EUROPEAN RESEARCHERS AND U.S. FEDERAL FUNDING: A DISCUSSION

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AGENDA

• Introduction

• The European Perspective on US Federal Funding

• Challenges during proposal submission and negotiation

• Challenges after the award is finalized

• Q&A
## EUROPEAN FUNDING VS. US FUNDING

<table>
<thead>
<tr>
<th></th>
<th>EU Projects</th>
<th>US Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long tradition</td>
<td>✔</td>
<td>✗</td>
</tr>
<tr>
<td>Critical Mass of Project Participation</td>
<td>✔</td>
<td>✗</td>
</tr>
<tr>
<td>National Support Network</td>
<td>✔</td>
<td>✗</td>
</tr>
<tr>
<td>Contacts with the Funding Agency</td>
<td>✔</td>
<td>✗</td>
</tr>
<tr>
<td>Contacts with other Grants Offices dealing this type of funding</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Cultural «Proximity»</td>
<td>✔</td>
<td>✗</td>
</tr>
</tbody>
</table>
RULES, LAWS AND REGULATIONS

- Your own national Laws
- Uniform Guidance, Code of Federal Regulations
- NIH Grants Policy Statement
- NSF Grant General Conditions
- ONR Grant Terms and Conditions
- ARO Agency Specific Grant Terms and Conditions
- DARPA Agency Specific Terms and Conditions
- Programme Announcement
- Prime Award Terms
- Subaward Terms
- Institutional Policies and Regulations
### HOW TO MATCH REGULATIONS WITH MINDSETS?

<table>
<thead>
<tr>
<th>Regulation</th>
<th>Comment</th>
<th>Recommendation / Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fly America Act</td>
<td>Open sky agreement between US and Switzerland</td>
<td>Compliance ensured</td>
</tr>
<tr>
<td>Gun Control</td>
<td>Swiss Federal Law about Gun possession</td>
<td>Negligible</td>
</tr>
</tbody>
</table>
| Data and Safety Monitoring | Existing Laws on Swiss Federal Level:  
- Datenschutzgesetz (Data protection law)  
- Humanforschungsgesetz (Human research law)  
Existing Regulations on University Level:  
- Richtlinien für Integrität in der Forschung und gute wissenschaftliche Praxis (Guidelines for Integrity in Research and proper scientific conduct) | Assuming that compliance is ensured. To be sure, further investigation necessary |
| Animal Welfare      | Existing Laws on Swiss Federal Level:  
- Federal Animal Welfare Act (TSchG)  
- Federal Animal Welfare Ordinance (TSchV)  
- Animal Experimentation Ordinance, TVV  
- Containment Ordinance (ESV)  
Existing Regulations on University Level:  
- ETH Zurich's policy on laboratory animal research | Compliance ensured                                                                     |
CHALLENGES IN MANAGING US FUNDING

• FCOI training, disclosure
• Endless variety of subaward forms
• Constant monitoring of new regulations and implement changes (salary caps)
• Effort reporting
• Technical and financial Audits (programmatic audits)
• Cost transfer / budget shifting
• Allowable or non-allowable costs (Alcohol)

• F&A costs
• Export Controls
• Grant or Contract?
• Training of staff (central, pre- and post award, institutional, scientific)
• Monitoring of Subawardees
• Main Awardee vs Coordinator
RAISE AWARENESS

Measures taken

• Engage in network activities (conference visits and staff exchanges)
• Create and institutionalise processes
• Mandatory project registration
• Check proposal documents and budget
• Request FCOI forms
• Kick-off meetings
• Take PI into responsibility
  - Confirm budget efforts
  - Provide Project content, institutional approval required
  - Applicable Regulations Check-list
PROPOSAL SUBMISSION & NEGOTIATION
MECHANISM OF FUNDING: SPONSOR TO Awardee

**Grant:** Financial assistance for the conduct of research or other program as specified in an approved proposal.

**Cooperative Agreement:** Similar to grants, however sponsor has significant involvement in the project or research.

**Contract:** A mechanism for procuring goods (creation of tangible products) or services.

Federal Statute: 31 USC §§6301 - 08
MECHANISM OF FUNDING: Awardee to Third Party

**Subrecipient:** Entity that receives a subaward to carry out part of a Federal grant or contract.
- Fixed Price vs cost Reimbursement
- Subgrant or Subcontract

**Contractor (Vendor):** An entity that enters into a contract by which an prime awardee purchases property or services needed to carry out the project or program under a Federal award.
- Service or consulting agreement

**NOTE:** “…the substance of the relationship is more important than the form of the agreement…”
MECHANISM OF FUNDING:
SUBAGREEMENT PROCESS

- Proposal
- Notice of Award
- Issuance of Subaward
- Negotiation & Execution
- Performance of Work, Invoicing & Reporting
- Closeout and Dissemination
NEGOTIATION STRATEGY

• Common negotiation challenges and strategies to get to "Yes"

• Topics include:
  • Intellectual Property
  • Confidentiality
  • Indemnification
  • Use of Name
  • Governing Law
  • Publication
  • Authorized Representatives
U.S. INSTITUTIONS’ PRINCIPLES AND POLICIES

- Committed to:
  - openness in research
  - freedom of access to underlying data, processes, and final results.
  - performing fundamental, early stage research free from third party interference.

- For example, typically US institutions will not:
  - allow sponsor to control the project/select personnel
  - accept publication restrictions
  - conduct secret or classified research
AFTER THE AWARD IS MADE...

Suggestions for Managing U.S. Funding
UNIFORM GUIDANCE  (2 CFR 200)

• Uniform Administrative Requirements, Cost Principles, and Audit Requirements

• Applicability (2 CFR 200.201)
  • Grant Agreements
  • Cooperative Agreements
  • Procurement Contracts (under the Federal Acquisition Regulations)

• Non-Federal entities must comply with requirements regardless of whether the non-Federal entity is a recipient or subrecipient of a Federal award.
SUBRECIPIENT MONITORING
(2 CFR 200.331 (B))

• Evaluation of each subrecipient’s risk of non-compliance to determine appropriate monitoring.

• Capacity Review and Risk Assessment
  • Prior Experience
  • Recent Audits
  • Suspension or Debarment
  • Questionnaire on Systems and Controls
COMMON RISK MITIGATION TOOLS

- Request Additional Supporting Documentation
- Increased Financial Reporting Requirements
- Additional Training and Technical Assistance
- On-site Audits
- Fixed Price Contracts (Harder to issue under the U.G.)
COMMON AUDIT FINDINGS

- Documenting Salary
- Allocability Methodology
- Travel
- Purchases near the end date of the award
QUESTION & ANSWER PERIOD
THANK YOU

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