

Special Considerations for Foreign Subrecipients

When working with foreign entities not operating under U.S. law or Dollars, there are additional considerations to discuss at the department level, with the PI, and/or with Central Office. Here are some common items to consider.

Culture

- Research cultural norms that need to be observed to ensure a smooth working relationship.

Language

- When working with a subrecipient whose primary language is not English, consider the flow of communication.
 - Who at the subrecipient is able to proficiently communicate in English?
 - Does the Harvard department have someone who is able to translate?
- Account for business requirements.
 - If the subrecipient is new to Harvard, they will need to provide documentation and answer a questionnaire in English (see Subrecipient Monitoring Guidelines for details).
 - Harvard's business records must be kept in English. Even if the PIs communicate in another language, ensure key documents are in English, such as reports.
- If the subaward is issued under a federal award, Harvard may be required to translate the Notice of Award into the local language, per 2 CFR 200.111.
 - For federal awards, translation costs may be budgeted as direct costs in the proposal budget.

Infrastructure

- Are the facilities sufficient to meet the project needs?
- Does the subrecipient have access to reliable power, internet and phone?

Budget Planning: Allowability and Currency

- Consider the subrecipient's prior experience with Harvard and the sponsor.
 - Discuss sponsor and Harvard expectations for allowable costs.
 - In some cultures, expenses such as gifts for visiting dignitaries or magazines for the waiting room may be allowable. Advance discussion may avoid costly misunderstandings.
 - Point out specific allowable and unallowable costs that are part of the project budget.
 - E.g., if the subrecipient will be traveling to the U.S. on a federal award and then traveling domestically within the U.S. on that same award, explain the Fly America Act requirements.
 - For federal awards, consider including the cost of a limited scope audit in the proposal when working with a new, foreign subrecipient.
- Consider fluctuating costs in advance.
 - E.g., consider the cost of gasoline, which varies by location and date. Review historical data for gasoline in the subrecipient's location, perhaps a year, and use the average cost when putting together the budget. Ensure you review annually.
- Discuss expectations for invoices and financial reports. Work with the relevant Central Office to ensure the subaward reflects the expectations. Keep in mind that most entities maintain accounts in local currency.
 - Do you want invoices in United States Dollars (USD) and/or the local currency? Or just USD?
 - What exchange rate should be used (e.g. the date on invoice)? Make expectations clear in advance.
 - Discuss the possibility of the subrecipient setting up an account in USD to receive advance payments prior to transitioning them to an account in local currency.
- Some foreign subrecipients may not have the capital to operate on a cost reimbursement basis. If cash flow is an issue, consider discussing advance payments with the relevant Central Office.
 - Prior to issuing the subaward, work with the relevant Central Office to include appropriate subaward terms, such as interim FFRs prior to subsequent installments, back up requirements, etc.
 - Prior to subaward execution, confirm that the country does not have any banking regulations that would impede the transfer and/or return of funds.
 - Ensure that the subrecipient reconciles and returns any unspent funds at the end of the project.

Regulatory Issues

- IRB, IACUC and other regulatory research oversight bodies will vary in structure and requirements from country to country.
- Discuss the process in advance, paying particular attention to areas that may impact the project, such as:
 - Who reviews the project (i.e. an entity level or a national level ethics board)?
 - Are there fees associated with the review?
 - What documentation is required?
 - Do you need to provide any documentation in a language other than English? If so, are certified translations required?
 - Has the PI discussed with the relevant Harvard oversight body?

Data Sharing

- Communicate the sponsor's expectations for data sharing.
- Discuss any specific human subjects data elements to be exchanged in advance.
 - Ensure that appropriate data use terms are in the subaward.
 - Ask about laws related to the sharing of human subjects data and discuss with Central Offices.

Export Controls

- Even though a project may not be restricted by export control regulations, specific materials exchanged with a subrecipient may still require an export license.
- If there will be any materials shipped or software exchanged, discuss with the relevant Central Office. They may refer the questions to the school level compliance office responsible for export licenses.

Liability

- Does the project expose the university to additional risk, such as performing clinical work in a foreign country? If so, has the PI discussed the additional risks with the Office of the Provost during the review process?