recent risk assessment, conducted in FY 2024, concluded that the agency has no programs likely to be susceptible to significant improper payments at or above OMB's thresholds.

Based on our review of all relevant information, we have determined that NSF is in compliance with PIIA for FY 2025.

WHAT WE RECOMMEND

The report contains no recommendations.

AGENCY RESPONSE

While the report contained no findings or recommendations, NSF stated it remains committed to continuously strengthening its internal controls and monitoring processes to identify and mitigate potential risks of improper payments across programs and activities.

CONTACT US

For congressional, media, and general inquiries, email OIGPublicAffairs@nsf.gov.



U.S. NATIONAL SCIENCE FOUNDATION
Office of Inspector General

MEMORANDUM

DATE: May 12, 2026

TO: Caitlyn Fife
Chief Financial Officer and Office Head
Office of Budget, Finance, and Award Management
U.S. National Science Foundation

FROM: Theresa S. Hull [REDACTED]
Assistant Inspector General
Office of Audits, Inspections, and Evaluations

SUBJECT: Final Report No. 26-03-001, *Evaluation of NSF's Compliance with the Payment Integrity Information Act of 2019 for Fiscal Year 2025*

Attached is the final report on the subject evaluation. We have included NSF's response to the draft report as an appendix. There were no recommendations in this report.

We appreciate the courtesies and assistance NSF staff provided during the evaluation. If you have any questions, please contact Elizabeth Kearns, Audit Director, at 703-292-8483 or ekearns@nsf.gov.

CC: John Veysey, Ann Bushmiller, Angel Williams, Micah Cheatham, Christina Sarris, Jesse Simons, Jason Bossie, Justin Poll, Daniel Kaneshiro, Veronica Shelley

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Abbreviations

AFR	Agency Financial Report
CIGIE	Council of the Inspectors General on Integrity and Efficiency
FY	fiscal year
NSF	U.S. National Science Foundation
OIG	Office of Inspector General
OMB	Office of Management and Budget
PIIA	Payment Integrity Information Act of 2019

Background

The U.S. National Science Foundation is an independent federal agency created by Congress in 1950 “[t]o promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes.” (Pub. L. No. 81-507) With a budget of about \$8.75 billion in FY 2026, NSF is the funding source for about 25 percent of all federally supported basic research conducted by America’s colleges and universities. Each year, NSF supports about 94,000 researchers, entrepreneurs, students, and teachers.

Payment Integrity Requirements

The Payment Integrity Information Act of 2019 (PIIA; Pub. L. No. 116-117) aims to improve efforts to identify and reduce government-wide improper payments. Agencies are required to identify and review all programs and activities they administer that may be susceptible to significant improper payments based on guidance provided by the Office of Management and Budget (OMB). Payment integrity information is published with the agency’s annual financial statement in accordance with payment integrity guidance in OMB Circular A-136.¹ According to guidance in OMB Circular A-123,² the agency must also publish any applicable payment integrity information required in the accompanying materials to the annual financial statement in accordance with applicable guidance. The most common accompanying materials to the annual financial statement are the payment integrity information published on [PaymentAccuracy.gov](https://www.paymentaccuracy.gov).³ The agency’s Inspector General is required to annually review and report on the agency’s compliance with payment integrity requirements.

According to OMB, an improper payment is any payment that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements.⁴ An improper payment includes any payment that:

- was made to an ineligible recipient;
- was made for an ineligible good or service;
- was a duplicate;
- was made for goods or services not received, except for those payments where authorized by law;
- was not authorized by law; or
- did not account for credit for applicable discounts.

¹ OMB Circular A-136 Revised, *Financial Reporting Requirements*.

² OMB Circular A-123, Appendix C, *Requirements for Payment Integrity Improvement*.

³ The agency provides payment integrity information to OMB through an annual data call, and the information is subsequently published on [paymentaccuracy.gov](https://www.paymentaccuracy.gov). According to the website, “PaymentAccuracy.gov compiles and synthesizes agency-reported information on improper payments to help taxpayers, policymakers, and oversight bodies track progress and identify risks across agencies and programs.”

⁴ OMB Circular A-123, Appendix C, *Requirements for Payment Integrity Improvement*.

An improper payment may be an overpayment, an underpayment, or technically improper.⁵ For purposes of OMB reporting, when an agency's review is unable to discern whether a payment was proper or improper because of missing or insufficient documentation, the payment should be considered an unknown payment until the payment is ultimately determined to be improper or proper.

Evaluation Objective

The objective of this evaluation was to determine whether NSF complied with the PIIA for fiscal year (FY) 2025. We conducted this evaluation according to the Council of the Inspectors General on Integrity and Efficiency's (CIGIE) Guidance for Payment Integrity Information Act OIG Compliance Reviews, dated November 2025.

Results of Evaluation

NSF complied with all applicable OMB payment integrity reporting and risk assessment requirements for FY 2025. NSF published payment integrity information in its annual financial statement and posted required information on PaymentAccuracy.gov. NSF posted its annual financial statement and accompanying materials on its website. NSF also conducted improper payment risk assessments for all programs with outlays over \$10 million on a 3-year risk assessment cycle. NSF's most recent risk assessment, conducted in FY 2024, concluded that the agency has no programs likely to be susceptible to significant improper payments at or above OMB's thresholds.

NSF Complied with Payment Integrity Requirements

According to OMB guidance,⁶ an agency is required to meet ten specific requirements to comply with PIIA, as applicable. We determined NSF programs followed and complied with the applicable PIIA requirements for FY 2025, as shown in Table 1:

Table 1. NSF Compliance with FY 2025 PIIA Requirements

No.	Criteria	Grants and Cooperative Agreements	Contracts and Individual Payments	Payments to Employees	NSF Purchase Cards
1	Published payment integrity information with the annual financial statement.	Yes	Yes	Yes	Yes
2	Posted the annual financial statement and	Yes	Yes	Yes	Yes

⁵ OMB Circular A-123, Appendix C states that improper payments are classified as a monetary loss (overpayment) or a nonmonetary loss. A nonmonetary loss is either an underpayment or a technically improper payment (a payment to the right recipient for the correct amount but the payment process failed to meet applicable regulatory or statutory requirements).

⁶ Appendix C to OMB Circular A-123, *Requirements for Payment Integrity Improvement*.

	accompanying materials on the agency website.				
3	Conducted improper payments risk assessments for each program with annual outlays greater than \$10,000,000 at least once in the last 3 years.	Yes	Yes	Yes	Yes
4	Adequately concluded whether the program is likely to make improper payments and unknown payments above or below the statutory threshold.	Yes	Yes	Yes	Yes
5	Published improper payment and unknown payment estimates for programs susceptible to significant improper payments and unknown payments in the accompanying materials to the annual financial statement.	N/A*	N/A*	N/A*	N/A*
6	Published corrective action plans for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement.	N/A*	N/A*	N/A*	N/A*
7	Published an improper payment and unknown payment reduction target for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement.	N/A*	N/A*	N/A*	N/A*
8	Demonstrated improvements to payment integrity or reached a	N/A*	N/A*	N/A*	N/A*

	tolerable improper payment and unknown payment rate.				
9	Developed a plan to meet the improper payment and unknown payment reduction target.	N/A*	N/A*	N/A*	N/A*
10	Reported an improper payment and unknown payment estimate of less than 10 percent for each program for which an estimate was published in the accompanying materials to the annual financial statement.	N/A*	N/A*	N/A*	N/A*

Source: CIGIE PIIA Checklist and OIG Analysis

*NSF's FY 2024 PIIA risk assessment found that the agency was not susceptible to significant improper payments. As a result, this requirement was not applicable for FY 2025.

NSF published an Agency Financial Report (AFR)⁷ for FY 2025, along with accompanying materials. NSF posted the AFR and accompanying materials on its [website](#) along with a link to PaymentAccuracy.gov. Additionally, NSF submitted its two points of contact to OMB, as required.⁸ According to OMB, these contacts are responsible for determining which PIIA requirements apply and ensuring that the required information is submitted in accordance with the annual data call guidance.

Every 3 years, NSF conducts risk assessments for all programs and related activities with outlays over \$10 million. Accordingly, NSF's most recent risk assessment, conducted in FY 2024, included grants and cooperative agreements, contracts and individual payments, purchase cards, and payments to employees.⁹ Based on this risk assessment, NSF concluded that it does not have any programs likely to be susceptible to significant improper payments.¹⁰ NSF's next risk assessment will be completed in FY 2027.

We also evaluated NSF's efforts to prevent and reduce improper payments and unknown payments. We determined that NSF maintains a strong risk assessment approach and has improved its internal controls to prevent and reduce improper payments. According to NSF's FY 2024 *Data Analytics & Assurance Program Improper Payment Risk Assessment Final Report*, maintaining a strong control environment to monitor and mitigate improper payment risk is a

⁷ The NSF AFR provides financial and accountability information for the fiscal year.

⁸ By July 1 of every year, each executive branch agency must email PaymentIntegrity@omb.eop.gov with two points of contact per OMB Circular A-136, Financial Reporting Requirements, as revised.

⁹ NSF reported on [paymentaccuracy.gov](https://www.paymentaccuracy.gov) that purchase cards outlays were below the \$10 million threshold for FY 2025.

¹⁰ According to OMB Circular A-123, Appendix C, significant improper payments are annual improper payments and unknown payments "in the program exceeding (1) both 1.5 percent of program outlays and [\$10 million] of all program or activity payments made during the FY reported or (2) [\$100 million]."

top priority. In December 2024, NSF strengthened its internal controls for payment integrity by enhancing its payment integrity program policy and procedures to further ensure compliance with PIIA. NSF developed and uses an improper payment risk assessment framework and tool to assess improper payment risk susceptibility. Additionally, NSF may reassess its risk assessment methodology, including during off-cycle years, to ensure its approach is responsive to changing conditions. Further, NSF reported a recovery activities¹¹ recovery rate of 100 percent for overpayment amounts identified and recovered through recovery activities for FY 2025.¹²

¹¹ Appendix C to OMB Circular A-123, *Requirements for Payment Integrity Improvement* states that recovery activities are used by an agency to identify and recapture overpayments. "Recovery activities include but are not limited to review of Single Audit reports; self-reported overpayments, statistical samples conducted under PIIA, and agency post-payment reviews."

¹² NSF reported on paymentaccuracy.gov that it identified and recovered \$16.01 million in overpayments for FY 2025.

Appendix A: Objective, Scope, and Methodology

The objective of this evaluation was to determine whether NSF complied with PIIA for FY 2025. We conducted this evaluation according to CIGIE's Guidance for Payment Integrity Information Act OIG Compliance Reviews, dated November 2025. OMB guidance implements PIIA requirements.

We conducted this evaluation from February 2026 to March 2026 in accordance with the CIGIE's Quality Standards for Inspection and Evaluation. Those standards require that evidence supporting evaluation findings, conclusions, and recommendations should be sufficient, competent, and relevant and should lead a reasonable person to sustain the findings, conclusions, and recommendations. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions.

To achieve our objective, we reviewed applicable federal laws, OMB guidance, and agency policies and procedures. From NSF's website, we obtained and reviewed the FY 2025 AFR, focusing on the Payment Integrity Information Act Reporting section and accompanying materials to assess NSF's compliance with PIIA and related OMB guidance. We interviewed NSF staff to understand the procedures, oversight, and internal controls related to PIIA.

Appendix B: Agency Response



U.S. National Science Foundation
Office of the Chief Financial Officer

MEMORANDUM

DATE: April 28, 2026

TO: Theresa S. Hull, Assistant Inspector General for Audits, Inspections, and Evaluations, NSF

FROM: Caitlyn Fife, Chief Financial Officer and Head, Office of the Chief Financial Officer, NSF
Jesse Simons, Deputy Chief Financial Officer and Deputy Head, Office of the Chief Financial Officer, NSF

SUBJECT: NSF's Response to the OIG's Official Draft Report, "Evaluation of NSF's Compliance with the Payment Integrity Information Act of 2019 for Fiscal Year 2025"

The National Science Foundation ("NSF") appreciates the professionalism and diligence of the Office of the Inspector General ("OIG") in conducting its evaluation of NSF's Compliance with the Payment Integrity Information Act of 2019 ("PIIA") for Fiscal Year ("FY") 2025. We are pleased that the OIG determined that NSF complied with PIIA requirements for FY 2025, reflecting the agency's strong commitment to payment integrity and a sound internal control environment.

While the report contained no findings or recommendations, NSF remains committed to continuously strengthening its internal controls and monitoring processes to identify and mitigate potential risks of improper payments across programs and activities.

The NSF values its constructive and collaborative relationship with the OIG and looks forward to continuing to fulfill our shared objective of responsible stewardship of U.S. taxpayer funds.

CC: Micah Cheatham, Chief Management Officer

www.NSF.gov

National Defense Authorization Act

General Notification

Pursuant to Pub. L. No. 117-263 § 5274, business entities and non-governmental organizations specifically identified in this report have 30 days from the date of report publication to review this report and submit a written response to NSF OIG that clarifies or provides additional context for each instance within the report in which the business entity or non-governmental organizations is specifically identified. Responses that conform to the requirements set forth in the statute will be attached to the final, published report.

If you find your business entity or non-governmental organization was specifically identified in this report and wish to submit comments under the above-referenced statute, please send your response within 30 days of the publication date of this report to OIGPL117-263@nsf.gov, no later than June 15, 2026. We request that comments be in .pdf format, free of any proprietary or otherwise sensitive information, and not exceed 2 pages. Please note that a response that does not satisfy the purpose set forth by the statute will not be attached to the final report.

About Us

NSF OIG was established in 1989, in compliance with the Inspector General Act of 1978 (5 USC 401-24). Our mission is to provide independent oversight of NSF to improve the effectiveness, efficiency, and economy of its programs and operations and to prevent and detect fraud, waste, and abuse.

Contact Us

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- Mail: Randolph Building, 401 Dulany Street, Alexandria, VA 22314 ATTN: OIG HOTLINE

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