

HARVARD  
FINANCIAL ADMINISTRATION



*Vendor Set-Up Process*

Office of the Controller

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# Financial Policy Website: [policies.fad.harvard.edu](http://policies.fad.harvard.edu)

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FAQS CONTACT

Financial Policy Office

HOME Financial Policies Other Policies & Reference Materials People News & Events About



Gifts and Celebratory Events  
for Employees and  
Nonemployees

Gifts and Celebratory Events for Employees and  
Nonemployees

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## What's New

Quick Reference: [Financial Policy Summaries](#)

02/22/18 - [Slides from 02/22/18 Taxable Reimbursements Policy Information Session](#)

01/25/18 - [Slides from 01/25/18 ROPPA Policy Information Session](#)

01/18/18 - [Guidance Regarding Gifts to Donors](#)

01/17/18 - [ROPPA Training Requirements](#)

10/01/17 - [Bank Accounts Policy has been updated](#)

10/01/17 - [DUNS, Tax ID and EIN Numbers FAQ](#)

## Recent Additions

10/26/17 - [Slides from the Unrelated Business Income Tax \(UBIT\) Session](#)

10/05/17 - [Slides from 10/05/17 SPH/HMS/HDS Policypalooza Brown Bag](#)

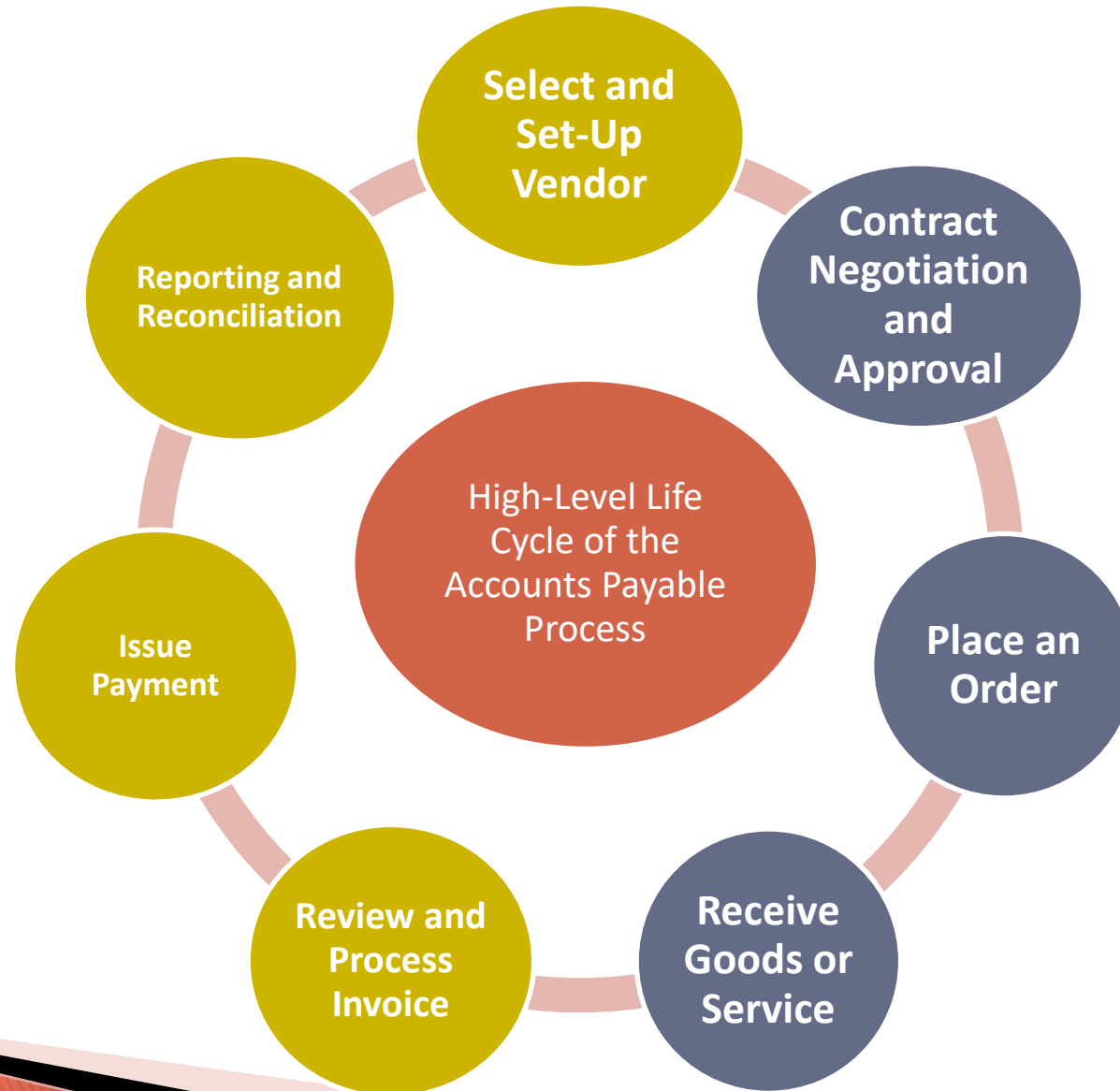


# Agenda

- What is a vendor
- When do you need to set-up a vendor
  - Payment to an individual or entity for goods or services, royalties, rent, leases, or other activities
  - Payment to a Harvard nonemployee for a qualified business expense
- Types of vendors
  - Why is it important that I select the correct vendor type?
    - Federal compliance
    - Review types of vendors and when to use them
    - Vendor set-up documentation requirements
- Tax reporting or withholding requirements
  - U.S. or foreign sourced income
  - Reporting or withholding based on payment type and residency status
- Processing Payments and Payment Considerations



# Accounts Payable Life Cycle



# What is a Vendor

Individuals or entities offering goods or services, rents, royalties, or other activities to Harvard must be set up as a vendor in Harvard's Harvard Online Marketplace (HCOM) system. Certain information is required in order to be compliant with federal and state regulations.

## Things to be thinking about when setting up vendors:

### Is the individual eligible to receive a payment from Harvard?

- Prior to any formal agreements being made, schools or units must confirm an individual or vendor is legally allowed to be paid by Harvard. Criteria may include:
  - [Most Commonly Seen Visa Types of Foreign National Guest Speakers](#), [Independent Contractors Policy](#), [Debarment Certification](#)
  - Must complete any required documentation (e.g., W-9, GLACIER, etc.)

### Who should be set up as a vendor?

- Individuals or entities offering goods or services, other to Harvard.
  - For the most part, non-benefits eligible employees are set up as vendors in the HCOM system.
  - In rare instances, a Harvard employee may be paid for a service via HCOM (e.g., services unrelated to their current job).
- Nonemployees receiving reimbursements for a valid Harvard business expenses (qualified, non-taxable).



# What is a Vendor (continued)

## Classify a vendor correctly

Vendor classification helps comply with federal and state regulations for both U.S. and Non U.S. vendors

- Some payments may be considered a Harvard business expense and may not be taxable or reportable.
- Some payments to vendors may be considered income and are taxable or reportable.
- Vendors may sometimes receive payments for both goods or services and qualified business expenses.

## Classify a payment correctly

A detailed description of the payment (who, what, where, when, why) helps determine tax withholding and reporting requirements for both U.S. and Non U.S. vendors.

- U.S. vs foreign sourced income (i.e., location of the activity)
- Type of payment
  - Payments to individuals completing services who are not classified as an employee
  - Payments related to other activities such as:
    - Supplies and equipment (i.e., lab supplies, office supplies, cleaning supplies)
    - Contracted services (i.e., independent contractors or consultants and temporary agencies)
    - Lease payments
    - Honorarium, prizes, awards, or fellowship payments
    - Royalty payments
- Use the object code that best describes the purpose of the expense



# Eligibility to Receive a Payment from Harvard

These are the most commonly-seen visa types of nonresident aliens, some individuals may have visa types not listed below. Contact NRA Tax Compliance Office for more information before offering to pay an individual an honorarium or travel expenses. Students on an F-1 immigration status have limitations on work they are allowed to perform. See the [Harvard International Office](#) website for more information before services are performed.

Visa Type	Visa Description	Honoraria (Service Payments) Allowed?	Expense Reimbursement/ Direct Payment of Expenses Allowed?	Note
A-1 (Diplomatic)	Foreign Diplomatic Personnel	No	No	
All B visa statuses, if following criteria are met: <ul style="list-style-type: none"> <li>• Payment is for "usual academic activity or activities" lasting no longer than 9 days <b>AND</b></li> <li>• Individual hasn't received similar payments from more than 5 other institutions during the previous 6 months.</li> </ul>	Visitors (of various types)	Yes	Yes	
B-1 (or WB) if above criteria are NOT met	Visitor for Business	No	Yes	
B-2 (or WT) status if above criteria are NOT met	Tourist or Prospective Scholar/Student	No	No	
H-1B	Temporary Worker in a Specialty Occupation	No	No	See note (2) below
G-1	Representative of International Organization	No	No	See note (2) below
J-1	Exchange Visitor (Short-term Scholar, Professor Researcher, or Specialist)	Yes, provided that the written permission of the J-1 sponsor (if other than Harvard) has been obtained	Yes	Payment must be for a lecture or other academic activity
O-1	Person of Extraordinary Ability	No	No	See note (2) below

<sup>2</sup>Harvard is not permitted to pay an honorarium or reimbursement to these visa holders, who may only be engaged by the employer or agent sponsoring their visa. In limited circumstances, Harvard may make payment or reimbursement via the speaker's sponsoring agency; contact NRA Tax Compliance for details.



**HARVARD**  
Financial Administration

# Business Expense Reimbursements

Employee Type	Pay Group	Common Object Codes	Reimbursement System
Weekly Trades	SPC, WPT, WRT	6080, 6090	Concur
Bi-Weekly Employees (OT Eligible and Exempt)	POU, PON, PFX	6050, 6070	Concur
Monthly Faculty	MFC	6010-6030	Concur
Internal Post Docs	MIP	6150, 6152	Concur
Weekly Temps (includes work-study)	WTM	6110, 6120	HCOM
Monthly Teaching Fellow	MTF	6140	HCOM
External Post Doc	MEP	6450, 6452	HCOM
Student Stipend	MST	6440	HCOM

Generally, this group is reimbursed via Concur.

This group must be set up as a vendor in the HCOM system





# Who to Set Up as a Vendor

- Individual – U.S. Citizen or U.S. Permanent Resident
- 1099 Employee – Reportable Income for University employees
- 1042S - Individual – Non U.S. Citizen
- Vendor
  - U.S. Sole Proprietorship
  - U.S. or Foreign Partnership LLC
  - U.S. or Foreign Corporation
  - U.S. or Foreign Government Agency
- Harvard Registered Student – U.S. Citizen
- Harvard Business Expense (BER) – Foreign
- Temporary Vendor



# Vendor Types

Vendor Type	<p style="text-align: center;"><b>REQUIRED INFORMATION</b></p> <p style="text-align: center;">Below is the minimum information required to set a vendor up in the system. See <a href="#">Checklist Oracle Vendor Form</a> and <a href="#">Using the Vendor Request Form</a> for additional information.</p>
<p><b>Individual - US Citizen or Permanent Resident</b> US Citizen or green card holders – may include fellows, independent contractors, and invited guests - Considered a 1099 vendor.</p>	<ul style="list-style-type: none"> <li>• Name</li> <li>• Social Security Number (SSN) (do not request via email)</li> <li>• Remit-to address</li> <li>• Permanent legal address (if different)</li> <li>• Completed <a href="#">W-9 form</a> with Vendor Request ID</li> </ul>
<p><b>1099 Employee – Reportable Income</b> Employee with tax-reportable income that is earned while providing a service that is <u>unrelated</u> to job responsibilities (e.g., Accounting Assistant hired as a harpist at a Holiday party)</p>	<ul style="list-style-type: none"> <li>• Name</li> <li>• Harvard ID</li> <li>• Social Security Number (do not request via email)</li> <li>• Remit-to address</li> <li>• Permanent legal address (if different)</li> <li>• Completed <a href="#">W-9 form</a> with Vendor Request ID</li> </ul>
<p><b>Individual - Non U.S. Citizen</b> A non-US permanent resident individual - Considered a 1042S vendor. Individual must supply immigration documentation that allows them to work in the US. Includes Harvard Students who are not U.S. Citizens. The <a href="#">Foreign Individual Vendor Request Form</a> may be completed and requests all the required information. <a href="#">GLACIER</a> Email is sent to individual's will all visa types except, NE – No Entry</p>	<ul style="list-style-type: none"> <li>• Name</li> <li>• Email Address</li> <li>• VISA Type - If individual is entering the U.S., list a VISA type (use N/A if individual is entering U.S. but you do not know visa type.) If individual is not entering the U.S., select NE – No Entry (which remains active for 90 days)</li> <li>• SSN or ITIN (if none, enter N/A)</li> <li>• Remit-to address</li> <li>• Permanent legal foreign address (if different than remit to address)</li> <li>• Individual will receive an email from <a href="mailto:support@online-tax.net">support@online-tax.net</a> for all visa types except NE and must complete information in GLACIER; an online tax system, before their payment can be processed. Individual must send completed tax summary page and documentation to Nonresident Alien Tax Compliance Office.</li> </ul>



# Vendor Types

Vendor Type	<b>REQUIRED INFORMATION</b> Below is the minimum information required to set a vendor up in the system. See <a href="#">Checklist Oracle Vendor Form</a> and <a href="#">Using the Vendor Request Form</a> for additional information.
<b>Harvard Registered Student – US Citizen</b> An enrolled Harvard student who is a US Citizen or Green Card Holder. Considered at 1099 vendor. Do not use for Harvard Students who are not a U.S. Citizen or permanent resident.	<ul style="list-style-type: none"> <li>• Name</li> <li>• Remit-to address</li> <li>• Permanent legal address (if different)</li> <li>• Social Security Number (do not request via email)</li> <li>• Enter “Harvard Registered Student – US Citizen” and their HUID in the notes field.</li> <li>• W-9 forms are not required for Harvard students</li> </ul>
<b>Harvard Business Expense (BER) – Foreign</b> If the payment is a business expense reimbursement and the individual has a visa type under which reimbursements may be received than they may be set up as vendor type BER. No honoraria or services may be paid under this vendor type. This type of payment is considered a Harvard business expense and is non-tax-reportable and is active for 90 days. No GLACIER email is sent.	<ul style="list-style-type: none"> <li>• Name</li> <li>• Email Address</li> <li>• VISA Type</li> <li>• Remit-to address</li> <li>• Permanent legal foreign address (if different than remit to address)</li> <li>• SSN or ITIN (if none, enter N/A).</li> <li>• Active for 90 days only</li> <li>• When submitting the nonemployee reimbursement, the certain immigration document must be submitted with the paperwork. Details may be found on the <a href="#">NRA Tax Compliance</a> website.</li> </ul>
<b>Temporary Vendor</b> A vendor typically set up to receive a one-time REFUND payment. This type of payment is non-tax-reportable and is active for 30 days.	<ul style="list-style-type: none"> <li>• Name</li> <li>• Remit-to address</li> <li>• Permanent legal address (if different)</li> <li>• Temporary Vendors are for one-time payments and are active for 30 days.</li> </ul>



# Vendor Types

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<p><b>US Vendor Types</b></p> <p><b>US - Sole Proprietorship</b> A type of business entity that is owned and run by one individual – considered a 1099 vendor</p> <p><b>US Partnership LLC</b> A hybrid business entity having certain characteristics of both a corporation and a partnership or sole proprietorship - considered a 1099 vendor.</p> <p><b>US Corporation</b> Created under the laws of a state as a separate legal entity that has privileges and liabilities that are distinct from those of its members. Includes 501(3)(c) nonprofit, US colleges/universities.</p> <p><b>US Government Agency</b> An organization in the machinery of government that is responsible for the oversight and administration of specific functions.</p>	<ul style="list-style-type: none"> <li>• Name</li> <li>• SSN – for US Sole Proprietorship or Federal Tax ID/EIN – for all other US Vendor Types (do not request via email)</li> <li>• Remit-to address</li> <li>• Permanent legal address (if different)</li> <li>• Completed <a href="#">W-9 form</a> with Vendor Request ID</li> </ul> <p>Note: Select US-Corporation if Partnerships or Trust/Estate box is checked on the <a href="#">W-9</a> Select US-Partnership LLC if Partnerships or Trust/Estate box is checked on the <a href="#">W-9</a> Select US-Corporation if one of the below is checked on the <a href="#">W-9 form</a>.</p> <ul style="list-style-type: none"> <li>C – Corporation</li> <li>S-Corporation</li> <li>Limited Liability Company</li> <li>Exempt Payee, or</li> <li>Other</li> </ul>



# Vendor Types

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<p><b>Foreign Vendor Types</b></p> <p><b>Non US Corporation</b> A corporation based outside of the US.</p> <p><b>Non US Partnership</b> A partnership based outside of the US.</p> <p><b>Non US Government Agency</b> Government agencies for countries outside the US.</p>	<ul style="list-style-type: none"> <li>• Name</li> <li>• EIN/Tax ID Number (if applicable)</li> <li>• Tax Reporting Name if different from vendor name</li> <li>• Remit-to address</li> <li>• Permanent legal address (if different)</li> <li>• Completed <a href="#">W-8 form</a> (if applicable) with Vendor Request ID</li> </ul>



# Vendor and Visa Type Inactivation Dates

Vendor Type	Inactivation Date Any vendors with no activity for two years will be automatically inactivated
1099 Employee - Reportable Income	N/A
Business Expense Reimbursement – Foreign (BER)	90 days from Oracle approval date
Harvard Registered Student – US Citizen	N/A
Individual – Non-US Citizen	
ADVTR – Advance Travel Request (always taxable)	90 days from Oracle approval date
NA – Not Applicable/Unknown	Should be switched to another visa type
NE – No Entry	90 days from Oracle approval date
NE-RC – No Entry Royalty Payment (taxable)	2 years from Oracle approval date
All other visa types	Based on immigration documentation end dates
Individual: US Citizen/ Perm Res.	N/A
Temporary Vendor	30 days
Vendor – US - Sole Proprietorship	N/A
Vendor – US Partnership LLC	N/A
Vendor - US Corporation	N/A
Vendor –US Government Agency	N/A
Vendor – Non US Corporation	N/A
Vendor – Non-US Partnership	N/A
Vendor – Non-US Government Agency	N/A



# Temporary Vendor

A temporary vendor is typically an individual receiving a one-time **refund** payment. Examples include refund for registration fees for an executive education program or an overpayment for an event registration.

- Considered non-taxable or reportable
- Active for 30 days
- Should not be used to reimburse individuals for business expenses (use BER, Harvard Registered Student, or 1099 Vendor)



# Harvard Business Expense Reimbursements

- Any time Harvard gives money or other value to an individual, it can have tax implications.
- The “Accountable Plan” is the set of IRS rules Harvard must follow to ensure reimbursements are not taxable to the recipient/reimbursee.
- The rules aren’t necessarily intuitive. Some expenses -- **even though they relate to work** – are still considered personal expenses (commuting, professional attire, etc.)

## SUMMARY OF ACCOUNTABLE PLAN RULES

- Must be substantially business-related – not a personal expense
- Must be substantiated – documented with receipts and business purpose
- Reimbursement request must be submitted timely (Best Practice for Nonemployees is 90 days)
- Amount reimbursed can’t exceed actual expense





# Common Payments to Students and Nonstudents

Type	Definition	PR or NR?	Taxable?
Prize or Award	A gift for a task well done or a past accomplishment, i.e., writing the best essay, earnings the highest GPA	HCOM - PR	Yes
Nonqualified Fellowship (Stipend)	A payment to aid in an individual's pursuit of study or research. A fellowship may take the form of a travel award or allowance. This is not related to performance of services on behalf of Harvard.	HCOM – PR PeopleSoft	Yes
Qualified Fellowship (Scholarship for Tuition and Required Fees)	Payment for required tuition and fees for a degree program.	SIS Feed – Term Bill	No
Course Expenses	Some travel or other course expenses are nontaxable if: <ul style="list-style-type: none"> <li>• <u>The travel or other expense is required as part of a course</u> (see below); and</li> <li>• The recipient is a <u>registered degree candidate</u>; and</li> <li>• The expenses are necessary in delivering the course and budgeted as part of the course cost.</li> </ul>	HCOM – NR	No
Harvard Business Expense	Expenses may be reimbursed as University business expenses if a faculty member or another authorized Harvard employee determines that the expense is in <u>direct support</u> of University research or scholarship	HCOM - NR	No
Employment or Work or Service or Researcher	Student must preform an action or complete a deliverable in order to be paid.	PeopleSoft HCOM – PR	Yes



# Payment Considerations

Notes to CRT Field or Reactivation Reason:

- List any time you want to communicate additional information to Vendor Setup team (e.g. Temporary Vendor, BER – what is the payment for, etc.)
- Site requests:
  - Consider which sites need to be made inactive when adding/reactivating other sites (tax reporting implications); is this a permanent site or only needed one-time?
    - Harvard Office address for a one-time payment
- Consistency in the Vendor Name:
  - The vendor name on the W-9 should match the vendor name on the invoice to match the vendor name on the payment.
  - Mismatched or inconsistent names can result in wire transfers or other types of payments being rejected by the bank.
- Strong and detailed description of the business purpose will help AP determine tax and reporting requirements.



# Looking up Vendor Expiration Dates

The **VISA Expiration Date** shows the expiration date for the current immigration documentation on file. These dates also appear in the **Inactive Date** column.

**Search**

Note that the search is case insensitive

Vendor Name

1099 Employee HUID

Last 4 digits of SSN

If the Vendor appears, please click on the "Sites" button to view sites related to the Vendor and to request a New Site if needed

Vendor Name	1099 Employee HUID	Last 4 digits of SSN	Vendor Type	Organization	Women Owned	Small Business	Minority Group	Sites	Visa Expiration Date	Inactive Date (Click to request ReActivation)
DREW HARVARD		9998	1042S Vendor	FOREIGN INDIVIDUAL	N	N		<input type="button" value="Sites"/>	15-Nov-2017	<a href="#">15-Dec-2017</a>
JOHN HARVARD		9999	1042S Vendor	FOREIGN INDIVIDUAL	N	N		<input type="button" value="Sites"/>	31-Dec-2020	<a href="#">31-Dec-2020</a>



# **Vendor Processes Specific to Individuals – Non U.S. Citizens**



# Individual - Non U.S. Citizen (aka, nonresident aliens, NRA, 1042S vendor)

Prior to setting Individual – Non U.S. Citizens up as a vendor, please be sure to confirm:

- If the individual will or will not be entering the U.S. Selecting an incorrect visa type can result in a delay when activating new vendors.
- Schools and units must confirm that the individual is legally allowed to be paid by Harvard based on their visa type.
- Individual – Non U.S. Citizens may be subject to tax withholdings for income earned in the U.S. Improper classification may result in under withholding which can result in taxes being charged back to department in order to remain compliant with IRS regulations.

## Individual is not entering the U.S.

If you know the individual **will not** be entering the U.S. – select visa type “NE – No Entry/No U.S. Presence”. No GLACIER email will be sent to the individual, since income is considered foreign sourced income and is not subject to U.S. taxes (it may be subject to taxes in the country received).

## Individual is in or will be entering the U.S.

Harvard Students that are foreign individuals **must** be set-up as “Individual- Non- US Citizen”, and **NOT** “Harvard Student.”

Schools and units must confirm that the individual is legally allowed to be paid by Harvard.

If you know the individual **will be** entering the U.S., but do not know their visa type, select “NA – Not Available”. This will trigger a GLACIER email to the individual. Vendor Set-up (VST) will update the visa type upon receipt of the GLACIER tax summary report and immigration documentation.



# Individual - Non U.S. Citizen (aka, nonresident aliens, NRA, 1042S vendor)

If an Individual – Non U.S. Citizens is entering the U.S. or earning income that is considered U.S. income, Harvard uses a third-party system, called GLACIER Online Tax Compliance System, to calculate the tax withholding. Tax withholding rates may range between 14-30% based on an individual's visa and income type.

- Individuals must complete GLACIER before they will be activated as a vendor.
- It is the best interest of the individual to complete and update their GLACIER record when they have changes to their visa or earnings type since they may qualify for tax treaties and have less taxes withheld.
- Liability and rates for tax withholding is based on:
  - Tax Residency Status (determined by GLACIER and can include eligibility for tax treaty benefits)
  - Whether the income is considered U.S. or Foreign-Source Income
  - Income type:
    - Salary/Wage
    - Stipend/Scholarship/Fellowship/Grant
    - Honorarium, Royalty, Prize, or other Payment
    - Harvard Business Expense
  - Visa type
    - ADVTR – Advanced Travel – Taxable Income
    - NE-RC – No Entry Royalty Payment- Taxable Income



# GLACIER Highlights

Guidance and reference materials on GLACIER can be found on the Nonresident Alien Tax Compliance website <https://nratax.oc.finance.harvard.edu/Glacier> . Guidance and the NRA website link is also included in the Harvard auto-generated GLACIER email sent to each new foreign payment recipient.

## Sample GLACIER Fields

Relationship with Individual (Select as many categories as applicable, but make only one choice per category)	Income Type (If applicable, select one choice per category)
<input type="checkbox"/> Employee/Faculty/ Staff <input type="checkbox"/> Student Worker/ Graduate Teaching/ Research Assist	<input type="checkbox"/> Compensation/Salary/Wages
<input type="checkbox"/> Stipend / Scholarship/ Fellowship/ Grant Recipient	<input type="checkbox"/> Scholarship or Fellowship Income (Non-Service) <input type="checkbox"/> Grant Income
<input type="checkbox"/> Honoraria Recipient / Invited Guest/ Guest Speaker <input type="checkbox"/> Consultant/ Independent Contractor	<input type="checkbox"/> Honoraria or Guest Speaker Fee <input type="checkbox"/> Consulting Fee/ Independent Services Payment
<input type="checkbox"/> Artist/ Performer	<input type="checkbox"/> Service Payments to Artist/Performers
<input type="checkbox"/> Industrial Royalty Recipient	<input type="checkbox"/> Industrial Royalty or Patent
<input type="checkbox"/> Copyright or Royalty Recipient	<input type="checkbox"/> Copyright or Royalty Income
<input type="checkbox"/> Other	<input type="checkbox"/> Prize/ Award/ Loan Forgiveness/ Other <input type="checkbox"/> Travel Reimbursements
	<input type="checkbox"/> <b>No Payments</b>

## VISA Information

Entering all prior visits to the U.S. related to any sponsored immigration status is required due to IRS regulations that impact accurate tax calculations. F-1 or J-1 nonresident alien visa holders may be eligible for a FICA tax exemption, be sure to complete GLACIER in order not to have these taxes withheld from your paycheck!

To get a copy of your most recent I-94 or travel history, go <https://i94.cbp.dhs.gov/I94/#/home> and click “*Get Most Recent I-94*” or “*View Travel History.*”

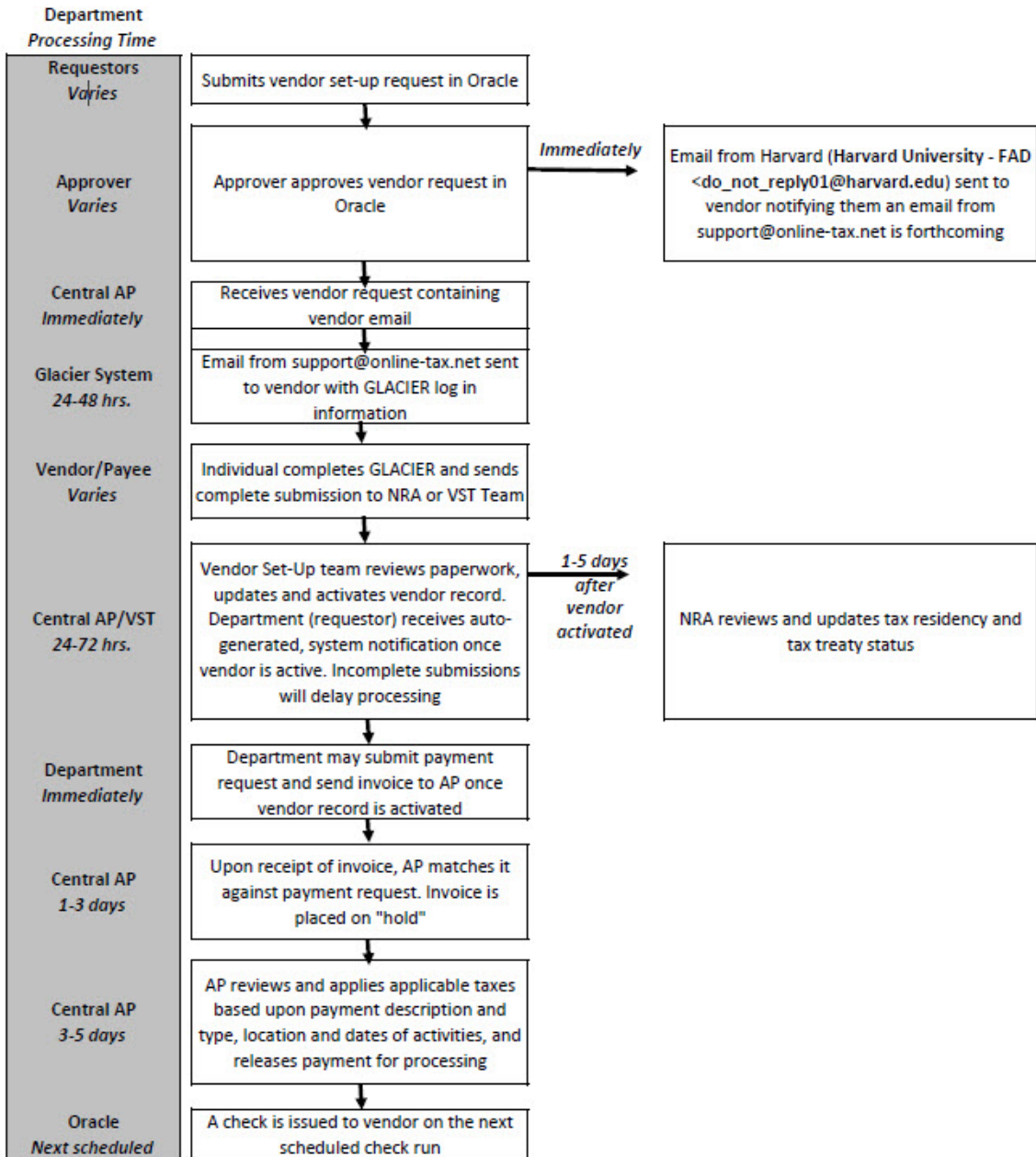
Non Resident Alien VISA Type	History Required
B1, B2, Visa Waiver, ESTA	Prior 6 years of U.S. presence
F, J, M, Q, TN, O, H1B, A, G, E3, etc.	Back to 1986



# GLACIER Processing Times for Individuals – Non US Citizen

## Processing Times for Vendor Set-Up and AP Payments to 1042S Vendors (Individuals - Non US Citizen)

AP = Central Accounts Payable Office    NRA = Nonresident Alien Office    VST = Vendor Setup Team  
All times are based on business days. Paperwork received after 2:00 pm is processed the next business day.





# Business Expense Reimbursement (BER) Vendor Type

Vendor type *Business Expense Reimbursement (BER)* allows Harvard administrators to reimburse foreign individuals who do not have a prior payment relationship with Harvard and are only being reimbursed for Harvard business expenses. Foreign payees can bypass the GLACIER process, since they will not be paid income.


Requirements (see [Vendor Type: BER](#) for additional details)

- The individual has not or will not be paid any income (e.g., honoraria, fellowship, grant, royalty, stipend, etc.) If the individual will be paid income, then they must be paid as vendor type *Individual – Non U.S. Citizen*.
- Individual must follow the accountable plan rules:
  - Submit a complete business purpose and receipts
  - Submit receipts in a timely manner (within 90 days)
  - Complete and submit a nonemployee reimbursement form
- Administrators must submit any signed certification forms, and required copies of immigration documents along with each Nonemployee Reimbursement (NR) Payment Request in order to support that the individual is legally allowed to be reimbursed by Harvard. Payment cannot be processed without this required information.
- The vendor record will be active for 90 days.

NOTE: If a individual's status changes (e.g., they were paid as a BER vendor for travel expenses a year ago, but are returning to Harvard and will be given a travel allowance), their vendor type must be changed to *Individual – Non U.S. Citizen*.



# Where to Note Payment Descriptions



**HARVARD**  
FINANCIAL ADMINISTRATION

**In Lieu of Invoice**

STRATEGIC PROCUREMENT

PR \_\_\_\_\_

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Please use this form to request payment in situations where it is not possible or appropriate for the vendor or individual to provide an invoice, e.g.: refunds, honoraria, prizes, or fellowship payments. **All fields are required.**

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INVOICE NUMBER\*: \_\_\_\_\_ (25 CHARACTER LIMIT)

INVOICE DATE: \_\_\_\_\_ (STANDARD PAYMENT TERMS APPLY)

AMOUNT OF PAYMENT: \_\_\_\_\_

NAME OF INDIVIDUAL/VENDOR: \_\_\_\_\_

REASON FOR PAYMENT:


REFUND       HONORARIUM       PRIZE/AWARD       ROYALTY

FELLOWSHIP/GRANT       DONATION       OTHER \_\_\_\_\_

IF 1042S VENDOR, SERVICE IS DONE:  INSIDE the US  
 OUTSIDE of the US (Location: \_\_\_\_\_)

BUSINESS DESCRIPTION: \_\_\_\_\_

PREPARED BY: \_\_\_\_\_ (FIRST AND LAST NAME) PHONE #: \_\_\_\_\_



**Non Employee Reimbursement Form**

Request Date: \* \_\_\_\_\_ NR Number #: \_\_\_\_\_

Reimbursee Name: \* \_\_\_\_\_ Requisition #: \* \_\_\_\_\_

Affiliation  Invited Guest     Harvard Student     Other (Explain below)      HUID (Affiliates):\* \_\_\_\_\_

Other Explanation \_\_\_\_\_

U.S. Citizen or Permanent Resident  Yes  No      Federal Sponsored  Yes  No

#	Dates of Expense(s)	Business Purpose: Provide detailed reasons and date ranges for expenditures. Travel and entertainment expenses require the person(s) and/or organization and location. ALL expenses must be itemized.
#1		
#2		
#3		

**ALL EXPENSES MUST BE ITEMIZED INCLUDING EXPENSES LESS THAN \$75**  
(A DETAILED ITEMIZED LIST FOR EXPENSES LESS THAN \$75 CAN BE ATTACHED TO THIS FORM)

#	Description (date, details, etc)	Air/Rail	Lodging	Ground Trans	Business Meals	Other	Total
#1							
#2							
#3							
Sub-Total expenses from page 2							
Total Reimbursement							

Total amount under \$75 Itemized In Total Reimbursement \_\_\_\_\_

I certify these are valid University business expenses

Reimbursee Signature: \* \_\_\_\_\_

Reimbursee Check Mailing Address: \* \_\_\_\_\_

Prepared By (Print): \* \_\_\_\_\_ Phone # \_\_\_\_\_



# Reference Materials

[Business Expense Reimbursements Policy](#)

[Employee and Nonemployee Gifts and Celebratory Events](#)

[Fellowship Payments and Reimbursements for Students and Non-employee Postdocs/Fellows](#)

[Fellowships Toolkit](#)

[GLACIER Instructions](#)

[Honoraria and Reimbursements for Foreign Nationals](#)

[Independent Contractors](#)

[Training Portal](#)

[Travel Policy](#)

[Vendor Set Up Materials](#)

- Checklist Setting UP Foreign Individual as Vendor
- Setting Up Vendor Type – Individual – Non US Citizen
- Vendor Address Standards
- Using the Vendor Request Form
- Setting up Foreign Individuals with BER Vendor Type

Forms:

[Foreign Individual Vendor Request Form](#)      [W-8 Form](#)   [W-9 Form](#)   [HCOM Non-Employee Reimbursement Form](#)

[Travel Reimbursements to B-2 or WT Visa Certification Form \(for BER Vendors\)](#)

[In Lieu of Invoice Form](#)   [Deposit, Pre-Payment, Enclosure, and Special Mailing Form](#)

For questions regarding vendor setup or reactivation processes, contact the Vendor Set-up at 617-495-8500 option 3 or [vendorsetup\\_ufs@harvard.edu](mailto:vendorsetup_ufs@harvard.edu)

For questions regarding the GLACIER process, tax issues, reference materials, and FAQ see the “Nonresident Alien Tax Compliance” website <https://nratoc.finance.harvard.edu/> or contact the Nonresident Alien Tax Compliance at 617-495-8500 option 5 or [nratoc\\_ufs@harvard.edu](mailto:nratoc_ufs@harvard.edu).



# Appendix: W-9 Form

<p>Form <b>W-9</b> (Rev. November 2017) Department of the Treasury Internal Revenue Service</p>	<p><b>Request for Taxpayer Identification Number and Certification</b></p> <p>▶ Go to <a href="http://www.irs.gov/FormW9">www.irs.gov/FormW9</a> for instructions and the latest information.</p>	<p>Give Form to the requester. Do not send to the IRS.</p>																				
<p><b>1</b> Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.</p>																						
<p><b>2</b> Business name/disregarded entity name, if different from above</p>																						
<p>Print or type. See Specific Instructions on page 3.</p>	<p><b>3</b> Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only <b>one</b> of the following seven boxes.</p> <p><input type="checkbox"/> Individual/sole proprietor or single-member LLC    <input type="checkbox"/> C Corporation    <input type="checkbox"/> S Corporation    <input type="checkbox"/> Partnership    <input type="checkbox"/> Trust/estate</p> <p><input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____</p> <p><b>Note:</b> Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is <b>not</b> disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.</p> <p><input type="checkbox"/> Other (see instructions) ▶ _____</p>		<p><b>4</b> Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):</p> <p>Exempt payee code (if any) _____</p> <p>Exemption from FATCA reporting code (if any) _____</p> <p><small>(Applies to accounts maintained outside the U.S.)</small></p>																			
	<p><b>5</b> Address (number, street, and apt. or suite no.) See instructions.</p>		<p>Requester's name and address (optional)</p>																			
	<p><b>6</b> City, state, and ZIP code</p>																					
	<p><b>7</b> List account number(s) here (optional)</p>																					
<p><b>Part I Taxpayer Identification Number (TIN)</b></p> <p>Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i>, later.</p> <p><b>Note:</b> If the account is in more than one name, see the instructions for line 1. Also see <i>What Name and Number To Give the Requester</i> for guidelines on whose number to enter.</p>																						
		<p><b>Social security number</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> </tr> </table>																				
		<p><b>or</b></p> <p><b>Employer identification number</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> </tr> </table>																				



# Appendix: U.S. or Foreign-Source Income

Payments from Harvard may be subject to taxation. Depending upon where the income is earned, it may be taxable to an a nonresident alien or foreign entity. For tax purposes, nonresident aliens, unlike U.S. citizens and resident aliens are only subject to tax on income that is considered “U.S. source” by the IRS. Depending upon the payment type, U.S. citizens and resident aliens may receive need to self-report or may receive a 1099 at the end of the tax year, or may need to do both, based on the income type.

Income Type	Source Determined By
Pay for Personal Services	Where services are performed If services are performed in the U.S. considered U.S. income.
Scholarship or Fellowship Grants	Generally, residence of payer (Harvard) Exceptions would be when such payments relate to activities conducted outside of the U.S. They are deemed “foreign source” and not subject to taxes for NRAs.
Rents	Where property is located
Royalties – Patents, Copyrights, etc.	Where intellectual property is used Payments made by Harvard for royalties, copyrights, or permission fees are generally considered U.S. source income
Pensions due to personal services performed	Where services were performed while a nonresident alien



# Appendix: Examples of Reporting Requirements

Fellowship		Prize	
US Tax Residents	Nonresident Aliens	US Tax Residents	Nonresident Aliens
<ul style="list-style-type: none"> <li>Harvard is not required to report payments to the IRS or to the recipient</li> <li>No withholding is required</li> <li>Recipient must <b>self-report</b> as gross income</li> </ul>	<ul style="list-style-type: none"> <li>Harvard is required to report payments to the IRS and to the recipient on Form 1042-S</li> <li>Withholding is required (usually at 14% or 30%) but can be reduced by tax treaties if available</li> </ul>	<ul style="list-style-type: none"> <li>Harvard must report to the IRS and issue prize recipients a Form 1099 if the prize amount is \$600 or more</li> <li>1099MISC Box 3</li> </ul>	<ul style="list-style-type: none"> <li>Harvard is required to report payments to the IRS and to the recipient on Form 1042-S</li> <li>Withholding is required (usually at 14% or 30%) but can be reduced by tax treaties if available</li> </ul>

