



October 25, 2016

Purdue International, Inc. Invoice Payment Guidelines

To: elist39@purdue.edu; Global Resource Committee Members; Global Academic Committee Members; Director of Business Management; Business Managers; Directors of Financial Affairs; Sponsored Program Services; Chief Corporate and Global Partnerships Officer; Managing Director for Corporate and Global Partnerships; Dean of International Programs; Associate Dean of International Programs; International Programs Business Administration; Faculty Coordinator for Institutional Partnerships

From: James S. Almond, Senior Vice President and Assistant Treasurer of Purdue University and Vice President and Treasurer of Purdue International, Inc.

Re: Sources of Funds for Purdue International, Inc. Invoices to Purdue University

Purdue International, Inc. (PII) is a separate tax-exempt corporation from the University. PII and its subsidiaries and affiliates exist to support the learning, discovery and engagement missions of the University on an international level. When its services are called upon, PII facilitates the operation of University projects in foreign countries where it would be impracticable for the University to perform those operations itself. PII and Purdue University have entered into a Services Agreement which provides the manner in which each entity is compensated for services rendered on behalf of the other entity.

In cases where PII performs a service for the University, the chart below identifies the sources of funds from which the different types of fees will be paid by the University. Please note that, in order for the University to pay a fee to PII under the Services Agreement, an invoice must be received from PII, unless the fee will be handled through an in-kind exchange of services. The far right column indicates, in order of priority, the sources from which funds should be used to pay fees and other expenses under the Services Agreement. The first listed source is the preferred source of funds, and as each source on the list is exhausted, the next listed source should be used. If there are no funds available from any of the listed sources, the Business Office should contact the Global Support Manager at globalservices@purdue.edu in the Comptroller's Office of Purdue University promptly to discuss alternative arrangements for payment of the fee or expense.

<u>Type of Service/Expense</u>	<u>Examples</u>	<u>Preferred Sources of Funds</u>
General Administrative and Programmatic Services	Administrative and programmatic services unrelated to a specific project and not falling within any other listed category	<p>1. In-kind exchange of services (Note: This method does not allow transfer of cash between the parties, and therefore is not the best option when an invoice has been generated by an outside third party related to the service.)</p> <p>2. Use of F&A recovery from in-country activity</p> <p>3. Departmental support shared evenly between all departments active in the country in or for which the service was provided</p> <p>Note: The Comptroller may elect to provide support with the Global Support Budget</p>
Establishment and Initial Registration Costs in a Foreign Country	Registration fee; legal fees related to structure, business entity and other registration matters; accounting/tax consultancy related to structure; preparation of initial tax filings or resolution of issues related thereto; preparation of initial payroll withholding registrations and filing	<p>1. Comptroller Global Support Budget (up to agreed amount pursuant to Services Agreement) (this is the Foreign Country Registration Initiation Fee in the Services Agreement)</p> <p>2. EVPRP may elect to provide support for certain strategic countries, at the discretion of the EVPRP</p> <p>3. Departmental support shared evenly by all departments initiating activity in the country</p>
Sponsored Project Costs and Related Fees	Salaries, benefits (meal allowances, bonuses, travel, hazard pay, etc.), legal services related to contract negotiation, accounting and tax consultancy services related to questions arising with respect to project structure, F&A in the project budget, and all other project expenses	<p>1. Project Funds</p> <p>2. Use of F&A recovery from in-country activity</p> <p>3. Departmental support shared evenly by departments initiating the project</p>

Non-Sponsored Activities	Meeting facilities rental, refreshments, transportation, etc. provided by or contracted by Purdue International Inc. for engagement activities unrelated to a sponsor funded project	<p>1. Departmental support shared evenly by the departments initiating the expense</p> <p>Note: These types of expenses generally fall under General Administrative Services but due to the nature of the activity the primary source of funds will be the department rather than the Global Support Budget</p>
Ongoing Administrative & Winding Down Expenses	<p>Ongoing Administrative and Winding Down Costs could include expenses due to maintaining registration, completing annual registration, renewal fees, taxes, audits, etc.</p> <p>These costs occur when there is not a current project or occur when exiting a country.</p>	<p>These types of expenses will be covered under the Services Agreement through a cost-sharing arrangement between Purdue University and PII. On the Purdue University side, the funds for any such cost-sharing would be sourced as follows:</p> <p>1. F&A recovered from in-country activity</p> <p>2a) If ongoing administrative expenses are driven by a department's desire to continue having a presence in country to facilitate future funded or unfunded activities then expenses will be shared evenly between all departments who have an interest in the country.</p> <p>2b) If ongoing administrative expenses are driven by a central or strategic decision to continue having a presence in country to facilitate future funded or unfunded activities then EVPRP may elect to provide support.</p> <p>3. Winding down expenses should be paid by departments who were active in the country immediately prior to the decision being made to end the in-country presence.</p> <p>Note: The Comptroller may elect to provide support with the Global Support Budget.</p>