

International Collaborations: Ventures, Hazards, Obstacles and Solutions

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University of Washington Challenge:

- Doing Business in the Global Arena:

University of Washington: Response:

- Establish the Global Support Program
- Establish a stand alone but Affiliated Entity
 - U World

After all, this is what it's all about!



UW Realized that our Business Practices would not work in many countries of the world.

We had to understand the challenges and define a new paradigm if we were to be successful.





Part One: Setting up the Infrastructure

How our Global Support Project came about...

- UW establishes goal of being leader in solving global and environmental sustainability problems
- Acknowledgement that administrative processes were too “siloed” to support global work
- Significant funding available for global health, particularly in developing countries

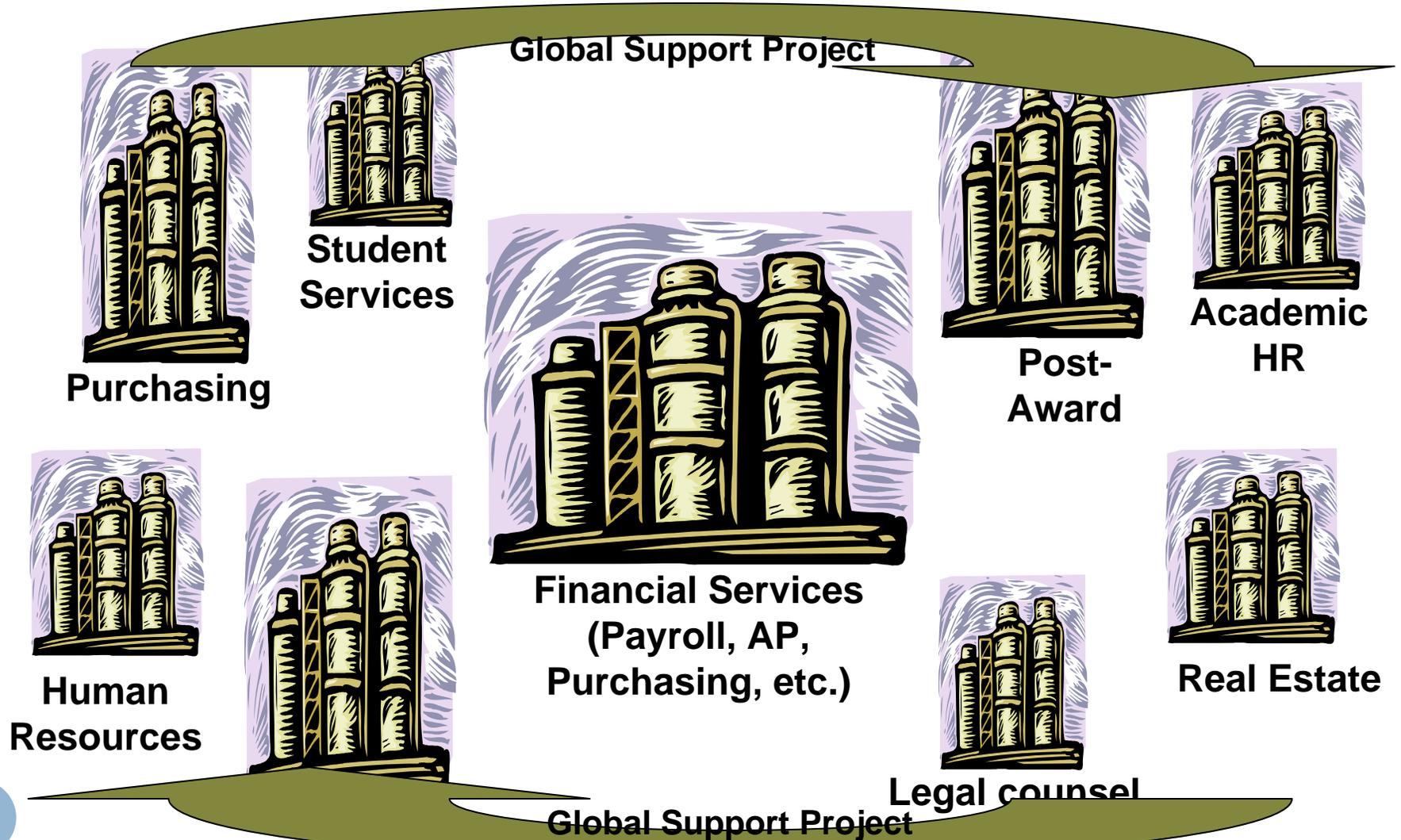
Concern from PIs that UW could scale up fast enough for this work

Significant dissatisfaction with getting cash in the field

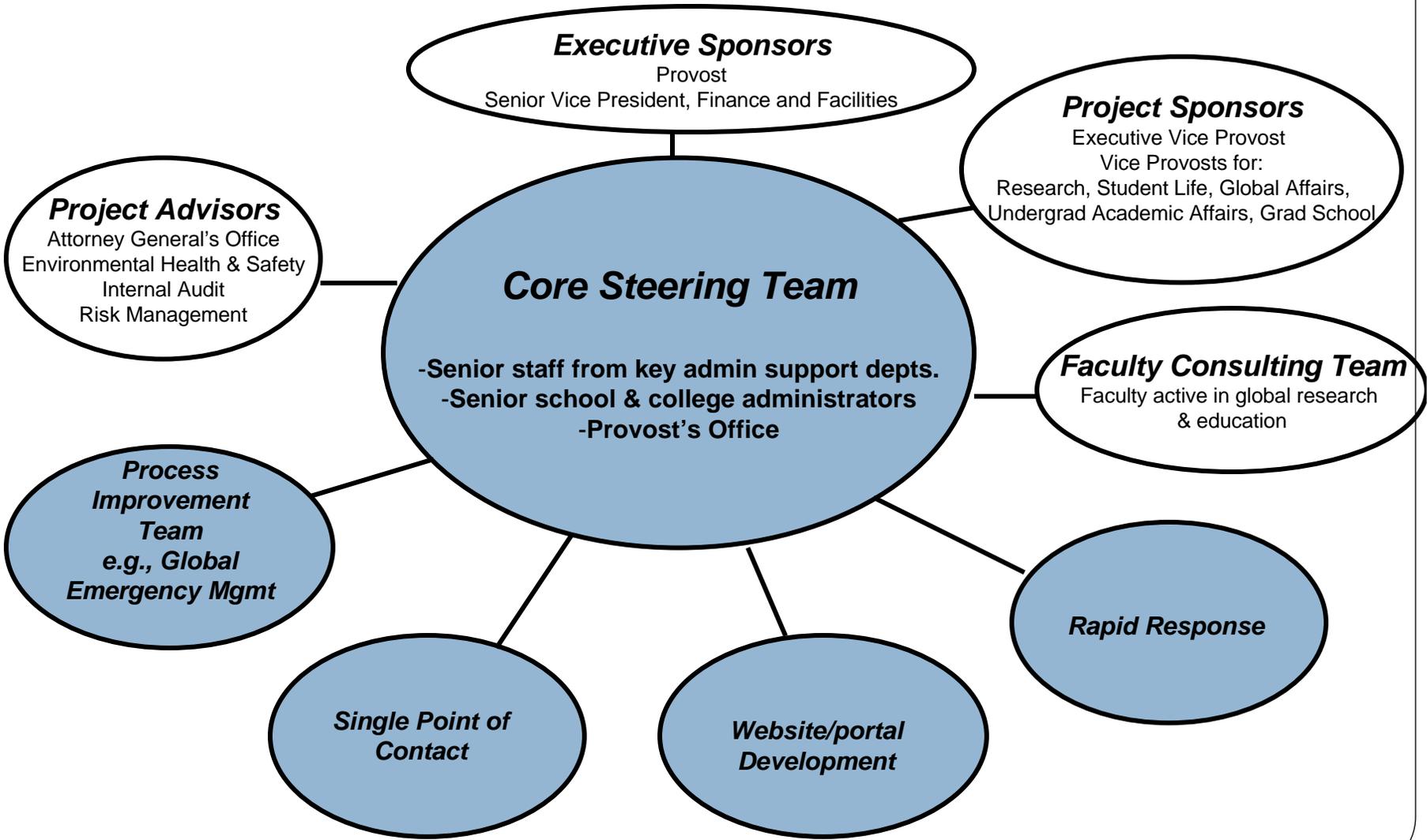
“How do I hire an in-country citizen?”

How to build capacity in developing countries?

How central administration looks to research faculty...



**UW Global Support Project
Project Oversight Structure**



Guiding principles

- Align with global strategies
- Senior leader sponsorship and involvement
- Accept and manage international risk
- Transparency in approach
- Develop multiple process options
- Create infrastructure (virtual and structural)
- Facilitate collaboration
- Establish improvements that can be leveraged for multiple activities, where possible

Structural Considerations – Project Leadership

Individuals who will help::

- Identify/ validate institutional risks and opportunities
- Understand/ appreciate stakeholder priorities
- Support engagement of key stakeholders
 - Principal Investigators (“big hitters” and influential others)
 - Key Deans
 - Schools of Medicine/Public Health
 - Senior Research Administrators (Schools/ Colleges)
 - Others (Risk Manager, Legal Counsel, etc.)

What's your organizational capacity for problem solving?

Campus culture

Collaborative,
transparent

Willingness/support to
question status quo

Customer, risk, or
compliance orientation

- UW Finance and
Facilities Mission:
"We help People who
Change the World"

Necessary Resources

Technical expertise to
think creatively

Minimum
- Project Manager and/or
facilitation

Leadership

Willingness to engage &
follow through

Willingness to try something
new

What should a central support unit consider?



- What are risks of not fixing the problems?
- Are there process partners critical to success that should also be included?
- What resources will be needed for process improvement, implementation and ongoing support (e.g., new roles)?
- What are the change management implications, both within and outside the unit?
- How do we ensure regulatory compliance and financial and programmatic accountability?
- How will progress/success be

administrator's role in meeting these challenges?



- Ensure local laws and culture that impact activities have been considered
- Ensure faculty have identified needs and limitations of the in-country infrastructure (e.g., electricity, IT capability)
- Encourage faculty to help identify & mitigate risk in their work (research, teaching or service), collaborating with administration decision-makers where necessary
- Provide active support to think “outside of the box” and be willing to change departmental processes

We operate through a team approach using two improvement models

Sponsored Process Improvement Teams

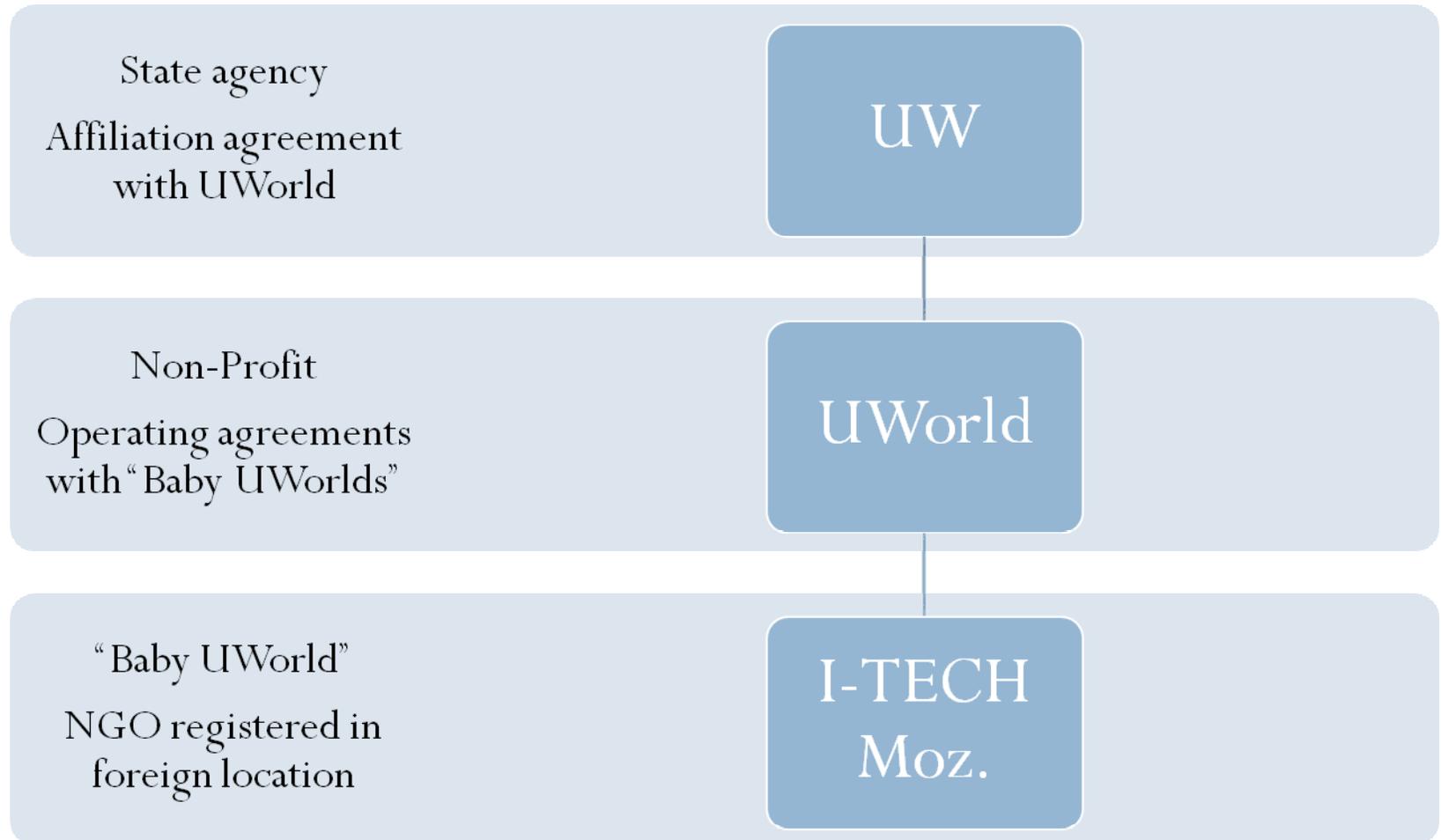
- Field Advances
- Nonresident Alien Tax
- Reporting
- Global HR
- Sub-contracting

Rapid Response Teams

- Unique job classification and benefit rates for specific project
- Emergent needs for training project in Africa
- Property leasing abroad
- PI concerns about global hiring and cash management

Tip: Try “piloting” out-of-box solutions

UW's approach to registration



When legal status follows start of operations...

No legal status

Limited hiring options

Local taxes may be accruing

May be stressful for in-country staff

In-flow of US funds may be problematic

Registered legal status

Can directly hire locals

Need to know & follow country's HR laws and practices

Need to clarify authority: university vs. country operations

Options for transition period

Least risk

- Shut down operations until fully compliant
- Restart operations with all required policies, procedures and systems in place

Lower risk

- Reduce operations to a minimum
- Continue to pay all staff but only select few work on site while required infrastructure is developed

Highest risk

- Maintain non-compliant operations & run risk of government raid
- Identify registration priorities & go for “good enough”





PART TWO:
CHALLENGES AND SOLUTIONS

- **Financial**

- Field Advance Improvements
- Tax
- Currency fluctuations

- **Subcontracts**

- Process streamlining
- Advances

- **Human Resources**

- Relevant job classes/codes
- Relevant benefit rates
- Process streamlining

- **Risk and Safety**

- Insurance coverage

- **Information Technology**

- Connectivity
- Conferencing

- **Compliance**

- Expense allowability
- Visa requirements

- **Legal**

- UW Program registration
- Local laws and regulations

Current Focus: Global Emergency Management

- Registry
- Risk/safety/incident response process
- Faculty awareness
- Managing “contingency” expenses

Know how to detect fraud

Questionable Personnel Practices

Excessive changes
in accounting
personnel

Fiscal person never
takes vacation

Questionable Business Arrangements

Contracts with no
apparent economic
value

Excessive/unusual
arrangements with
subsidiaries

Questionable Cash Management

Excessive cash
transactions

Failure to reconcile
bank accounts

Solutions



- Success depends more on long-term personal relationships than what may or may not be enforceable under the subcontract.
- Local, in-country representatives or agents can be very helpful and should be utilized in sorting this out—unlike how business is done in the US.
- Gain support of in country governmental or political players, where possible.



Who is Responsible?

- Individual Investigators and Research teams:
 - Human and animal protections, integrity in the conduct of research
- Government:
 - Setting standards and providing guidance and resources
- Institutions:
 - Policy, infrastructure and facilitation



Are researchers complying with US human subject standards in their international research?

Considerations

- Does the host country require its own IRB?
- Are there aspects of local context that must be considered?
- Is it truly “informed consent”?
- Is the value to the country clear if human specimens are taken?

Risks

- **Subjects may be negatively impacted due to participation**
- **Future research in-country may be prohibited**
- **Researcher can't publish without IRB approval**



Is your research operation required to establish legal status in-country?

Considerations

- Legal status may be required to open a bank account, lease space and pay local salaries
- Involve your legal counsel
- Engage in-country legal counsel
- Thoroughly understand risks & benefits of registration options

Risks

- **Delays in program activity**
- **Personal safety**
- **Loss of assets**
- **Regulatory action**



How do you make cash available in countries that don't have well-established banking systems?

Considerations

- Checks issued from US
- Electronic wires to foreign bank account
- Work with local “logistics” firm
- Pay vendors directly from US institution via PO
- Subcontract with foreign institution or non-profit

Risks

- **Program activity may be disrupted**
- **Inefficient operations using wires**
- **Excessive foreign banking “fees”**



How should a research program hire staff to work in-country?

Considerations

- Hire as university employee vs. purchase services from an individual
- If a university employee, are pay & benefit package applicable, relevant and competitive *locally*?
- If a contract, does it have to meet in-country personnel laws *and* US/state agency employment laws?

Risks



- **Won't be competitive in tight job market in-country**
- **Create frustration for employees & program staff**
- **Salaries too high could negatively impact local employment norms**

Checklist for establishing operations abroad

- **Determine whether nature of operations requires legal registration within the host country**
 - Will vary by country
 - May require outside legal counsel
 - Options may be impacted by University's legal definition
 - Registration may have unintended impacts (e.g., perception by local population)
- **Establish internal review/approval process, including explicit definition of roles**
- **Create delegated authorities**
 - Executing contracts
 - Hiring personnel
 - Financial management
 - Use of University trademarks/logos, etc.
 - Solicitation and/or gift acceptance
 - Relationships with local officials

Checklist for establishing operations abroad (con't)

- **Consider the following:**
 - Strategic significance
 - Political stability
 - Financial stability
 - Banking
 - Ability of local partners to provide working capital
 - Financial sustainability
 - Consistent funding source (e.g., grants and contracts, tuition, fees)
 - Availability of funds subsidize
 - Unexpected costs
 - Logistics
 - Legal
 - Unrecovered indirects
 - Safety and security
- **Develop array of administrative processing options to address unique needs**

Checklist for closing operations abroad

- Establish closing decision-making criteria
- Identify transition issues
 - Contractual
 - Financial
 - Human Resources
 - Infrastructure
 - Legal structure
 - Partnerships
- Create handover to “surviving” entity, if applicable

Wrap Up/Final Thoughts/Keys to Success....

- Issues are complex;
- Risks can be high, but can be mitigated;
- Compliance and creativity **CAN** be balanced;
- Best practices may be difficult to identify;
- Situations “on the ground” can change very quickly
- Challenges are not unique to our institution;
- Administrative challenges pale in comparison to programmatic challenges on the ground;
- Supporting this work is a *journey*...not an event!

Wrap Up Con't

- Is the value to the in country partner clear if human specimens are taken? Are subjects negatively impacted due to trial participation?
- Remember, researchers cannot publish without IRB approval.
- There is no best way, many options must be considered and used.
- Establish a fraud risk management program and use it!
Enemy usually lies within.
- Challenges are not unique across all US institutions, but the solutions are generally unique by country and locale.

We All have
Different
Infra-
structure
issues to
deal with!

