

OPERATIONAL GUIDANCE AND TOOLS TO SUPPORT CORNELL'S INTERNATIONAL PROJECTS AND TRAVELERS

OSP Roundtable - August 17, 2017

OVERVIEW OF TODAY'S CONTENT

- Who we are
- Broad overview of international operations & support
- Resources
- Questions

Out of scope of today's discussion: export controls, human subject or animal research, professional licensure or clinical care

WHO WE ARE

- “Navigate Global Operations Team”
- Cross-departmental team of staff supporting international research, teaching, and other types of engagement.
- Legal counsel, Tax, Real Estate, Risk & Insurance, Procurement, Human Resources, International Affairs/Global Cornell. When necessary, we engage other units and outside legal counsel & experts.
- Under the shared leadership of **Joanne DeStefano** (Vice President Division of Financial Affairs), **Mary Opperman** (Vice President of Human Resources), **Laura Spitz** (Vice Provost for International Affairs), and **Madelyn Wessel** (General Counsel).
- Behind the Navigate website/help desk (navigate.cornell.edu) (Supports Domestic & International)

CORNELL'S GROWING OVERSEAS PRESENCE

- The university encourages worldwide research, teaching, and learning.
- Though Cornell has always engaged internationally, we are doing so today in unprecedented numbers.
- Risks to university and its schools, colleges, faculty, students and staff that arise in the course of engaging internationally should be managed effectively.
- We need to recognize that international projects present unique challenges and risks, along with opportunities.
- It is important to guard against the misuse of the Cornell name, brand, and reputation. Please reference [Cornell's policy on Use of Cornell's Names, Logos, Trademarks, and Insignias](#) (reach out to Kyle Kubick with questions and/or approval requests).

WHAT MIGHT WE DO ABROAD?

Standalone efforts (non-project)

- > Recruitment
- > Events & event sponsorships
- > 1:1 liaison (non-project)

Deploy or “employ” staff or contractors in-country

Projects: Direct delivery in country

- > Training
- > Executive education

Projects: Local funding

- > Funded research / Grants
- > Local gifts and donations

Partnerships w/universities & institutions

- > Curriculum exchange
- > Student or faculty exchange
- > Joint research

> **Partnerships with corporations**

- > On-site training
- > Corporate publishing
- > On-site projects

> **Alumni engagement**

> **Other work**

- > Advocacy
- > Clinical trials
- > Investment Income
- > Royalties

SO FAR...

- Many missing policies and gray areas identified
- Some of our policies are U.S.-centric—need to be “internationalized”
- Offices across campus are eager to address long-standing questions
- The hardest questions do not always have exact answers
- Units are exploring revenue-generating opportunities abroad (executive education, consulting, etc.)

CONTRACTS & PARTNERSHIPS

- Cornell's approach
- MOA Registry (<http://moaregistry.global.cornell.edu/>)
 - Overarching MOA
 - Project agreements
 - Per Cornell's policy, items that go through OSP and/or procurement are exempt from registry. Cornell's legal counsel are consulted, as needed.
- Business agreements
- Real estate – leasing space (sometimes Cornell needs to have legal entity in country in order to directly lease space)
 - [Separate review for lease approvals](#)
 - Unit representatives cannot sign leases. Real Estate will determine the appropriate authority in each instance.

STAFFING OVERSEAS

- What constitutes as overseas work?
- US & foreign laws related to employment and labor, as well as taxation, intellectual property, and business regulation apply.
- Tax treaties and dual taxation
- Many countries are imposing stricter regulations on foreign professionals and have begun examining more closely even those foreign employees on short-term assignments to ensure they receive their share in taxes and social security contributions. How? Exchange of data between immigration and tax authorities.

STAFFING SOLUTIONS ABROAD

It depends, and we can assist! (navigate.cornell.edu)

- Collaborating with local institutions & partners to employ on your behalf
- Professional Employment Organizations (PEOs)
- Cornell's legal entities – China and India
- ICs (w/special approval, not always feasible/legal depending on country and circumstances)
- ~~Hire as Cornell employee~~

PERMANENT ESTABLISHMENT “PE” RISK

- Tax liability in target country if:
 - Fixed place of business (e.g., office, place of management, branch, etc.)
 - Using a dependent agent (e.g., economically dependent or making legal decisions)
- Foreign assignments can put Cornell at risk for establishing PE
- Individual units, colleges or schools are not viewed independently—what one unit does impacts the status of the entire university.

IF PE IS NOT MANAGED CORRECTLY?

- Damage to reputation
- Unfunded and corporate tax liabilities
- Potential indirect tax
- Increased audits from tax authorities in target country
- Penalties and interest charges
- Immigration considerations
- Regulatory issues

LEGAL STATUS / ENTITIES ABROAD

- Cornell's non-profit status in the U.S. doesn't extend to other countries. The U.S. wouldn't permit a foreign institution to conduct business without formal registrations.
- Establishing legal status abroad requires time, cross-unit coordination within Cornell, and resources. It's expensive to setup and maintain, and thus not always a suitable solution.
- What's involved?
 - Cornell Board of Trustees approval necessary
 - Formation of board of directors
 - Outside legal counsel
 - Legal registration
 - HR & Financial policies and procedures
 - Local bank account(s)
 - Accounting & tax service
 - Payroll service
 - Lease of office space
 - Insurance/risk management
- Complexity of navigating local business environment
- Cornell's legal entities: China (established in Feb 2017) and India (by end of 2017).

RISKS/CHALLENGES OF LEGAL ENTITIES

- Time consuming
 - Additional management and coordination to ensure registered entity is in compliance with Cornell policies and local overseas laws
- Projects must bear the costs of registration and set-up. Shared expenses between more than one unit is encouraged.
- Reputational
 - It takes a lot of effort to run an entity correctly
- Sustainability
 - Fixed country office costs rely on availability funding for international projects when can fluctuate

REWARDS OF LEGAL ENTITIES

- Enables Cornell to coordinate foreign operations according to Cornell policies and procedures
- Reduces liability to Cornell by avoiding risk of not complying with local business, employment, and other regulations.
- Provides an avenue for obtaining work permits for Cornell in-country expatriate faculty and staff
- Facilitates in-country banking, procurement, and vendor contracts
- Makes it possible to legally hire local citizens and lease office space
- Allows for safety standards for overseas Cornell personnel and assets to be more easily established and monitored

RECENT ADDITIONS

- **Translation & Interpretation Services**

- Document translation or services of translator-interpreters for visitors or a conference, or have another translation need.
- View their available services at www.welocalize.com.
- Charges are billed to department.

- **Visa and U.S. Passport processing services**

- Supports U.S. citizens
- Members of the Cornell community traveling for business or personal reasons
- [Travel Document Systems](#) (TDS)
- Cornell travelers receive a 25% discount off processing fees
- Charges can be billed to department or credit card

- **Alumni Connections**

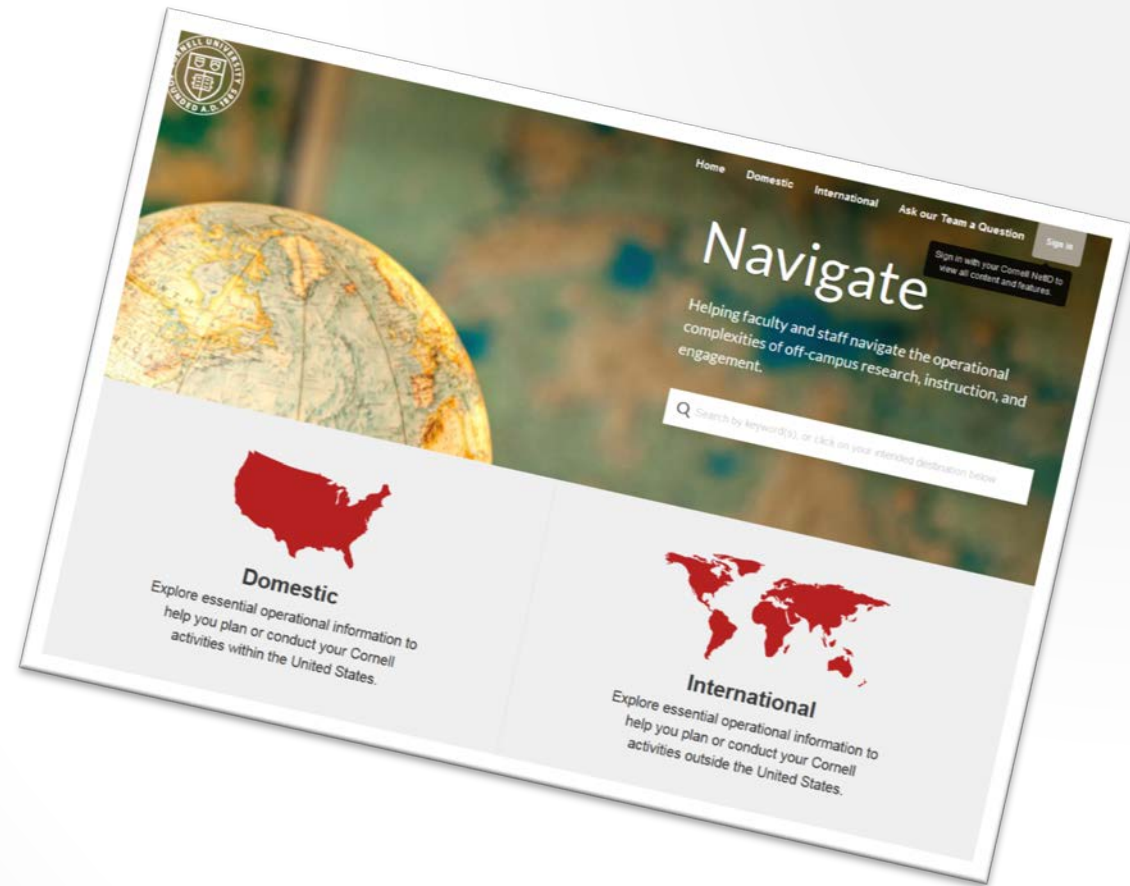
- Have downtime while traveling? The [Faculty to Alumni Global Connect Program](#) has been designed to deepen our relationships with alumni and groups worldwide by connecting them with Cornell faculty during their travels abroad.

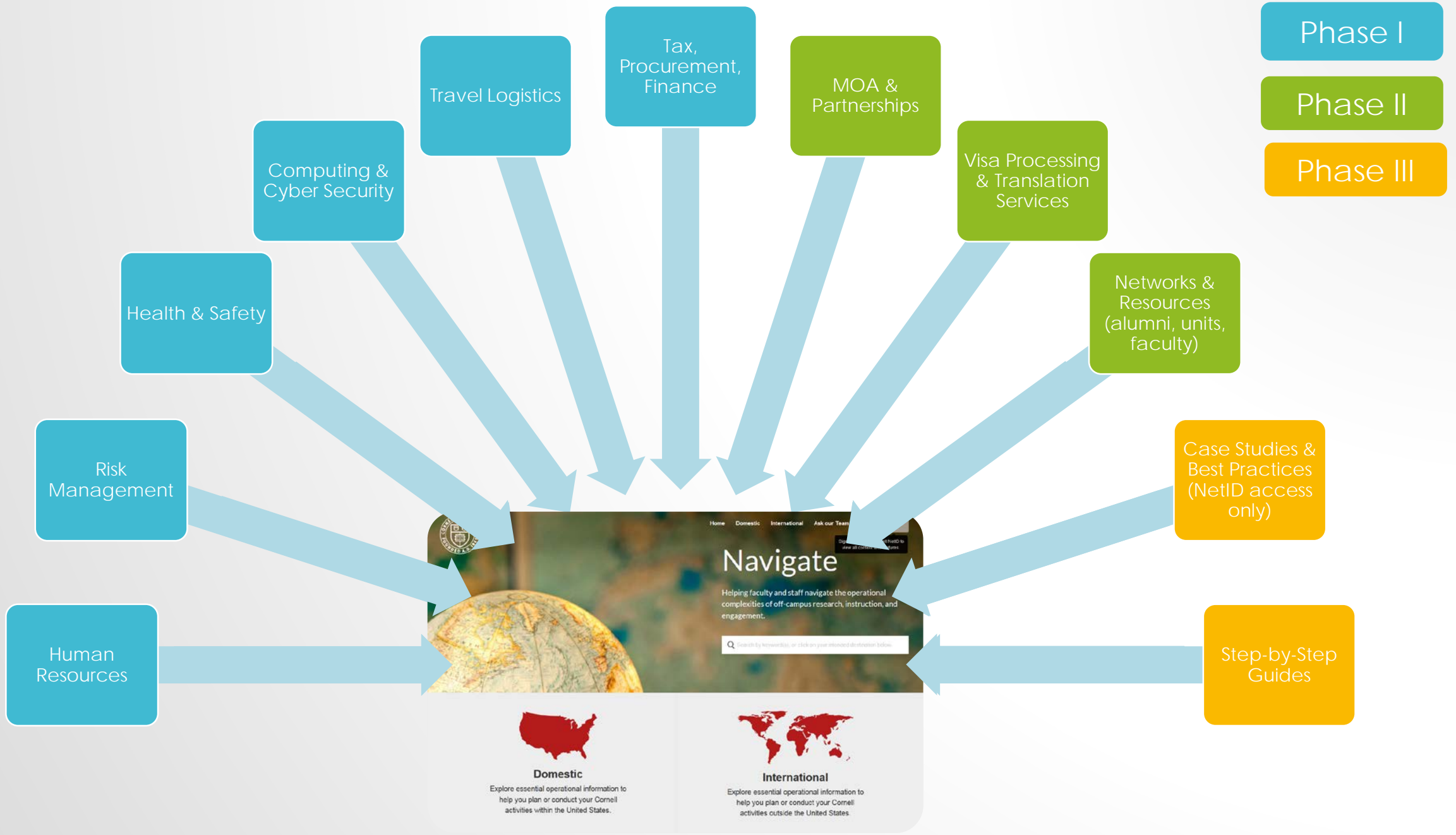
NAVIGATE: NO QUESTION TOO SMALL



Before

Collective
Impact





Phase I

Phase II

Phase III

Travel Logistics

Tax,
Procurement,
Finance

MOA &
Partnerships

Visa Processing
& Translation
Services

Computing &
Cyber Security

Health & Safety

Networks &
Resources
(alumni, units,
faculty)

Risk
Management

Case Studies &
Best Practices
(NetID access
only)

Human
Resources

Step-by-Step
Guides

Home Domestic International Ask our Team

Navigate

Helping faculty and staff navigate the operational complexities of off-campus research, instruction, and engagement.

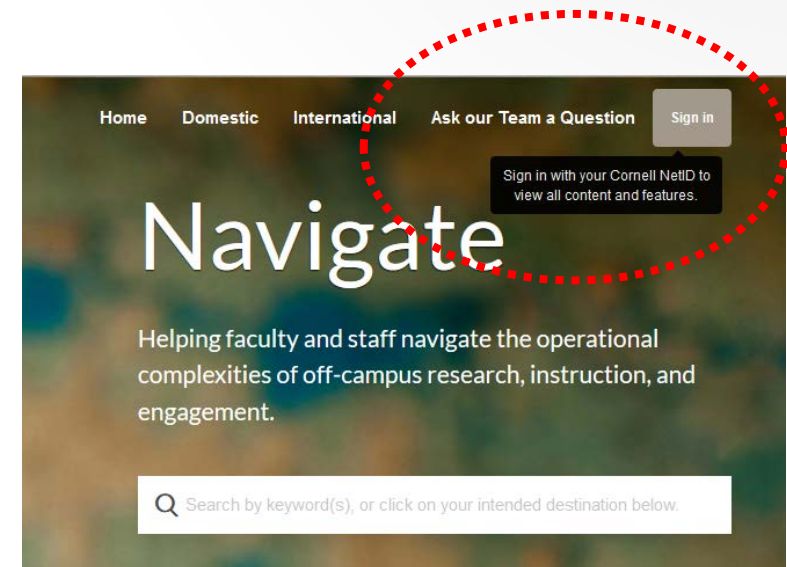
Search by keywords, or click on your resource destination below.

Domestic
Explore essential operational information to help you plan or conduct your Cornell activities within the United States.

International
Explore essential operational information to help you plan or conduct your Cornell activities outside the United States.

ASK OUR TEAM A QUESTION

- The “Ask our Team a Question” feature feeds into a ticket system supported by administrators all around campus.
- Questions are routed to the team member responsible for answering questions on that subject matter.
- It doesn’t matter where the Navigate team members are physically located—the online platform allows the team to work as one.
 - If a question requires input from more than one team member—such as HR and legal counsel—the question can be solved behind the scenes, and then provide the faculty or staff member with one answer that addresses multiple concerns.



navigate.cornell.edu

Faculty & staff, once logged in, have access to a customized dashboard with an overview of their activity.

Requests Contributions Following

My requests

My requests Requests I'm CC'd on

Search requests

Status: Any

Subject	Id	Created	Last activity ▾	Status
Using Navigate Test	#18	8 days ago	4 days ago	solved
Test Question	#3	1 month ago	16 days ago	solved
applying for visa	#7	1 month ago	25 days ago	solved
Call about AAA	#4	1 month ago	1 month ago	solved

RESOURCES

- navigate.cornell.edu (no question too small!)
- EY' 2016-17 Worldwide Personal Tax and Immigration Guide
<http://www.ey.com/gl/en/services/tax/worldwide-personal-tax-and-immigration-guide---country-list>
- PwC and EY have lots of free resources online

QUESTIONS?