Demystifying International Research at Duke

Panelists

- Broderick Grady, Associate Director, International Research
- Brendan Murphy, Director of Global Support, Central Finance
- Jamie Mills, Grant Manager, Duke Global Health Institute (DGHI)
- Margaret Pendzich, Research Team Leader, Duke Office of Clinical Research (DOCR)
Key Points

• International research definition
• Big ticket issues to keep in mind
• Special budget considerations
• Managing the post-award environment
• Communicating effectively with collaborators
• Tools and resources at Duke
• Q&A

What is International Sponsored Research?

No simple definition
• Example: What if Duke PI travels internationally?
  • Is a conference in Switzerland the same as working in Kenya year-round?
• MOST research Duke does have some international component, however indirect

The reason that “international” matters is that it often brings complexity to a proposal/project
• Many issues faced in the international space are rarely seen on the domestic side

So what should you look for in a proposal?
<table>
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<th>Does the proposal include?</th>
<th>Why this matters</th>
<th>Other issues to consider</th>
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| Duke faculty/staff working at an international location ("boots on the ground")          | 1. Hiring local staff  
2. HR, Tax, Legal requirements  
3. Banking/payments                                                                              | 1. Length of stay (2 weeks versus 8 months)  
2. Number of staff  
3. Duke vs Non-Duke people  
| Sponsor (or Prime) is an international entity                                               | 1. Foreign legal requirements  
2. Agreement issues                                                                                   | 1. Translation needed?  
2. Might need Legal to weigh in                                                                    |
| Human Subjects work and/or work with animals will be done outside the USA by Duke         | 1. Campus and SoM IRB are expert on US rules but not expert on the rules in all other countries   | 1. Will data (HS or otherwise) be sent back to USA?                                         |
| Human Subjects work and/or work with animals will be done outside the USA by a third party (e.g., subawardee) | 1. Duke must get IRB approval even if no Duke personnel engaged in HS  
2. Some local partners may not have an IRB                                                        | 1. Will data (HS or otherwise) be sent back to USA?                                             |
| Subawardees are international entities                                                     | 1. If federal work, subs may need DUNS, SAM.gov, etc.  
2. Some smaller subs may lack experience and need help budgeting, etc.                             | 1. Has PI assessed whether sub has capacity to do the work (Technical? Financial?)               |
| Duke is sending data or items/goods to international destination                           | 1. Different rules on data privacy and security (EU)                                               |                                                                                           |
| Duke is bringing tangible items from foreign site into USA                                 | 1. Could have customs issues  
2. Animals/animal products                                                                             |                                                                                           |
| Project involves foreign nationals coming to USA/Duke                                       | 1. Exposes Duke to liability  
2. Foreign visitors may need help with visas, insurance, etc.                                        | 1. What is the nature of the visit?  
2. Lab work vs training course?  
3. Short or long-term?  
3. In-country logistics                                                                          |
What Should I Do?

• Let your RA/RAM/AD know
  • Important that your ORS/OR/RA representative is aware
  • RA/RAM/AD will contact me when needed
• Depending on the complexity of any particular international proposal:
  • I may serve as your ORS/OR/RA representative for the proposal;
  • I may work in tandem with your ORS/OR/RA representative (your representative will remain primary contact); or
  • Your ORS/OR/RA representative may handle the proposal, with me providing assistance to your representative as needed

How Can I Help?

• Make sure you always fill in the international sections of your SPS records
• Let your representative know as early in the process as you can – well before the proposal is routed – that your PI is planning on submitting an international proposal
• Make sure your PI is thinking about all international – related budget items
  • Security, tax, insurance, etc.
Agenda

• Common Issues
• Sample Misconceptions
• Sample Issues Addressed in 2015-16
• Support Requested
• Planning

Common Issues

• Permanent Establishment ("PE")
  • The determination of “Fixed Place of business” which triggers local tax exposure
  • Often defined in tax treaties
  • Income generating activities most common trigger, though not only
  • Other contributing factors
    • Office or working space
    • Employment of local nationals
    • Duration of program
    • Decisions being made and executed in-country
• The requirement of Legal Entity in country based upon program activities
  • Facilitates the opening of a bank account and the ability to legally hire employees
• Incorrect use of independent contractors
• Immigration:
  • Obtaining the correct visa for Duke staff working in country
• Local tax exposure for Duke and Duke Staff
Sample Misconceptions

- It’s just an office for study abroad/research, and that activity is not a compliance issue
- Our partner has been there, so they must be doing everything right
- Our PI’s will have no local tax exposure because they pay taxes in the U.S.
- We can easily and legally engage and pay for local contractors on an as needed basis
- Non-profit status in the US automatically applies in a foreign country
- Our foreign “contractors” would never turn on us
- Getting cash in country is easy

Sample Issues Addressed in 2015-16

- Use of personal bank accounts
  - Peru – Research activity conducted via a personal bank account
  - China – Program previously conducted via a wire to personal bank account.
  - Kenya – Leveraged Duke corporate account (DGI) rather than personal accounts
- Protecting Duke from permanent establishment
  - China – Leverage use “WFOE” or Duke Global Inc., “DGI”
  - India – Leverage “DISPL, Duke’s Indian Entity
  - Kenya – Leverage the Kenyan Branch of DGI
  - Kazakhstan – Leverage Duke Global Inc. for revenue generating programs in country.
- Compliantly engaging local staff
  - China, India, Kenya, Tanzania have compliantly engaged employee’s or Independent contractors
- Unwinding risk from past practices
  - Gabon, Kenya, Tanzania
Support Requested

• Need partnership and support of Global Administrators
  • Help in vetting program needs – earlier the better
• Help in managing costs and expectations
  • International support does cost money
    • Cost of payroll, locally compliant contracts, local review of leases etc.
    • Trade off between support and perceived loss of control on PI’s part
• Please call if your PI’s or programs will do any of the following:
  • Generate revenue in country
  • Require a local or personal bank account to conduct operations
  • Need to hire local staff or contractors
  • Need to sign a lease or any other contracts to support in country operations
  • Will spend more than 183 days in a country

Budgets

• Big-ticket issues to keep in mind when putting together an International Research proposal
• Special considerations that should be factored into the budget preparation process when conducting International Research
• Practices for effectively managing and minimizing turmoil in the post-award environment – both in terms of project management and financial management
Big-ticket Issues for Budgets

• Build enough time into the preparation process, in light of different time zones
• Factor in time to explain (to new sub-recipients) the process of getting DUNS numbers, FWA assurance, Animal Welfare Assurance, etc.
• Try to conceptualize the budget in terms of whether the costs should be part of Duke’s budget or the budget of a sub-recipient. How can the work best be accomplished by collaborators
• On-Campus vs. Off-Campus F&A rate

Special Considerations

• Duke costs or Sub-Contract/Award Costs?
  • Duke costs? If research is taking place in an off-campus environment over longer periods of time:
    • Pay for off-campus rent for facility?
    • Other costs – Electricity, Security, Telecommunications, Vehicle, Vehicle Maintenance?
  • Sub Costs
    • Make sure sub is building budget that is appropriate to the work that will take place
    • F&A Rate Agreement? If no, consider direct costing administrative items
    • Build wire fees into Duke budget to support the sending of wires to international partners
• Other Items to include in Duke budget
  • Audit?
  • Medivac/DBA Insurance when spending time out of the country?
  • Visa Costs
  • Try to think out all of the potential cost elements to carry out research
Practices for Post-Award Management

- Make sure budget set up in proposal process has thought through the post-award environment
- Contracts vs. Sub-contracts
  - Contracts – International RSSA vs. A/P Check Request
  - Sub-Contracts – required reporting and payment options
- Financial Reports for Sponsors
  - Sometimes the Grant Administrator and Program Team need to help OSP/TBS with financial reporting
  - Collecting revenue from certain foreign sponsors difficult sometimes
- Other items
  - Audit Risk for Subs ➔ Collect all of the original receipts/documentation as possible
  - Fly America and Open Skies Agreement
  - Consider using International Per Diem when traveling, due to difficulty with collecting itemized receipts ➔ Consider modified per diem
  - Be careful buying meals for collaborators when abroad, due to problems with reimbursement

IRB / IACUC

- Required for research involving human subjects or animals
- Duke – SOM or Campus
- Collaborating organization in-country
- Government approval??
- Obtaining approvals takes time
View from the Field

• Relationships are key
• Get off to a good start
  • “Meet” to review docs, reporting, invoicing
  • Dates – spell out the month
• Designate a single point of contact
  • Accessible
  • Friendly
  • Helpful

Advice

• Move that money
• Beware of time zones
• Keep track of people and contact information
• Pick up the phone and call
  • VoIP
  • Jabber
  • WebEx
Helpful Links

• **External**
  - Fogarty International Center (NIH):
    - [https://www.fic.nih.gov/Pages/Default.aspx](https://www.fic.nih.gov/Pages/Default.aspx)
  - NSF Office of International Science and Engineering (OISE):

• **Duke Links**
  - Duke Export Controls:
    - [https://ors.duke.edu/export-controls](https://ors.duke.edu/export-controls)
  - International Funding Opportunities:
    - [https://ors.duke.edu/international-funding-opportunities](https://ors.duke.edu/international-funding-opportunities)

Duke Resources

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Questions?