Is Your Project Going Global?
By Michiko Pane, OSR Director, Pre-Award

You’ve heard me say it often “Start the Proposal and Development Routing Form as soon as you’re aware of a proposal being prepared”. The PDRF was designed to be a proposal development tool. While it doesn’t help you with budget preparation (yet…), it triggers policy and regulation questions early to help you avoid last minute proposal hurdles, unplanned expenses and project delays. The PDRF International and Global Business section is a key resource to helping administrators and researchers line-up project requirements early.

International & Global Business

<table>
<thead>
<tr>
<th>Applicable Countries</th>
<th>Afghanistan</th>
<th>Albania</th>
<th>Algeria</th>
<th>Andorra</th>
<th>Angola</th>
<th>Antigua and Barbuda</th>
<th>Argentina</th>
</tr>
</thead>
</table>

| Share with Stanford? | Yes | No | TBD |

In-Country Presence

Will Stanford personnel (faculty, staff, and students) reside in a foreign location?

| Yes | No | TBD |

Will facilities (owned, leased, rented or shared space) be utilized in a foreign location?

| Yes | No | TBD |

Outside of this proposal/award

Are there existing related written agreements?

| Yes | No | TBD |

Are there existing related verbal agreements?

| Yes | No | TBD |

Are future related agreements needed?

| Yes | No | TBD |

Depending on the country, you may need to consider budgeting for additional regulatory costs. For guidance refer to the Global Operations Guide.

In-Country Spending

 Will you need to spend money in-country on any of the following?

<table>
<thead>
<tr>
<th>Goods</th>
<th>Yes</th>
<th>No</th>
<th>TBD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services</td>
<td>Yes</td>
<td>No</td>
<td>TBD</td>
</tr>
<tr>
<td>Personnel</td>
<td>Yes</td>
<td>No</td>
<td>TBD</td>
</tr>
</tbody>
</table>

If hiring in-country be sure to budget for foreign hiring and tax obligations.

Tip - For global staffing visit Global HR
Tip - Exercise caution if paying government entities, employees or agents. (See Chapter 12 of the Admin Guide.)
Tip - Whenever possible please use Stanford purchasing or payment processes rather than cash. If significant in-country cash needs are anticipated contact Global Business Services (GBS). Note that there may be country specific regulatory limits on currency importation and exportation. Create a HelpSU ticket for GBS.

For guidance refer to the Global Operations Guide.

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Conducting work in a foreign country can have significant implications to Stanford and project personnel. The project location, scale and duration can have potential legal, tax, employment, and regulatory implications, some of which can have cost implications for the sponsored project or delay initiation of the work.

The International and Global Business questions in the PDRF are designed to trigger Stanford’s Global Business Services (GBS) group into action. Stanford GBS’ mission is to partner with faculty and administrative staff to deliver business solutions that safeguard, enable, and accelerate international programs, projects, and initiatives.

When Stanford activities are conducted outside of the U.S., a variety of elements should be considered during the proposal preparation phase. Here are a few things to consider:

- **Stanford Personnel Working Abroad**: Projects that have expenses in a foreign country funded from the U.S. may be subject to local taxation requirements and have budget impacts. Even though Stanford is a tax-exempt organization in the U.S., in many cases Stanford is treated like a for-profit company in foreign countries. Stanford employees conducting the activity may be subject to tax and labor/employment laws of the country where the activity is taking place. It is important to know the work authorization regulations of the country the work will be conducted in. The duration of time spent by a Stanford employee in a foreign country is one gauge to determine the applicability of foreign regulations. In addition, project-specific insurance, such as general liability, medical malpractice, etc. may be required by either the other country, Stanford policy, or both. When developing a budget for international projects, contact GBS to avoid unforeseen expenses during project implementation and getting stuck with unexpected costs.

- **Stanford Legal Presence**: Individuals conducting Stanford activities outside of the U.S. may possibly create a legal presence, which may cause potential tax implications for the individual and Stanford University in that country. Formalizing legal presence in a foreign country is a strategic decision made by Stanford senior leadership. It is very important for projects to be organized such that legal presence for Stanford is not unintentionally triggered. Depending on the country, in-country presence is determined differently. It could be based on a single activity, or it could be based on all of the combined Stanford activity in that country. Knowing if your international activity will trigger a Presence is critical to understanding any implications to your projects and to Stanford. Examples of things that might trigger a Presence in a country include length of time in-country, requirements for local licensing or work permits, opening a bank account, space rental or the engagement of local individuals.

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• **Purchasing Goods and Services:** When a project requires goods or services being delivered or purchased in a foreign location, and the payment of services takes place outside of the U.S., those purchases are still subject to Stanford’s purchasing policies as well as any regulations of the country where the purchase is being made. If the project needs to send or transport goods to another country, duties or custom fees may apply. When hiring local individuals to work on a Stanford project, local employment laws and taxes should be considered, as well as the details of managing a foreign payroll in the event that Stanford’s legal presence is triggered by such arrangements. Depending on the foreign entity, an independent contractor arrangement can subsequently be determined to be an employer-employee relationship, and retroactive local liabilities such as payroll taxes, severance and penalties could apply. Some countries require independent contractors to register as businesses and/or collect taxes from its clients. Issues such as payroll taxes and/or other fringe costs could be significantly more complex and expensive than in the U.S. When transporting large amounts of cash or equivalent in order to pay for goods or services, the funds may need to be declared or may even face restrictions or taxes.

These are just a few of the key areas that should be considered for projects being conducted in a foreign location. Contact Stanford GBS early in the proposal development process. Please do not answer “No” to the international and global questions just to avoid having to answer the important conditional questions that appear if you respond with a “Yes”. The potential financial risks and project delays can be significant without proper review and planning.

Stanford GBS can help you review your situation and provide guidance and solutions given the particular needs of your project. For more information on this topic, please visit the newly revamped Global Business Services website at: [https://globalops.stanford.edu](https://globalops.stanford.edu)

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**OSR Fair Coming to The Farm - May 19th, 2016**

The Office of Sponsored Research Fair will be held on May 19th from 9:00 am to 12:00 pm at the Arrillaga Alumni Center’s McCaw Hall on 326 Galvez Street. This is a great opportunity to learn more about OSR. Come meet the OSR Staff who will be at multiple booths covering a variety of topics related to OSR’s services and functions. Join us for light refreshments, games and give aways. Registration is not required. For more information please contact Nicole Chua @ 723-2856 or nchua@stanford.edu.

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**OSR Staff: Moving In and Moving Up**

By Theresa Tom, OSR Assistant Director, Pre-Award

Always looking to add more talent, OSR is excited to introduce its two newest Contract and Grant Officers, Bethany Batterbee and Matt Ho. Bethany crossed the Bay from UC Berkeley’s Institute of Urban and Regional Development to join OSR. Matt comes to us from the Northern California Institute for Research and Education which partners heavily with the University of California, San Francisco and the San Francisco Veterans Affairs Medical Center.

OSR is very happy to announce the promotion of several of our finest staff. Congratulations are in order to Natalie Muzzio and Brian Del Bono who were recently promoted to their new positions as Senior Contract and Grant Officers. Our post-award colleagues, Kathy Evans, Esther Jung and Miguel De Los Santos were also acknowledged for their contributions and growth with their promotions to the level of Research Accountant 2.
NIH Award Transition to Payment Management System Subaccounts

By Nguyet Sin, OSR Associate Director, Post-Award

On October 1, 2015, NIH started the process of transitioning existing non-competing continuation (NCC) segments to the Payment Management System (PMS) Subaccounts. Since then, the Office of Sponsored Research has set up early accounts (PTAs) in advance to facilitate the transition and prepare the Transitional Federal Financial Report (T-FFR) for the award segment under the pooled account. In an effort to provide information and guidance, we’ve compiled commonly asked questions and answers.

Q: I have a NIH grant under SNAP that allows automatic carry forward of the unspent balance from one year to the next. Do I need to request an Early Account in SeRA?
A: No. You do not need to initiate an Early Account Request in SeRA if your NIH grant allows automatic carry forward. The OSR Accountant will set up the Early Account approximately 2-4 weeks prior to the start of the next budget period.

Q: My department has NIH P, T and U grants which require prior approval to carry forward unspent balances to the next year. Do I need to request an Early Account in SeRA?
A: If you are in the School of Medicine, the Research Management Group will initiate the request for an Early Account in SeRA on the department’s behalf. If you are in not under the School of Medicine and your PI wants to start early spending for the next budget period, you will need to initiate an Early/Extended Account Request in SeRA.

Q: My NIH award is under SNAP and currently overspent. OSR has set up the Early PTA for the next budget year while waiting for NIH to issue the next year funding under the subaccount. What should I do with the accelerated expenditures in the old Oracle award under pooled account?
A: Initiate journal entries to transfer accelerated expenditures from the old Oracle PTA to the Early PTA.

Q: I have expenditures with Expenditure Item Date (EID) before the start date of the Early PTA and the system does not allow me to transfer to the Early PTA. What should I do?
A: Contact your OSR Research Accountant to request the start date changed for the Early PTA.

Q: In the September 2015 OSR Brown Bag and OSR Newsletter, it stated a new Oracle Award and Task(s) will be set up for the subaccount, but why did I also receive a new Oracle Project?
A: Effective December 26, 2014, most federal awards funded after that date are subject to Uniform Guidance (UG) cost principles requirement. A new Oracle Project was required to comply with the UG requirement. The old Oracle Project was linked to the previous A-21 cost principle requirement.

Q: Why did I receive a closeout notification for the old Oracle Award when there are remaining funding years?
A: OSR must closeout the old Oracle Award under the pooled account to prepare and submit the T-FFR. The NIH will not transfer the un obligated balance from the pooled account to the subaccount until the T-FFR is submitted. It’s critical for the department to work with their OSR Accountant to finalize costs in the pooled account/old Oracle Award for timely T-FFR submission. For NIH awards not under SNAP, departments still need to submit their request for carry forward of the un obligated balance to the next budget year.

Q: What if my department has not received all outstanding invoices to be charged to the old Oracle Award under the pooled account? What should I do?
A: Contact the vendor or subrecipient and request the invoices ASAP. Delays in finalizing expenditures for the pooled account/old Oracle Award will impact OSR’s ability to submit the T-FFR in a timely manner, which in turn affects the NIH’s timeliness in transferring the un obligated fund balance from the pooled account to the new PMS subaccount.

For other Frequently Asked Questions, visit http://grants.nih.gov/grants/payment/faqs.htm#3790
The Importance of Accuracy in Subaward Requisitions

By Laura Register, OSR Subrecipient Monitoring Officer, Pre-Award

In 2015 the Office of Sponsored Research Subrecipient Monitoring team received over 1,300 subaward requisitions for review and approval. Of those requisitions, 400 or 31% needed to be rejected or returned to departments for correction. Making sure key elements of the requisitions are correct can save valuable time and prevent confusion throughout the subaward process.

The subaward requisition is more than a mechanism to let OSR know a subaward agreement or amendment is needed. Requisitions also contain vital information which OSR Contract and Grant Officers need to issue appropriate terms and conditions in subaward agreements, including the authorization of the funding amount and period of performance. Correct information in requisitions is also critical to setting-up the payment process of subrecipient invoices.

Incorrect or insufficient information on the requisition can lead to incorrect payments, longer turnaround time for issuing subaward agreements, or inappropriate subaward terms and conditions. Below are some of the most common reasons requisitions are returned:

- Incorrect funding obligation to subrecipient
- Incorrect or missing start and end dates (period of performance)
- Period of performance that is greater than a one year period
- Incorrect allocation to expenditure types (54710 Subject to IDC & 54720 Not Subject to IDC)
- Use of split lines (will incorrectly apply IDC)
- Stanford’s award funding not yet received (subawards cannot be issued outside of Stanford’s period of performance or against early PTA’s)
- Scope of work is for a procurement action, not a subaward
- Carry forward or de-obligation is requested for an already expended amount (cannot carry forward or remove funding that has already been spent)
- Funding is added to the PO for the carry forward amount (the approved carry forward amount should be in the description, but not added to the funding amount)
- Incorrect supplier/subrecipient selected

Make sure you have all the necessary accurate information before submitting a subaward requisition. If you have questions about the technical elements of submitting requisition you can contact the subrecipient monitoring team’s Laura Register (laregist@stanford.edu) or Angel Chan (acchan@stanford.edu). If you have questions regarding the terms of the prime agreement and how those should be reflected in the subaward you can contact your OSR Contract and Grant Officer.

Set Your SeRA PDRF Default Approvers with Authority Manager

Want to be sure that PDRFs for your participating faculty are directed to the right people? Want to improve the chances that you will get notified that one of your faculty is participating on a project in another department? Set up your Default Approvers!

This feature in SeRA allows users to establish default approvers or FYI notifications for PDRFs. The default approvers are set through Authority Manager. Departments can configure default approvers to apply to all proposals for the department or only under specific circumstances such as when cost sharing, space renovations, or unapproved use of space applies. Defaulted approvers are editable and users will still have the option of adding additional approvers, deleting approvers and reordering of approvers.

Want more information? Check out the Default Approvers and FYIs user guide located at: http://doresearch.stanford.edu/research-offices/office-sponsored-research-osr/stanford-electronic-research-administration-sera/sera-user-guides