

GRAND Forum Q&A Section November 29, 2017

	Question	Answer
1.	How are budgets and awards in a non USD currency handled?	<p>It is MSU's preference to have a budget prepared and submitted in US Dollars. However, if our sponsor requires that the proposal is to be submitted in a foreign currency, we will comply with the guidelines. We ask that the department prepares a budget in the USD and then converts it into foreign currency; having two budgets side by side. Please, include the date when currency conversion took place.</p> <p>Once we receive an award in foreign currency, we need to make sure that we have a corresponding budget in the US Dollars on file. If it has changed since proposal time, the department needs to provide a revised one. OSP informs the department that the funds originally obligated by the sponsor are subject to currency fluctuation throughout the period of the project. It would be MSU's preference to receive funds (wire transfer) up front or in as few payments as possible to avoid fluctuations in the exchange rate.</p> <p>CGA sets up an award in US Dollars to enter it into KC. Invoicing is done in a foreign currency to match sponsor's requirements. It is PI's and administrator's responsibility to keep track of project expenses compared with funds received by Michigan State University.</p>
2.	Are there different requirements when setting up a subaward with an international institution? (SOW, Budget, Budget Justification, Subrecipient Commitment Form.)	<p>Best source of information for international projects is CGA-OSP website: https://osp.msu.edu/PL/Portal/DocumentViewer.aspx?cga=aQBkADOANA AyADEA</p> <p>Based on the website, "Budget Preparation" link which includes an explanation of terms and concepts and can be used for different international cost considerations.</p> <p>"International Subrecipients" link includes the items needed at the proposal, contract, and in the post award phase of a subaward.</p>

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3.	<p>How does a PI employ and pay in-country individuals in international locations contracted outside of subawards? How do you make sure all host country requirements and MSU's/US requirements are met?</p>	<p>When it is allocable and allowable, the PI should consider budgeting for costs associated with an in-country office -- including payments to local personnel; this can be done by setting up an imprest account to be handled by an MSU representative. If appointing an MSU representative to handle an imprest account is not viable, the alternative to pay for in-country individuals contracted outside of subawards can be done by establishing a "Non-Resident Alien Professional Services Contract" – more information on this can be found in the "Manual of Business Procedures" – Section 77. In order to make sure that all host country requirements are met, the suggestion is for the department to work with a PI who is familiar with the local language and laws. In addition, the project PI should work closely with the agency's mission in-country, as well as arrange to have an "opening meeting" with their project's "Agreement Officer Representative" or any other legal representative for the award (as soon as the grant, contract or cooperative agreement is awarded). During this meeting, in addition to other possible issues, it is important to discuss local labor laws and standards. Within MSU, the accounting office is responsible for approval of the NRAPSC, so any questions about MSU's requirements can be discussed with them in addition to consulting the Manual of Business Procedures.</p>
4.	<p>Where can you find funding opportunities for faculty who want to do international research? How can administrators get involved in global research?</p>	<p>The MSU Office of International Research Collaboration is available as a resource for any international proposal-related questions or issues. Among many services that OIRC provides, it also:</p> <ul style="list-style-type: none"> • gathers external funding opportunities for international research and sends weekly updates http://oirc.isp.msu.edu/finding-funding/finding/ • hosts regular faculty networking and team building events around thematic research areas and geographical areas • can help with building a team or find collaborators for international projects. <p>Apart from networking with the agencies that provide opportunities in the faculty's area of interest, some agencies publish their opportunities at Grants.gov and FedBizOpps.gov; USAID's opportunities can also be found in their "Business Forecast" under https://www.usaid.gov/business-forecast. For new administrators wanting to get involved in global research, it is advisable to set up a meeting with someone who is already involved in the area to find ways to participate in such activities. The International Sponsored Awards Workgroup has created a Subject Matter Expert list for International Sponsored Awards. The Subject Matter Expert List provides contact information for MSU staff who can answer specific questions about international work. When a name is not identified, please call or email the number or email address listed. https://osp.msu.edu/PL/Portal/DocumentViewer.aspx?cga=aQBkAD0ANA AyADAA</p>

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5.	<p>What are VAT (Value Added Taxes) and how do they impact budgets? Do awards allow for VAT to be direct costs? If not, what do you do?</p>	<p>VAT or “Value Added Taxes” is a type of consumption tax that is placed on a product whenever value is added at a stage of production and at the point of retail sale. According to the “Tax Policy Center” more than 160 countries use value-added taxation.</p> <p>It is important to find out in the beginning stages of proposals whether the project’s country has this taxation as part of their policy. If so, make sure to find out with the sponsor if these taxes are allowable costs in the award. If they are, then the PI and administrators should compute the value-added tax amount in the budget and report them to the agency periodically. If these costs are not allowed, then the agency, mission, and/or institution that granted the funds needs to provide the project with a mechanism for VAT exemption. It is important to ask those questions as well as have this information in writing prior to developing the proposal as VAT percentages vary from country to country (going anywhere from 5% to 27%). If VAT is not allowed in the award, usually the agency establishes a threshold amount, above which exemption forms need to be filled.</p>
6.	<p>What are some best practices for subaward monitoring (advances, account in multiple currencies, awareness of MSU/agency requirements, invoice templates)?</p>	<p>To be published at a later date.</p>
7.	<p>What are common delays with subaward and international travel payments?</p>	<p>To be published at a later date.</p>