

# Collaboration, Community, and Continuous Improvement

## Topics in International Research Administration

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# Agenda

- International Research Symposium Recap
  - Duke Investments
  - Model
  - Tier Approach
- International Research Symposium Follow-up Issues
  - RCC Website
  - Policies
- Sub-Award Management
- Sub-Award Case Study and Discussion

# Investments in International Support

## Dedicated International Resources

Brendan Murphy – Global Operations  
Broderick Grady/Adam King – Research  
Bill Nicholson – Office of Counsel  
Francis Kithuku/Henry Kitonga Mbuvi  
– Kenya Operations  
Christy Michels – Travel

Generally the initial points of contact:

- in progress
- pre-award
- contracts

## Other Resources frequently consulted (brought in to collaborate as needed)

Human Resources – Dave Smithwick  
Payroll – Robin Miller (out of country employees)  
Treasury – Tori Nevois  
Office of Sponsored Programs – Nate Martinez-Wayman  
Tax – Amy Goodreau Williams  
Accounts Payable – Jim Allen  
Procurement – Richard Alexander-Greene  
Office of Information Technology – Bob Johnson  
Export Controls – Daniel Vick  
Cost/Reimbursement Accounting/Research Administration and Research Cost and Compliance  
– Jim Luther

# An Evolving Model

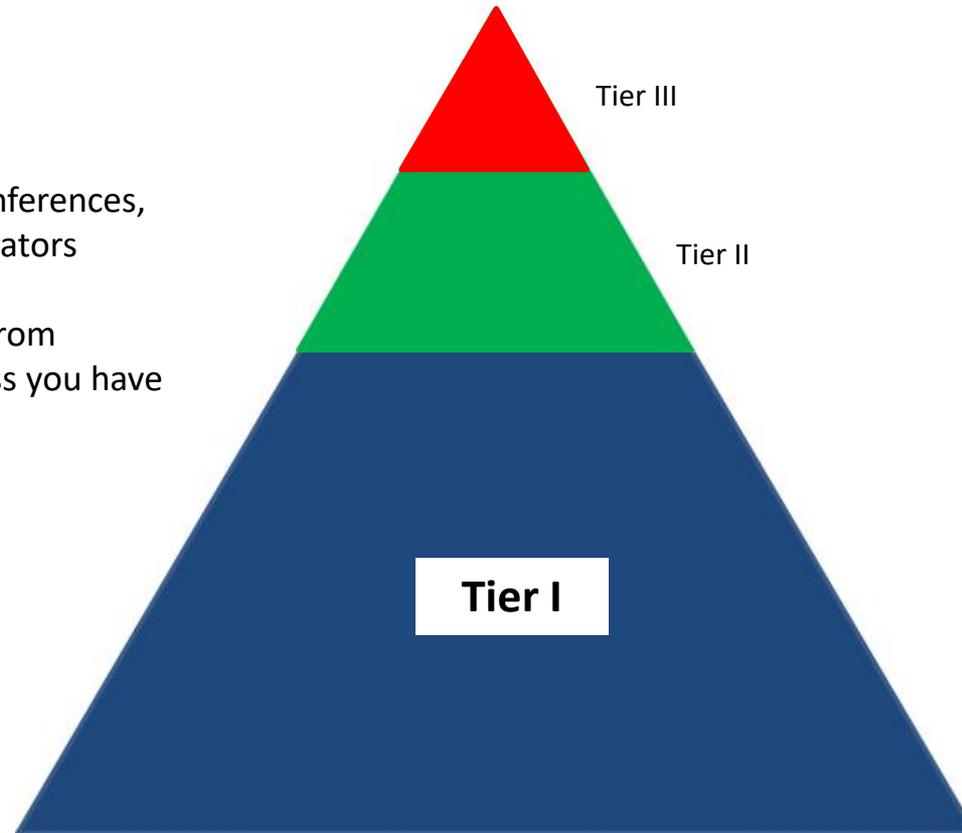
- Duke has over 400 international activities each year. Different programs require different kinds/levels of support
- Goal is to flex, adapt and/or modify policies and procedures to facilitate activities that occur internationally
- Constant collaboration required to ensure the research is supported
  - Broderick Grady can help on the pre-award side
  - Brendan Murphy to help on all projects currently underway
  - Both will loop in the “Other Resources” referenced on the prior slide to fashion a solution
- Strategic Plan supports new “Global Centers” in India & Africa
- Duke continues to take a **risk-based** approach to establishing structure to ensure compliance around international programs

Duke is NOT trying to be 100% compliant . We are trying to balance local and award requirements with operational ease, making decisions that deliver effective operational support to the Faculty.

# Tiered Risk Approach – Tier 1 Programs

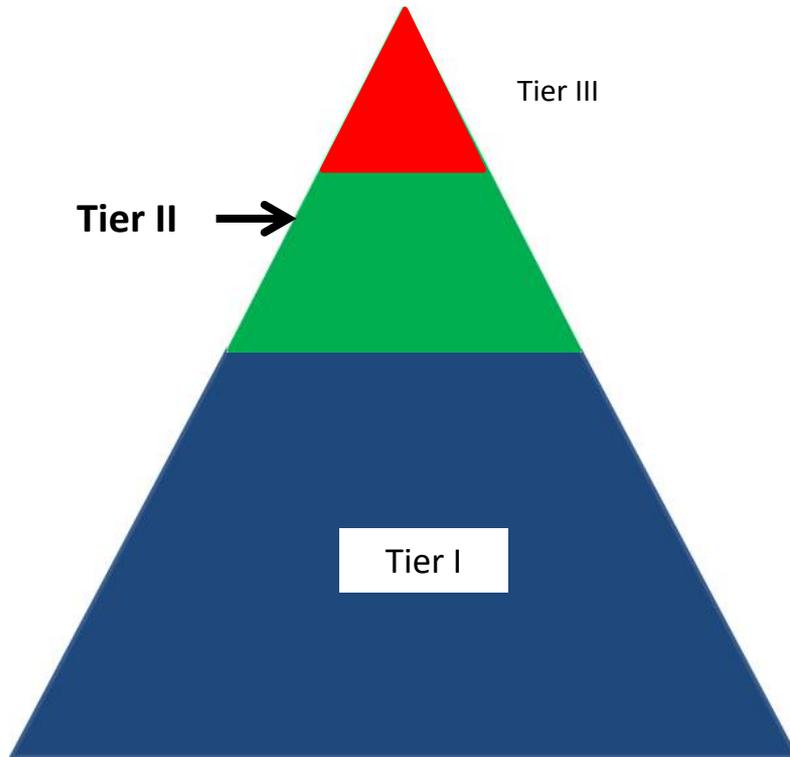
**Examples:** International Conferences,  
Short-term visits to collaborators

Generally, no involvement from  
central administration unless you have  
questions?



The majority of Duke's programs are short term in nature and non-recurring and therefore, are considered Tier I.

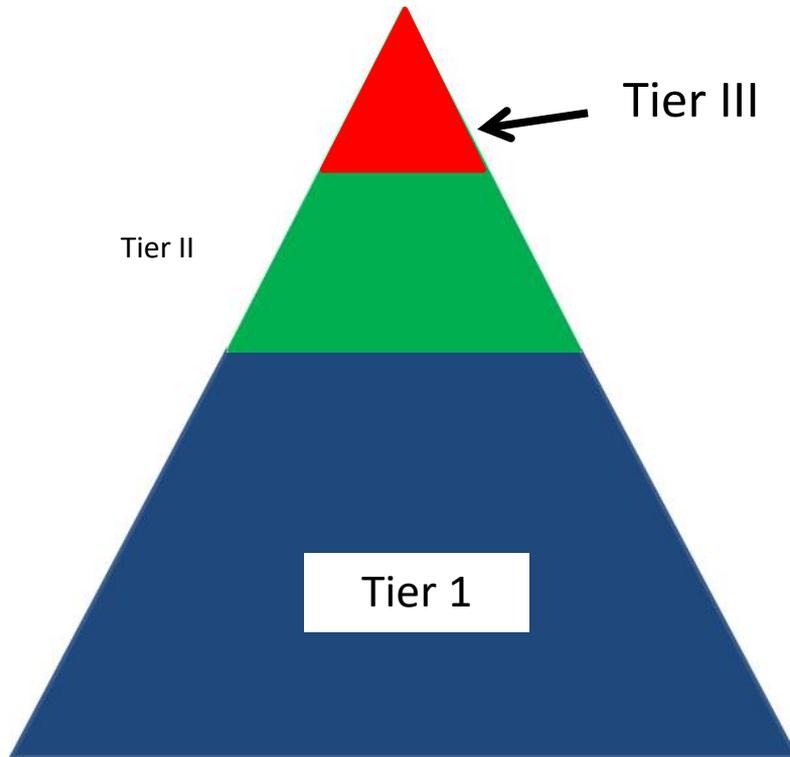
## Tier II Programs – leverage foreign partner



- On- going activity in a foreign country
- Mitigate risks through use of third party
- Accept certain degree of risk

**Examples:** Certain DukeEngage, Global Education and research programs that leverage and engage international subcontractors in support of the research.

# Tier III Programs – “footprint” in country



- The program requires the engagement of staff (employees or contractors) in a foreign jurisdiction
- The project requires a local bank account to support its work.
- The project needs to rent an office space or residence to support the research
- Duke needs a vehicle in country
- A Duke Faculty or Staff Member spends more than a “small” amount of time in the foreign country. In many countries, this is 183 days. In some countries, it can be much less
- The Duke work takes place in a location where there may be a challenge to the health, safety or welfare of those rendering effort
- The project requires a third country national or current Duke employee to be on Duke Payroll while living and working in a foreign country
- Duke has legal entities that can provide research support in Kenya, India and China

Given the scope of the activities, these programs often require Duke to be creative and flexible. Points of contact will coordinate with functional areas (HR, AP, Treasury, etc).

# Policy Management Initiative – International

Human Resources | Technology | Dining | Transportation | Stores | Facilities | Safety & Security | Finance | Campus Services | Academic Services

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- Education & Training
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- Monitoring & Compliance
- Effort Reporting & ECRT
- Pre-Award Administration
- Post-Award Administration**
  - > International Research Administration**
- Forms & Resources

## ■ Research Compliance & Reporting

This site provides information and resources for post-award administration of sponsored funds and the compliance and reporting requirements for these funds, which are coordinated by the [Office of Sponsored Programs \(OSP\)](#) and [Research Costing Compliance \(RCC\)](#).

Pre-award support is coordinated by the [Office of Research Support](#) (for departments with Org Units of 04xx xxx xxx through 60xx xxx xxx) or the [Office of Research Administration](#) (for departments with Org Units of 68xx xxx xxx).

**News & Events** [\[see all\]](#)

### Uniform Guidance (UG)

The Office of Management and Budget (OMB) is streamlining the Federal government's guidance on Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards. [Get the latest information!](#)

### MyResearch

Faculty can access [MyResearch](#)

# Exchange Rate Variance

- How do I manage pricing changes because of the natural fluctuations in exchange rates?
  - The exchange rate will change throughout the life of a project. In most cases, it won't be a large enough fluctuation to materially affect the project's bottom line.
  - Check the Terms and Conditions. Can I rebudget as necessary?
  - If you rebudget, be sure to provide documentation.
  - Communication with sponsor must be coordinated with pre-award office.
  - GMs and PIs are responsible for monitoring the amount of remaining project funds in USD and local currency.

# Exchange Rate Variance

- How do I know what rate to use for a specific charge?
  - Duke recommends the OANDA calculator to determine exchange rates.
  - This calculator enables the user to establish an average exchange rate for a specified date range.
    - Maximum recommended range: 1 month
    - Example: PI has cash expenses for a week. To determine exchange rate, take the average for that week and apply to all charges.

# Fly America Act Compliance

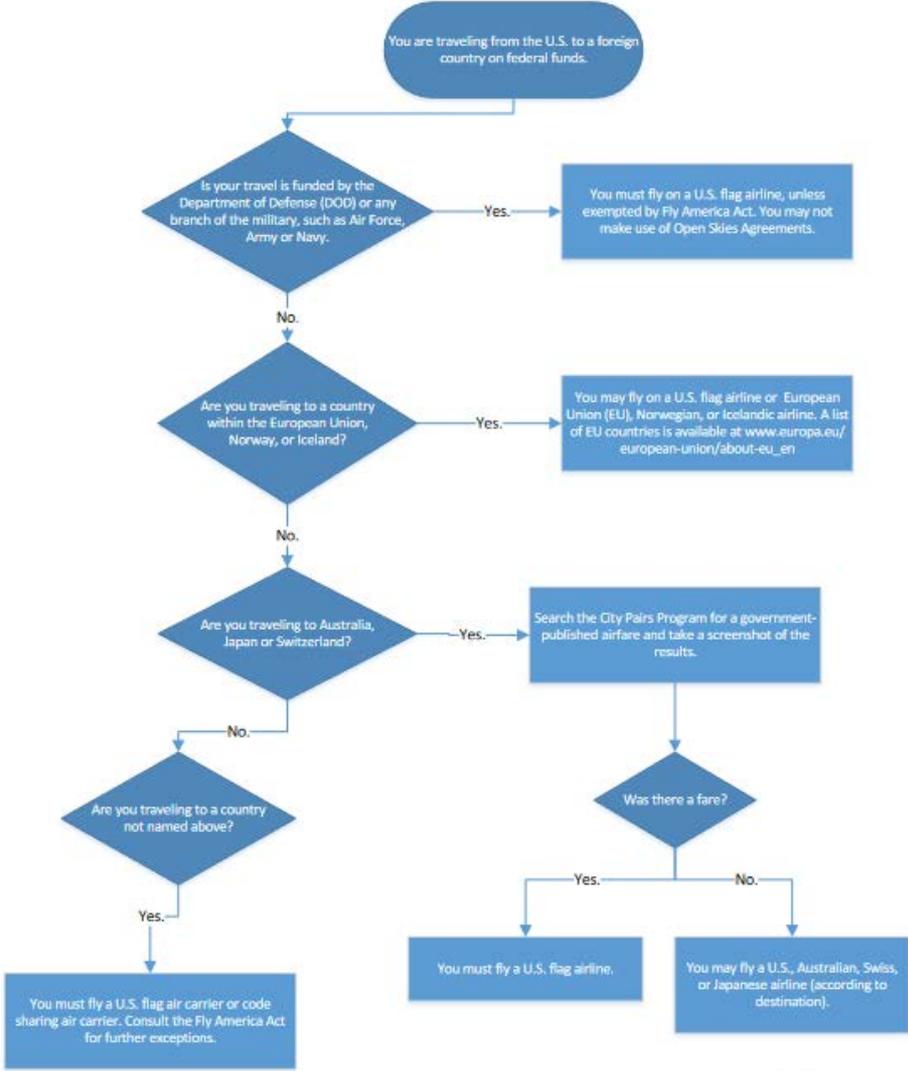
- Big picture: This act requires that all flights charged to federal funds use U.S. flag air carriers or foreign air carriers that code share with a U.S. flag air carrier.
- But, there are several layers of exceptions:
  - Open Skies Agreements
  - City Program Pairs
  - Unavoidable rerouting, medical conditions, etc.
- How do you determine whether or not a flight is compliant?:
  - Fly America Act Resource Guide
  - Open Skies Agreements and City Program Pairs Decision Tree

## Fly America Act

<b>Transaction</b>	Purchasing Air Travel on a Federally-Funded Project
<b>Key Message</b>	All flights charged to federally-funded projects must use U.S. flag air carriers or foreign air carriers that code share with a U.S. flag carrier. This includes flights within the U.S., flights between the U.S. and an international destination or between international destinations. There are exceptions to this requirement, and the following resources can assist in making travel arrangements. <b>Any individual planning to charge international travel to a federal award is responsible for knowing and adhering to the Fly America Act requirements.</b>
<b>Related GAPs</b>	<a href="#">200.320 Direct Costing</a> ; <a href="#">200.022 Travel Expenses -- Employees and Students</a>
<b>External Resources</b>	<a href="#">List of U.S. Airline Codes</a> Provides U.S. air carrier codes and foreign carriers that code-share with U.S. flag air carriers. If your electronic ticket carries a two-letter U.S. flag carrier code, the flight is compliant with the Fly America Act.
<b>Exceptions</b>	<p>If any of the following situations occur, a traveler is permitted an exception to the Fly America Act, as detailed in <a href="#">41 CFR 301-10</a>:</p> <ul style="list-style-type: none"> <li>• A U.S. flag carrier does not provide service on a particular leg of your trip</li> <li>• The use of a U.S. flag air carrier would:                             <ul style="list-style-type: none"> <li>○ Increase the number of aircraft changes outside the U.S. by two or more;</li> <li>○ Extend travel time, including delay at origin, by 24 hours or more;</li> <li>○ Require a lay-over of four or more hours at an international destination;</li> <li>○ Double the time spent en route when the flight path between an international origin and destination would take three hours or less.</li> </ul> </li> <li>• When a traveler is involuntarily rerouted, or;</li> <li>• Medical or safety reasons.</li> </ul> <p><i>In complying with the Fly America Act, matters of convenience, cost, or preference are not allowable exceptions. The existence of exceptional conditions must be documented in the travel transaction.</i></p>
<b>Open Skies Agreements</b>	Where Open Skies Agreements are in place, qualified travelers are allowed to use foreign air carriers. Currently, Open Skies Agreements are in place between the U.S. and the European Union (plus Norway and Iceland), Australia, Switzerland, and Japan. This diagram will help you determine if you are able to take advantage of an Open Skies Agreement or if you MUST fly on a U.S. flag carrier or code-shared flight. <i>The Open Skies Agreements do not apply if travel is funded by the Department of Defense or by a department of the U.S. Military; such travel must be on a U.S. flag air carrier.</i>
<b>City Pair Program (CPP) Search Tool</b>	If you are traveling to Australia, Switzerland, or Japan, you must use the <a href="#">City Pair Program (CPP) Search Tool</a> to verify that there is NOT a U.S. government published fare. If a search result exists, you MUST fly on a U.S. flag carrier or code-shared flight, and cannot take advantage of an Open Skies Agreement exception.

Fly America, Open Skies Agreements and City Pairs Program

All flights charged to federally-funded projects must comply with the Fly America Act, which requires all travelers to use U.S. flag air carriers or foreign air carriers that code share with a U.S. flag carrier. However, there are exceptions to this requirement, the largest being the Open Skies Agreements that exist with the European Union (plus Norway and Iceland), Australia, Switzerland and Japan. This is a resource for travelers to determine if their flight path is subject to Fly America exceptions.



Updated information on the Open Skies Agreements may be found via the General Services Administration website [www.gsa.gov/openskies](http://www.gsa.gov/openskies)

# Subaward Management

## General Subaward Management Reminders

- Reminder: GAP 200.280 outlines subrecipient monitoring responsibilities for PIs, GMs & others
- New SAP tool provides visibility of budget & expense amounts by category, and invoice history
- Subrecipient risk assessment function performed and coordinated by OSP and pre-award offices
- Subrecipient monitoring activities delegated to PIs and GMs, supported by OSP

# Subaward Management

## What can contribute to a higher risk designation for a foreign subaward?

- Capacity of administrative structure of the subrecipient, to manage financial and compliance requirements
- History of non-performance or failure to use funds for their authorized purposes
- New subrecipient (or new to this type of project)
- Large percentage of project passed through to subrecipient
- Criticality to overall success of pass-through entity's project
- Award size relative to subrecipient's sponsored research portfolio
- A qualified audit report, or failure to have a current audit report
- Inadequate response to financial/compliance questionnaire
- Subrecipient in a remote location

# Subaward Management

## **How could subawards be modified when a foreign subrecipient receives a higher risk assessment?**

- Detailed or frequent invoicing requirements
- Required expenditure supporting documentation
- Additional monitoring of scope of work by PI
- More frequent technical reporting
- Submission of technical progress reports required for invoice payment
- On-site monitoring (technical, financial, compliance)
- Termination or stop-work language for failure to comply with requirements

# Case Study

- Chagas disease eradication in Central/South America
  - Focus on Venezuela
- Three Objectives:
  - Finalize 2018 workplan for public-private sector alliance
  - Literature review
  - Hosting conference in late 2018 in Caracas

# Case Study (con't)

- Sponsor: Unknown (assume US federal agency)
- Period of Performance: January 2018 to December 2018
- Estimated budget: \$250,000
- **Effort**
  - PI 20% \$40,000
  - Research Assistant 25% \$15,000
  - Post-Doc 20% \$12,000
- **Travel**
  - Q1 2018- Caracas (PI only) \$8,000
  - Q2 2018- Sponsor Meeting (DC) \$3,000
  - Q4 2019- Caracas (conference) \$15,000
- **Subs**
- Univ. of Venezuela \$10,000
- Venezuelan NGO \$19,000
- London School of Hygiene  
and Tropical Medicine \$8,000
- University of Miami \$7,000
- Regional NGO \$9,000

# Case Study - Questions

- Which of the objectives do you think raise international issues?
- What F&A rate should you use? Why?
- Concerns about location of the work (Venezuela)?
- Any issues regarding the subcontracts?
  - Local NGO
  - Regional NGO
  - Local University
  - US University
  - UK University
- Other concerns? Anything missing?

# Collaboration, Community, and Continuous Improvement

# Questions?