

Implementing and Managing International Proposal Development & Subawards

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Agenda

Objective:

Participants will be presented with a framework for identifying, coordinating and managing international subawards across a variety of institution types

- Proposal Development
- Partner Due Diligence
- Risk Mitigation
- Subaward Issuance
- Subaward Management
- Closeout Considerations

PROPOSAL DEVELOPMENT

Foundations for a Relationship

What happens at proposal can impact the entire relationship, through award and closeout.

- Communication Challenges
- Regulatory Challenges
- Institutional Policy Challenges

Before you dive in....

Who are you working with?

What does the sponsor/solicitation require?

What does your institution require?

What regulations apply?

Business as usual, but more

Similar - but expanded - processes followed to include a foreign subrecipient or a vendor in your proposal:

- Statement of Work
- Budget
- Project Supporting Activities
- Compliance

PARTNER DUE DILIGENCE

Key Considerations

- Risk Assessment
- Debarment/Excluded Parties
- Foreign Influence issues
- Foreign Corrupt Practices Act
- Potential Procurement Issues
 - Appropriate competition/source justification

Key Considerations

Registrations required – are they in place?

- UEI
- EIN
- NATO Commercial and Gov't Entity (NCAGE) Code
- SAM.gov
- Agency specific – e.g., eRA Commons, Research.gov

Best Practices



Engage foreign collaborators EARLY, allow adequate time for required reviews/approvals before submission



Identify the best/preferred means for exchanging information/discussing



Be clear about submission requirements, including registrations



Develop a project plan that addresses programmatic AND compliance issues

RISK MITIGATION

Risk Mitigation



- The due diligence process provides a roadmap for navigating collaboration to minimize risk
- Strategies will vary based on information collected during due diligence
- Document:
 - Internally
 - Using subaward

Routine Re-Assessment is Important

University of Manchester ends research project with Chinese firm over alleged links to Uighur persecution

Foreign Affairs Committee chair says he is 'pleased' at decision

Zoe Tidman • Wednesday 03 February 2021 20:48 • [Comments](#)



<https://www.independent.co.uk/news/education/education-news/university-manchester-uighur-persecution-cetc-b1797243.html>

- Partnership with state-owned Chinese company linked to providing technology & infrastructure related to the repression of the Uyghur people
- Radio astronomy collaboration
- Export licenses denied by UK government
- Partnership terminated after UK lawmakers started asking questions

Risk Mitigation: Institution

Confirm compatibility

Will policies/precedents be violated in partnership?

Understand motivations

Motivation of partner may be different

Perceived message

Will your partnership be received well

Put it in writing

Document expectations

Risk Mitigation: Project

Know your partner

- Collaborations are shaped by the countries in which partners are based
- Consider partner's past activities, sector it operates in, legal/regulatory environment
- Consider academic freedom risks

Strike and maintain robust agreements

- Exit strategy (right to withdraw from agreement, terminate early)

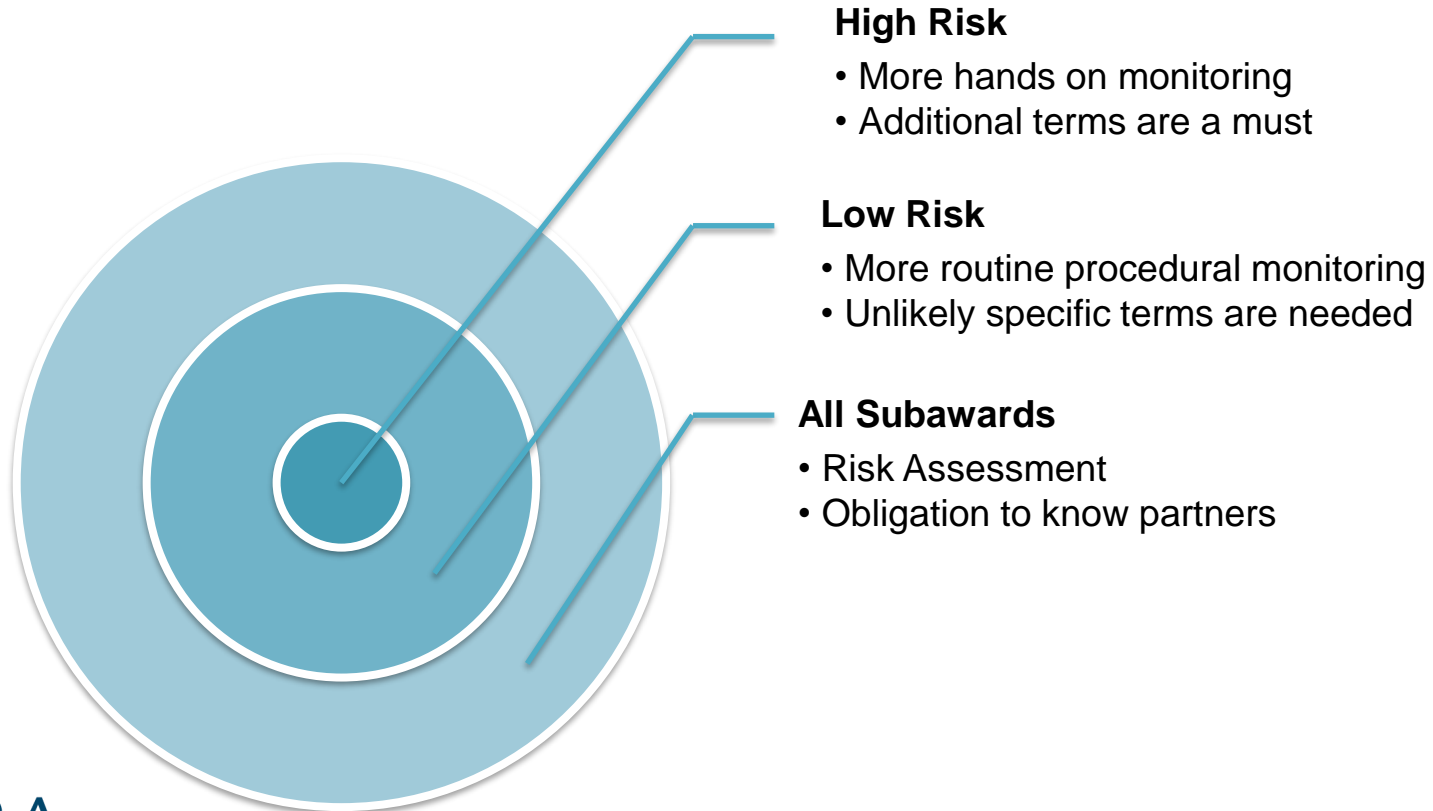
Establish clear roles and responsibilities for staff/project team

- Continue to develop procedures/policies for identified risks
- Institution should consider how it supports staff to make informed decisions

Collaborator Engagement Risk



Risk Tolerance & Designing Controls



The Best Strategy...Communication



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- Written / oral communication
- Cadence
- Use of agendas
- Cultural norms

Crossing Language Barriers

- What languages are spoken/documentated at the partner institution?
- Can you accept P/staff translations?
- Do you need an official translation?
- Impact of translation on terminology



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SUBAWARD ISSUANCE

Special Consideration for International Subrecipients

- Partners operating under different regulatory regimes
- Different norms around costs & financial records
- Language, time zone, infrastructure differences
- Be explicit about prior approvals, costs, communication, reports & other expectations
 - Understand it is not a function of belief in ability, but rather a recognition that someone is working in a different context
 - Tools like invoice templates and guides on allowable costs allow subrecipients to be successful
 - Consider fixed amount subawards

Subaward Form

Fixed Price

Pros:

- Reduces risk of cost overruns
- Payment can be tied to performance
- Streamlines reporting
- Preferable for vendors/contractors

Cons:

- Necessitates accurate cost estimate
- Less visibility into spending
- Milestones can be incompatible w/research

Cost Reimbursable

Pros:

- Payment based on actual cost
- Detailed reporting
- Payment tied to regular invoicing
- Preferable for research

Cons:

- Onus on subrecipient/vendor to control costs
- Requires internal controls
- Lack of performance guarantees

Considerations for your Template

Consider expanding on certain terms

Differences in terminology

Signature authority

Currency

Payment terms

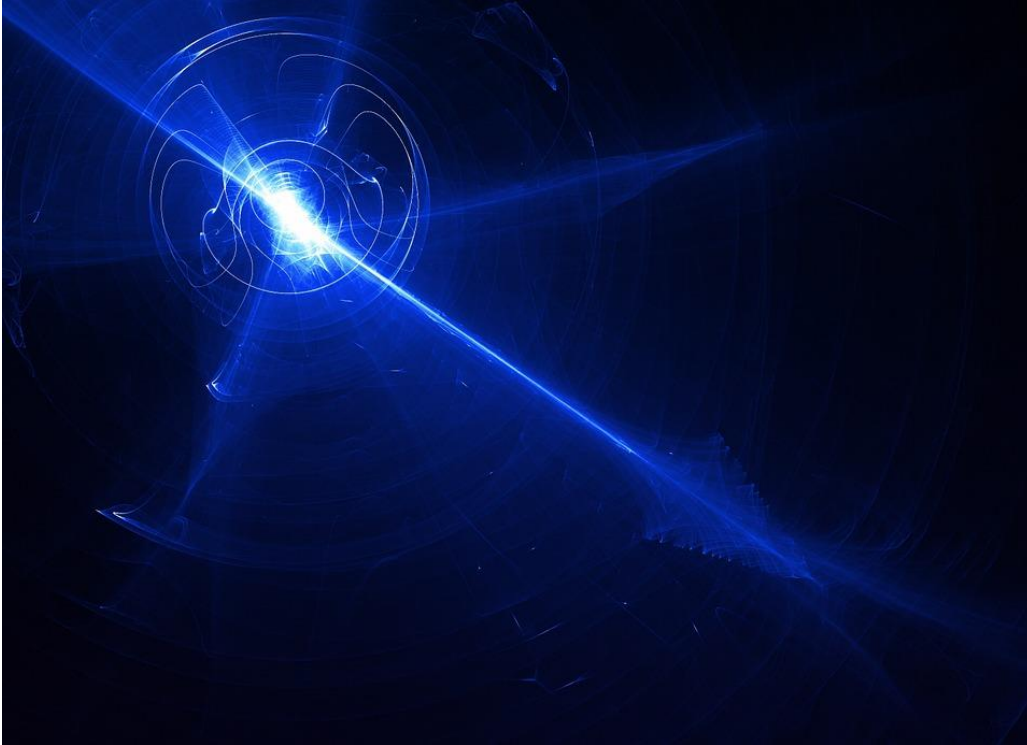
Performance milestones

Data use, protection, management & sharing requirements

Anti-corruption & anti-discrimination

Governing law & language

Bright Lines



Understand your organization's 'bright lines' ...and those of your collaborator.

Legal & Regulatory Compliance

Regulatory Area	Potential Institutional Partners	Questions to Ask
Human subjects & Data (Open vs protected)	Ethics Board, Department, PI, Legal, ITS	<ul style="list-style-type: none">• Regulations/conditions for the use and/or sharing of this data?• Security requirements
Conflict of Interest & Commitment	Legal, Department, PI	<ul style="list-style-type: none">• Can you substitute your COI policy? Does the scope align?• If you don't have one, can you rely on another party in the collaboration?
Export Controls & Data Protection	Export Control/Trade Compliance, Legal, Tech Transfer Office	<ul style="list-style-type: none">• Licenses needed to import/export materials/software, etc.• Deemed exports• Dual use
Vertebrate Animals	Animal Care Office, Department, PI	<ul style="list-style-type: none">• Regulations for care

Best Practices



Discuss requirements that may impact agreement structure up front



Map out the relevant experts for each area (e.g., Export Controls)



Identify & educate on applicable flow-downs



Engage in negotiations with 'bright lines' in mind



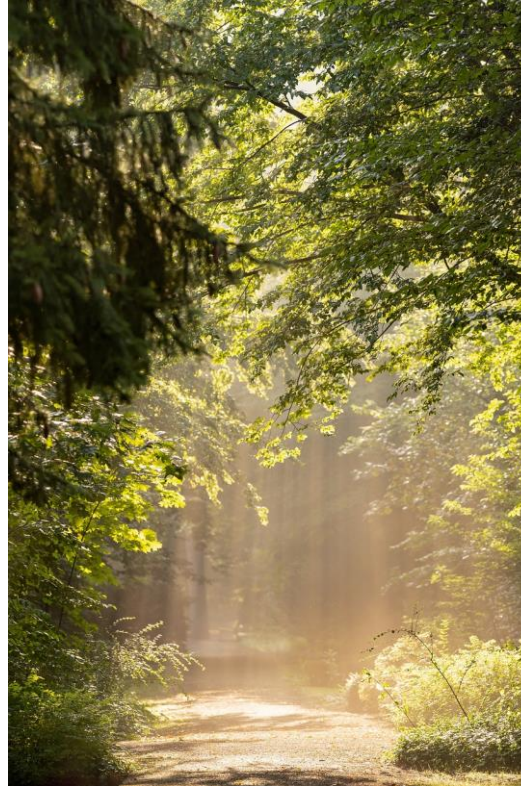
Review with audit experts to practically predict problematic areas

SUBAWARD MONITORING

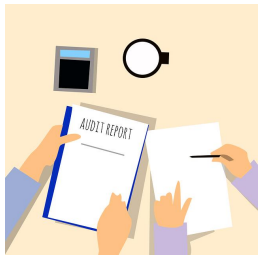
Subrecipient Monitoring



Subrecipient Monitoring



Examples of Challenges in Managing U.S Funds

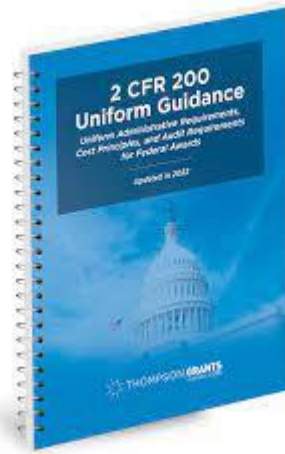


Spector, Professor Timothy David (Tim)

Month / Year	FTE % split		TOTAL	FTE %
	NIH code	Other codes		
Sep-17	5.00%	95.00%	100.00%	100.00%
Oct-17	5.00%	95.00%	100.00%	100.00%
Nov-17	5.00%	95.00%	100.00%	100.00%
Dec-17	5.00%	95.00%	100.00%	100.00%
Jan-18	5.00%	95.00%	100.00%	100.00%
Feb-18	5.00%	95.00%	100.00%	100.00%
Mar-18	5.00%	95.00%	100.00%	100.00%
Apr-18	5.00%	95.00%	100.00%	100.00%
May-18	5.00%	95.00%	100.00%	100.00%
Jun-18	5.00%	95.00%	100.00%	100.00%
Jul-18	5.00%	95.00%	100.00%	100.00%
Aug-18	5.00%	95.00%	100.00%	100.00%
Sep-18	5.00%	95.00%	100.00%	100.00%
Oct-18	5.00%	95.00%	100.00%	100.00%
Nov-18	5.00%	95.00%	100.00%	100.00%
Dec-18	5.00%	95.00%	100.00%	100.00%
Jan-19	5.00%	95.00%	100.00%	100.00%
Feb-19	5.00%	95.00%	100.00%	100.00%
Mar-19	5.00%	95.00%	100.00%	100.00%
Apr-19	5.00%	95.00%	100.00%	100.00%
May-19	5.00%	95.00%	100.00%	100.00%
Jun-19	5.00%	95.00%	100.00%	100.00%

Principal Investigator Name: Tim Spector
 I confirm that the above is an accurate record of the time worked on this NIH project
 Signature: _____

Subrecipient monitoring



Have different funding mechanisms been explored?



Who is responsible?



Monitoring Strategies



Overview

- Research Due Diligence – the context
- Research Funders – the requirement for due diligence
- Research Due Diligence at King's – our approach from first steps to growing maturity
- The King's Approach to Post Award DD (Incl Transaction samples)
- Local project Management (Incl storage of information , financial systems , receipting , holding of HR records)
- Annual reviews – What we are seeking
- Invoicing / Qstox reporting /End of Project Management Invoicing
- Questions ?
- How does it work locally at your organisation?

Research Due Diligence at King's –

Keeping an Eye on the Ball

- Post-award expenditure monitoring (academics monitor project delivery)
 - Each award incorporates a finance schedule which clarifies need for a quarterly claim & provision of a detailed expenditure listing
 - Either a 20% selected sample (Volume or value) is sort and reviewed or the collaborator is expected to provide a full set of transactions / salary info (dependent on Due Diligence approval caveats)
 - Occasionally the sample may be higher if requested by the Panel
 - Where an advance was paid this will be expected to be recovered from either the third or fourth quarter against an agreed recovery plan with full recovery prior to the final quarter (Eg. Four year project of 16 quarters payments of 1/13th per quarter from the third quarter to fifteenth quarter)
- Follow-up on outstanding information and actions – 3 months, 6 months plus !
- Regular contact between project team , research assurance and post award – vital link is Project Manager and local Finance Manager

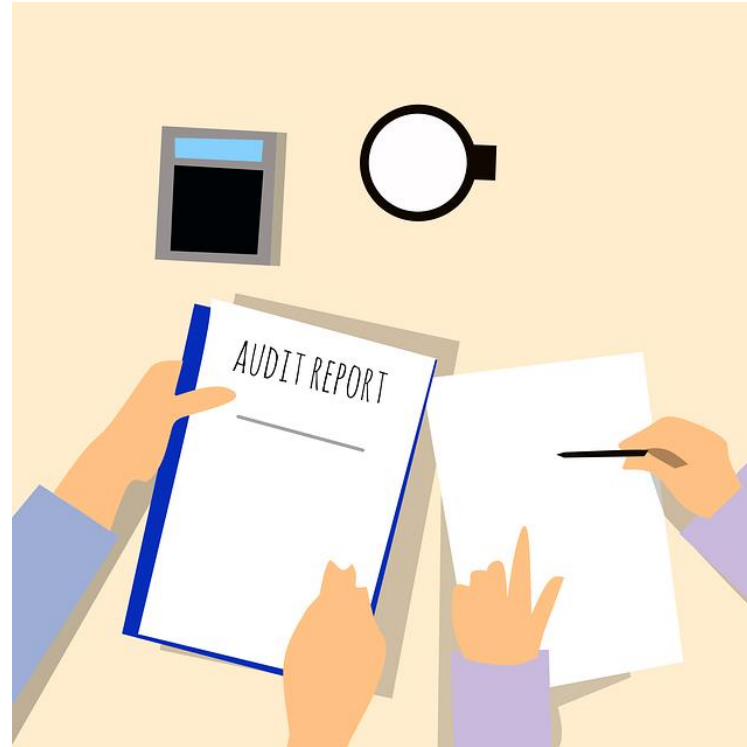
Monitoring Strategies



Monitoring Strategies



Audits



CLOSEOUT CONSIDERATIONS



UG §200.343 Closeout

Reports due at Closeout



Technical reports – PI is responsible



Invention reports – PI is responsible



Property records – managed by procurement office



Financial reports – Coordinated, submitted by Post-Award

Critical Questions for Financial Closeout

fall CHECKLIST

- step on crunchy leaves 🍁
- eat something pumpkin-flavored
- snuggle under blankets 🍊
- get out warm clothes
- watch the trees change colors
- spot a ghost for Halloween

chibird



Is the cost allowable?

Sponsor terms and institutional policies



Is the cost reasonable?

Accepted standards



Is the cost treated consistently?

Similar costs are charged to the sponsor



Is the cost allocable and timely?

Benefits project and within project period

Tips for Effective Project Closeout

Start early – send notification to department and PI 60-90 days prior to end date of award

Determine if a No Cost Extension will be (or has been) requested

Review budget justification again to identify any unusual costs that were included in it.

Within 30 days of end date do a preliminary review of costs and contact department

Close award within 60-90days; do not wait till final 10-15 days. Timely submission is critical.

Research Administration Heroes



QUESTIONS & RESOURCES

Resources

- NCURA [Country Guidebook](#)
- NYU RAD [Series](#)
- NPSA [Trusted Research Guidance](#) for Academia
- Innovation, Science & Economic Development Canada's [Research Partnerships Risk Assessment Form](#)
- [UCOP Foreign Influence](#) guidance
- [FDP](#) Subaward Tools'
- [NIH Info](#) for Foreign Grants

Federal Award Flow-Downs

Useful UG Clauses to know for International Collaborators

1. Notice of funding opportunities (200.203(b))
2. Subrecipient monitoring and management (200.330-200.331)
3. Indirect costs (200.414)
4. Fixed amount subawards (200.332)
5. Closeout (200.331(a)(6) and 200.343)
6. Exchange rates (200.440)
7. Taxes (200.470(c))
8. Recruiting costs (visas) (200.463(d))
9. Allowable Costs (Subpart E – Cost Principles)
10. Prior approvals (200.308 and 200.407)

Q & A CASE STUDIES

Risk Mitigation Example 1

Fact Pattern

- Professor Xavier from the US meets Professor LeBeau, from Zimbabwe at a conference
- They decide to work together on a project studying energy grid resilience plans and outcomes in high heat scenarios
- Prof. LeBeau's institution is well-established, but lacks experience working with US grant regulations
- Professors Xavier & LeBeau have established a solid research & dissemination plan, including using public repositories for data
- All the data will be generated in Zimbabwe, Professor Xavier's role would be centered on analyzing the data



Risk Mitigation Example 1

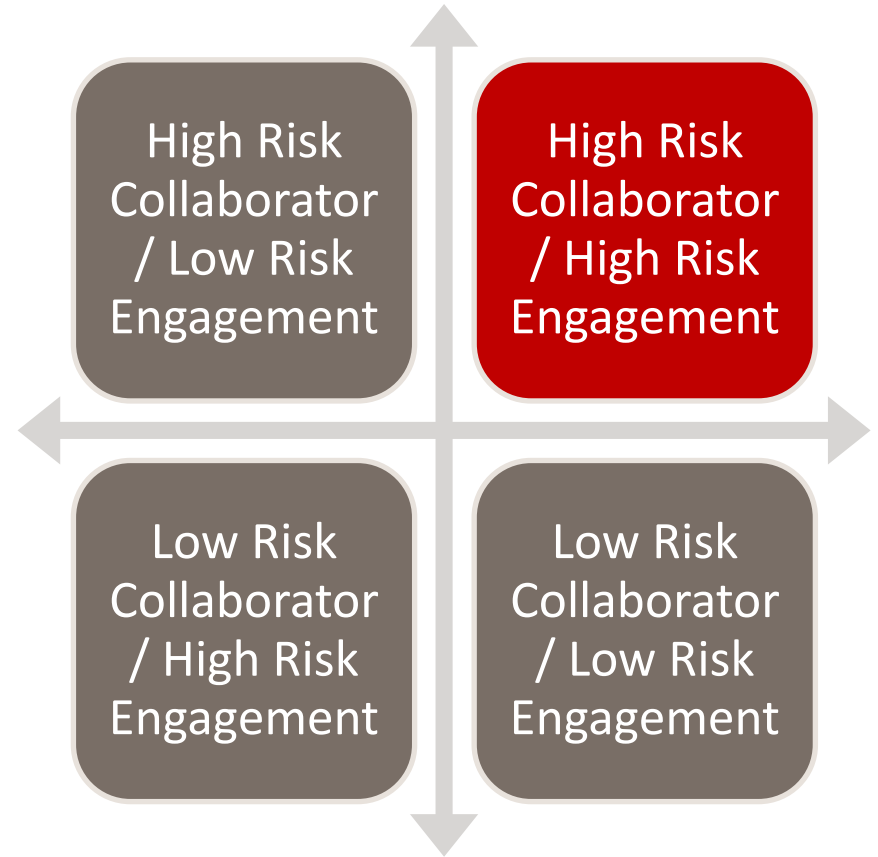
Strategies

- Discussion with partner institution to design an appropriate financial oversight plan to address infrastructure challenges & cultural differences
 - Segregation of accounts
 - Back up for expenses
 - Excluded expense categories (ex., lawn mowers)
- Ensure the contract reflects PI understandings about data sharing, financial plan and other key compliance requirements
- Annual check-in with the PI on subrecipient progress

Risk Mitigation Example 2

Fact Pattern

- Prof McCoy wants to pursue study funded by a US think tank with new partners in Finland and China
- The project involves:
 - Service: ethical guidance on AI-based facial recognition services to collect payment on public transit systems
 - Research: examine rider psychological comfort & willingness to adopt
- Companies providing software require review of publications for patentable information
- Project involves providing guidance on software as needed, thus there will be access to source code
- It is unclear what the publication goals are given the mix of service and research



Risk Mitigation Example 2

Strategies

- Internal discussion of the balance of risks related to geopolitical tensions:
 - Uyghurs/human rights concerns
 - Access to emerging/developing technology
 - Access to source code
 - PIPL: march in access for government
- Ensure the contract keeps the obligations to comply separate for each based on data requirements of each country
- Discussion with sponsor about data requirements of each partner

Financial risks/management case study

- Your project partner in Lithuania is contacting you because the exchange rate they used for the budget in the application has changed dramatically due to the unstable situation in the region.
- What advice would you give the project partner?