



# CONDUCTING INTERNATIONAL ACTIVITIES AT PURDUE

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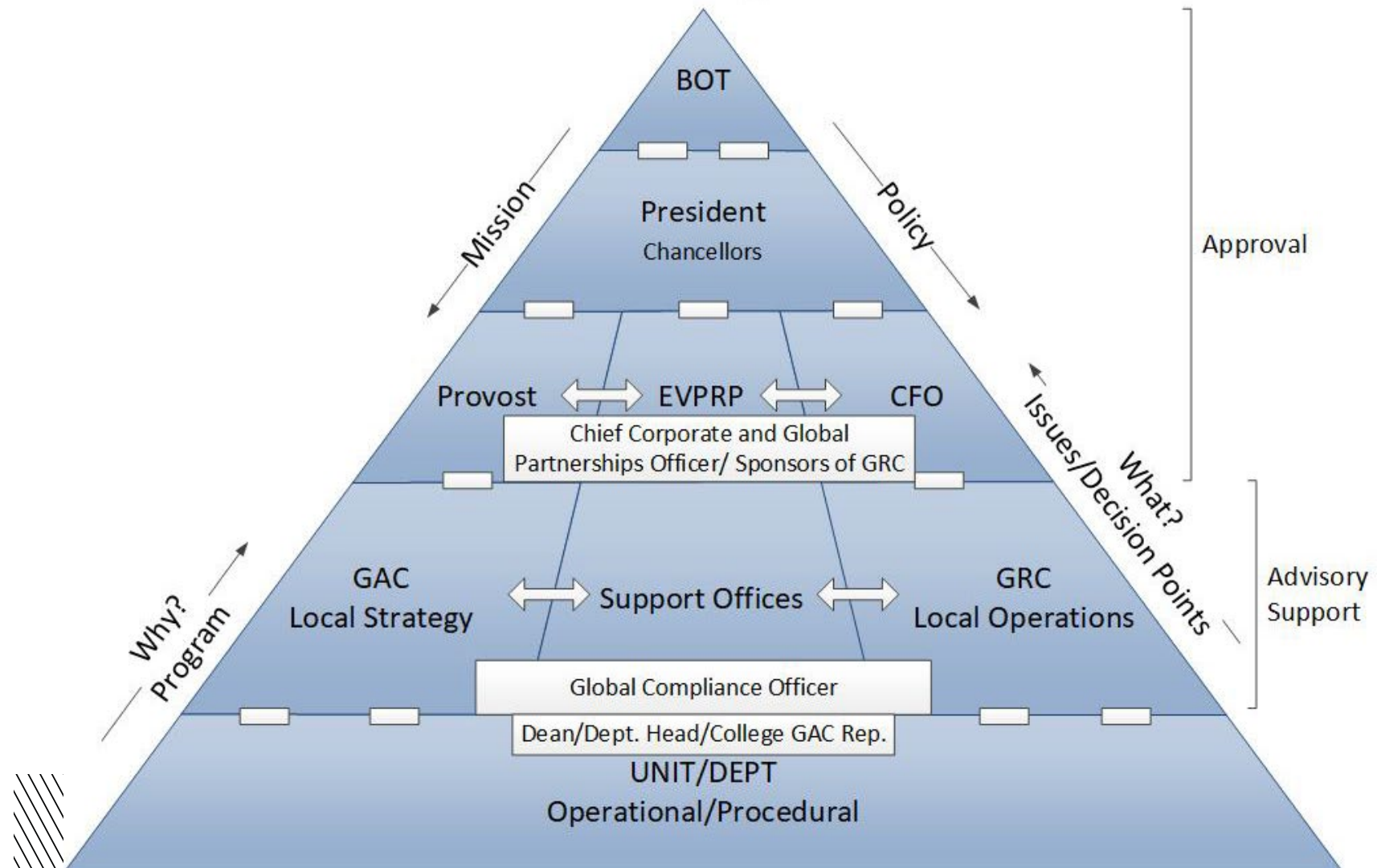
**PURDUE**  
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# Purdue's Global Support and Strategy Structure

## Structure in the US

- **Global Support**
  - Liaison to escalate global projects and filter new initiatives
- **Global Resource Committee**
  - Operational group comprised of central functional experts along with a few programmatic experts across the University
- **Global Academic Committee**
  - Academically focused group comprised of the International Associate Deans from each college
- **Executive Leadership**
  - Provost, Executive Vice President for Research and Partnerships and the Chief Financial Officer
- **Board of Trustees**

# Purdue's Global Strategy and Vetting



# International Projects- Vetting Process

## Key Considerations and Points to Review

### What is Permanent Establishment (PE)?

Permanent Establishment is when an entity **is considered a fixed place of business in that country** for tax purposes. If an organization triggers PE, most likely it will be required to report and file income taxes to local authorities. In order to report and/or pay taxes, the organization will generally have to establish a local legal entity.

### What about other international tax obligations?

There are other activities that could **require the University as entity to remit taxes** to the foreign government (for example, the employer side of payroll taxes). These activities may not necessarily trip PE triggers but could still require your organization to obtain a local Tax ID number.

# International Projects- Vetting Process

## Key Considerations and Points to Review

- Permanent Establishment and/or potential tax obligations
  - Hiring locals (or individuals deemed residents)
  - Long term travel to foreign country
  - Rental or lease agreements
  - Entity bank account
  - Equipment in country
  - Authority to close contracts in country

# What if the answer is yes?

## When a presence will be created


Purdue has several choices

1. Withdraw employees prior to reaching 183 days
2. Register in country (usually *at least* \$50k and multiple year process)
  - Project vetted through Global Committees for review
  - May use a subsidiary entity of Purdue such as Purdue International, Inc. (PII)
3. Utilize a Professional Employer Organization (PEO)
4. **Structure project to avoid presence trigger**
  - This can include partnering or subbing to local partners**

Note: some countries allow other compliant options such as consultants

## What is utilized currently

Purdue and PII have staff, consultants and local nationals in numerous countries.

1. PII is registered in Colombia and Afghanistan
  2. Consultants are used in Europe
  3. PEOs are used in Africa
  4. **Many projects are slightly tweaked in order to avoid creating a presence**
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# Foreign Corrupt Practices Act WebCert

- All individuals in engaged with international activity should take this
- Faculty/Staff that travel internationally frequently or engage in international agreements
  - Log in to WebCert using your Purdue Career Account information.
  - Click on the "Vice President for Ethics and Compliance" heading.
  - Click on "Foreign Corrupt Practices Act Compliance Training / 2020"
  - Click on "Take Certification."
  - Log in with your Purdue Career Account information.
  - Confirm your contact information is correct.
  - Click on "Continue."
  - You should receive a registration confirmation email and be redirected to Blackboard.
  - ***—Note, this may take an hour to receive.***
- Once you take it, you'll receive an annual reminder to take it when it comes due.

# Resources

- Global Support: [globalservices@purdue.edu](mailto:globalservices@purdue.edu)
  - Global Resources Committee (GRC)
  - Global Academic Committee (GAC)
- Finalizing website update: <https://www.purdue.edu/business/mas/global/index.php>
  - Location for intake form to review new initiatives
  - Location for documents, training, information on GRC, etc.
- Generic Presence Triggers Document
- Crystal Seibert, Global Compliance Officer, [seibert@purdue.edu](mailto:seibert@purdue.edu)



# Generic International Presence Triggers

1. Are any local nationals going to be hired directly by Purdue for in-country work? (individuals employed by subs need not be included)
2. Will travel for any one individual to the foreign country exceed 180 cumulative days throughout a rolling year?
3. Will Purdue enter into any foreign rental or lease agreements (i.e. office space)?
4. Will Purdue need a bank account in country?
5. Will equipment need to be purchased in country (i.e. larger than misc. supplies)? Or are items being purchased that will be assembled into something in country (i.e. to create a ramp or a building)?
6. Will anyone have the authority to close contracts on behalf of the University in country?

If the answer to any of these questions is “yes”, please work with the Global Compliance Officer, Crystal Seibert, [seibert@purdue.edu](mailto:seibert@purdue.edu) to schedule a meeting to discuss the project with the Program Leader/PI.