1. BACKGROUND & POLICY CONTEXT OF ISSUE:

As set forth in the proposed policy:

The mission of the University Studies Abroad Consortium (USAC) is to provide students with the opportunity to participate in academic programs abroad. USAC operates pursuant to a “University Studies Abroad Consortium Member University Charter (Adopted September 1997).” The consortium is comprised of more than 30 member universities and colleges in the United States and offers overseas academic programs in over two dozen countries, and continues to expand. The University of Nevada Reno (UNR) is the administering university of USAC, which is entirely self-funded primarily through student program fees. UNLV is a member university of USAC.

The complex nature of USAC operations, including the employment of hundreds of employees abroad, frequent travel, hosting, marketing activities, superseding or conflicting foreign labor laws, differences in foreign cost of living and compensation levels, and foreign country specific legal and financial requirements, often results in conflicts with general NSHE policies and procedures. In order to be successful, USAC must be able to compete in the national study abroad industry.

In recognition of these unique personnel, legal, financial and business management needs, specific policies and procedures for the operation of USAC are needed.

2. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

The Board of Regents is requested to adopt a new Chapter 23 to provide specific policies and procedures for the governance of USAC.

3. IMPETUS (WHY NOW?):

USAC provides superior study abroad opportunities for students at UNR and UNLV, as well as for students of other universities across the country. USAC provides an excellent study abroad experience at an affordable price. USAC must compete with other study abroad programs. Adopting a policy which recognizes and encourages USAC’s entrepreneurial activities and recognizes the unique requirements of operating in foreign countries is needed to maintain USAC’s programs for the benefit of NSHE students and in this competitive environment.

4. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- Specific policies and procedures for the operation of USAC are needed in light of its unique personnel, legal, financial and business management needs.
• Existing NSHE policies and procedures often cannot be applied in foreign country settings and may in fact conflict with legal requirements in those countries.

• Existing NSHE policies and procedures often present unnecessary barriers to USAC’s self-supporting entrepreneurial activities and make it difficult to compete against other study abroad programs.

• Under these circumstances it is often impossible for USAC to be in compliance with NSHE policies and procedures, putting USAC in an untenable position, which can and has resulted in audit exceptions.

• President Johnson and USAC Director Carmelo Urza have consulted with the Chancellor and Vice Chancellor for Legal Affairs to find solutions.

• Solutions considered have included the formation of a separate 501(c)(3) for USAC or finding ways for USAC to continue to operate within the current administrative structure.

• The attached proposal would allow USAC to continue to operate within the current administrative structure but would still provide for appropriate accountability.

5. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

• The existing policies and the procedure are needed to provide appropriate accountability for USAC’s activities here and abroad.

• Exceptions should not be made for USAC.

• If certain NSHE policies cannot be followed due to laws of other countries, USAC should exclude those countries from its program and limit its offerings to students.

6. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

• Do not adopt a separate chapter to govern USAC activities.

• USAC should seek amendments to or exceptions from specific policies and procedures as needed.

7. COMPLIANCE WITH BOARD POLICY:

☐ Consistent With Current Board Policy:  Title # Chapter # Section #

X Amends Current Board Policy:  Title # 4, adds a new Ch. 23, Sec. 23

Current Procedures & Guidelines Manual:  Chapter # Section #

Other:

☐ Fiscal Impact: Yes _____ No _____

Explain:  _____
Section 1. Introduction.
The mission of the University Studies Abroad Consortium (USAC) is to provide students with the opportunity to participate in academic programs abroad. USAC operates pursuant to a “University Studies Abroad Consortium Member University Charter (Adopted September 1997).” The consortium is comprised of more than 30 member universities and colleges in the United States and offers overseas academic programs in over two dozen countries, and continues to expand. The University of Nevada Reno (UNR) is the administering university of USAC, which is entirely self-funded primarily through student program fees.

The complex nature of USAC operations, including the employment of hundreds of employees abroad, frequent travel, hosting, marketing activities, superseding or conflicting foreign labor laws, differences in foreign cost of living and compensation levels, and foreign country specific legal and financial requirements, often results in conflicts with general NSHE policies and procedures. In order to be successful, USAC must be able to compete in the national study abroad industry. In recognition of these unique personnel, legal, financial and business management needs of USAC, notwithstanding any other NSHE policies to the contrary, the following policies shall govern the operation of USAC.

Section 2. UNR to Adopt Policies and Procedures.
UNR shall adopt policies and procedures governing the operations of USAC. The policies and procedures must provide for the transparent, expeditious and efficient processing of USAC business, and be recommended by the President and approved by the Chancellor.

The policies and procedures may address, but are not necessarily limited to the areas of: personnel, contracting, purchasing, banking, financial transactions, lease or purchase of real property, institution affiliation agreements and student services. As appropriate, the policies and procedures should take into account any applicable requirements under the laws of the foreign country where USAC the programs are located.

Section 3. USAC Personnel-Employees and Independent Contractors. Policies and procedures shall address all categories of employees and independent contractors, and provide for appropriate written terms of employment.

1. Applicability of Personnel Policies. Policies and Procedures should address the extent to which NSHE personnel policies are applicable to USAC/UNR employees and independent contractors.

2. USAC Foreign Employees. All USAC foreign national employees shall be employed pursuant to a written employment contract which should include, but is not limited to the description of job duties, length and renewal of contract, salary, method/timing of payments, withholding, benefits including any financial hold/harmless clauses, vacation/sick leave, performance evaluations, applicability of NSHE/UNR policies, responsibility for compliance with applicable laws and manner of termination.
3. **USAC Independent Contractors.** USAC independent contractors are not NSHE, USAC or UNR employees, and are hired solely to perform specific and usually temporary services. All USAC independent contractors shall be engaged pursuant to a written independent contract which must include appropriate terms and conditions.

**Section 4. USAC Purchasing.** The Director of USAC and the UNR controller will develop policies and procedures, subject to the approval of the President and the Chancellor, for the purchase of goods and services in foreign countries.

**Section 5. USAC Banking and Financial Transactions.**

1. **Banking.** The Director of USAC shall request, and the UNR Controller shall recommend to the Chancellor, approval of all bank accounts to be established abroad in support of USAC programs. Reconciliations of the accounts shall be maintained monthly and reported to the Controller at least annually or as required by the Controller.

2. **Financial transactions.** The Director of USAC shall cause to be maintained a record of the financial transactions of the various programs abroad. Such transactions will be recorded in the financial system of the university monthly.

**Section 6. Employment of Legal Counsel Abroad.** In consideration of the complex legal, financial, business, tax and personnel laws which may apply to USAC operations in foreign countries, engagement of foreign counsel may be desirable. USAC is authorized to hire foreign counsel in appropriate cases, in consultation and with the approval of the university General Counsel.

**Section 7. USAC Insurance.** USAC shall acquire all insurance required for its Studies Abroad activities with the assistance from, advice of, and in compliance with the System Administration Risk Management office.

**Section 8. USAC local legal entities.** Upon review and approval of UNR General Counsel and NSHE Vice Chancellor for Legal Affairs USAC, may establish and maintain local legal entities for each Studies Abroad location as required and necessary to provide study opportunities for USAC students abroad. Such local legal entities shall be dedicated solely to the support of USAC activities and must be committed in writing, in a form approved by the UNR General Counsel and NSHE Vice Chancellor for Legal Affairs, to comply with all applicable USAC policies and procedures. The written commitment must include compliance with any applicable NSHE and UNR policies and procedures, as specified by the USAC Central Office. The local legal entities will comply with all tax and other requirements of each Studies Abroad location.

**Section 9. Current Policies and Procedures Published.** USAC policies and procedures shall be published on the UNR website.

**Section 10. Report on Activities to Board of Regents.** USAC shall provide bi-annual reports on its activities to the Board of Regents.