

International Business Frequently Asked Questions

1) What pre-award and post-award services are available for international contract/grants at AU?

Pre-award services for international projects are the same as those offered for domestic projects. A Contract Administrator in Office of Sponsored Programs (OSP) will assist the investigator in preparing the administrative and budgetary portions of the proposal if such assistance is requested. Special considerations which may relate more often to international grants, including, but not limited to, export controls, currency conversions, the hiring of personnel and other considerations addressed below should be considered in the pre-award stage, when at all possible.

As with pre-award services, post-award services are the same as those offered for domestic contracts/grants. The one difference relates to banking transactions and currency conversion.

2) What policies, regulations and procedures are in place in the business office for engaging in international research and development projects?

Unless otherwise denoted, all policies apply to AU business conducted in any location, locally, regionally, nationally, and internationally. The most notable exception to this generality is that International Travel is regulated by a separate travel policy within the AU Travel Policy (Section 2.2).

The most direct access to AU's Financial Policies & Procedures is via clicking the [Policies and Procedures](#) link in the left hand menu of any Business Office web page or visit the page directly at www.auburn.edu/administration/business_office/policy_manual/. The Spending and Travel Policies listed therein are the policies most applicable to the majority of the questions/issues below.

3) Do State laws and regulations impact how international business is conducted?

Applicable State laws and regulations are incorporated in the AU Financial Policies and Procedures. Specific State laws that govern AU spending and travel include the State Bid Law and the State In-State Travel law (per diems). While In-State Travel law should not be a limitation on business conducted internationally, State bid laws do apply and compliance is required when acquiring goods for use in international projects.

4) What impact do Federal laws and regulations have on international business?

Applicable Federal laws and policies are also incorporated in the AU Financial Policies and Procedures. In addition, all payments to foreign companies or individuals are reviewed by Payroll and Employee Benefits (PEB) to insure compliance with applicable IRS and INS regulations. PEB provides additional information on payments to non-resident aliens at: www.auburn.edu/payroll/nra-payments.html.

Export Control regulations relate to the transfer of certain technologies and information to foreign nationals in this country or abroad that the Federal government deems sensitive.

The US Department of Commerce oversees the Export Control regulations for dual use items, that is, items that could potentially have military purposes as well as general consumer use. Regulations are found at [15 CFR parts 730 through 774](#).

The US State Department oversees the International Traffic in Arms regulations for military items and defense services. Those regulations are found at 22 CFR parts:
http://pmdtdc.state.gov/regulations_laws/itar_official.html

5) Can I hire workers in another country to work on an AU project?

Yes, you can. AU engages the services of many individuals in other countries via a Professional Service Contract (PSC) in accordance with policies reflected in Section 14 of the AU Spending Policy located at: <https://sites.auburn.edu/admin/universypolicies/Policies/SpendingPoliciesandProcedures.pdf> . Those PSC's and subsequent payments are also monitored by Payroll and Employee Benefits as referenced above. If there appears to be a requirement that workers in another country be engaged as AU employees, contact the PPS Accounting Manager for guidance. Additional information re: making payments to Non-Resident Aliens is available at: http://www.auburn.edu/administration/business_office/payroll/nra-info.html

6) Are the policies regarding use of a PSC to engage consultants in another country any different than for doing so domestically?

No. With the exception of the review by Payroll and Employee Benefits and monitoring, PSC's for foreign individuals/companies are the same as for US citizens/companies.

7) Are AU personnel working abroad provided health insurance coverage?

Upon completion of the Office of International Programs (OIP) form RAT-50, the traveler will be enrolled in the MEDEX International Travel Insurance program. Additional information about this program is available by contacting the OIP office at 334-844-5001.

In addition to Medex coverage for AU employees traveling abroad, if AU employees traveling or stationed abroad are participants in the AU health plan, coverage continues through BlueCard Worldwide. Blue Cross and Blue Shield of Alabama partners with the other Blues to provide this service to the subscriber and his/her covered dependents at no additional charge. Subscribers should call Customer Service at 1-800-633-8052 for more information before traveling to understand the available coverage for the relevant destination.

In addition, Auburn employees covered under the Basic Life Insurance provided by the University through The Standard have additional benefits through FrontierMedex. Coverage includes a comprehensive program of information, referral, assistance, transportation and evacuation services designed to help the traveler respond to medical care situations and many other emergencies that may arise during travel. Travel Assistance also offers pre-travel assistance, which provides access to information on things like passport and visa requirements, foreign currency and worldwide weather.

Additional information about BlueCard Worldwide and The Standard's FrontierMedex benefits may be found on Payroll and Employee Benefits webpage at www.auburn.edu/payroll.

8) What car rental and vehicle liability insurance is provided by AU while employees are abroad?

Information about car rental and vehicle liability insurance is available in section 3.2.5 (Insurance for Rental/Personal Vehicles) within the [Travel Policy](#) .

If AU's vehicle rental Preferred Vendor does not operate in the foreign country where such rentals are required, as long as that situation is documented, the AU employee can rent from any available rental car agency.

9) Are there special international tax issues for AU personnel working abroad?

Travel expenses for AU employees traveling abroad are covered as specified in Section 2.2 of the AU Travel Policy located at: <https://sites.auburn.edu/admin/universitypolicies/Policies/TravelPolicies.pdf> .

Any payments made on an exception basis beyond that allowed by policy could be deemed taxable by the IRS. Taxable payments are made through the payroll system so that they can be properly taxed. Section 2.3 of the policy addresses reimbursement of expenses when an employee is on extended travel status, including international travel. Such extended assignments can result in tax consequences to the employee. We would suggest that any employee assigned to a foreign location for an extended period of time consult their personal tax advisor for guidance before beginning the assignment.

10) How is the procurement of supplies and goods for international projects handled?

The Spending Policy for foreign purchases is the same as that for domestic products. Vendors must register to do business with AU and procurement methods/thresholds are consistent with those for domestic purchases. All payments to foreign individuals/companies are reviewed and approved by Payroll and Employee Benefits. In countries where credit cards are not accepted, AU employees may be reimbursed for small dollar purchases made in cash with proper documentation. Contact the PPS Accounting Manager for guidance on and approval of such expenditures prior to traveling.

11) Are changes to policies regarding international business forthcoming?

As noted, in most cases, existing policies cover AU business conducted locally, regionally, nationally and internationally. The Business Office constantly monitors changing business and regulatory conditions and the AU Financial Policies & Procedures associated with those conditions/regulations for potential revisions. Where appropriate, policies and/or procedures will be revised to more specifically reference issues associated with conducting AU business internationally. Additions to this FAQ document will be made as warranted.

12) Can foreign per diem be claimed for each day of the trip?

Foreign per diem should only be claimed on the days that the employee is actually in the foreign country. Actual costs of any meals consumed on flight days are reimbursable per the domestic out-of-state travel policy. Any partial day meals taken in country on the day of arrival or prior to the return flight will be allowed at a percentage of foreign per diem.

13) Can I be reimbursed for the cost of Economy Comfort seats on international flights?

The cost of Economy Comfort seats is not an allowable expense on domestic flights. However the cost of Economy Comfort seats will be reimbursed for those international flights where the sum total of flight time to or from the international destination exceeds 9 hours. For example: Flight from ATL to Paris is 9.5 hours; return flight (Paris to ATL) is 7.5 hours. The cost of an Economy Comfort seat for the ATL-Paris flight would be reimbursable but for the return flight (Paris-ATL) would not. Questions about claiming reimbursement for Economy Comfort seat costs should be directed to the PPS Travel Auditor before the trip commences.

14) How many days prior to my meeting may I travel internationally?

AU will reimburse travel expenses for arrival 1 day prior to your meeting.

15) What if my specific situation isn't addressed in AU policies and/or these FAQ's?

If you find that the specific set of circumstances you're encountering with International business or travel isn't addressed in the AU policies/procedures and/or this FAQ, contact the PPS Accounting Manager for assistance.