

HARVARD
FINANCIAL ADMINISTRATION



Back to School Financial Policy Refresher

September 22, 2022

Welcome

Introductions:

- Karen Kittredge, Manager, Policy and Business Process
- Various Subject Matter Specialists

Learning Objectives

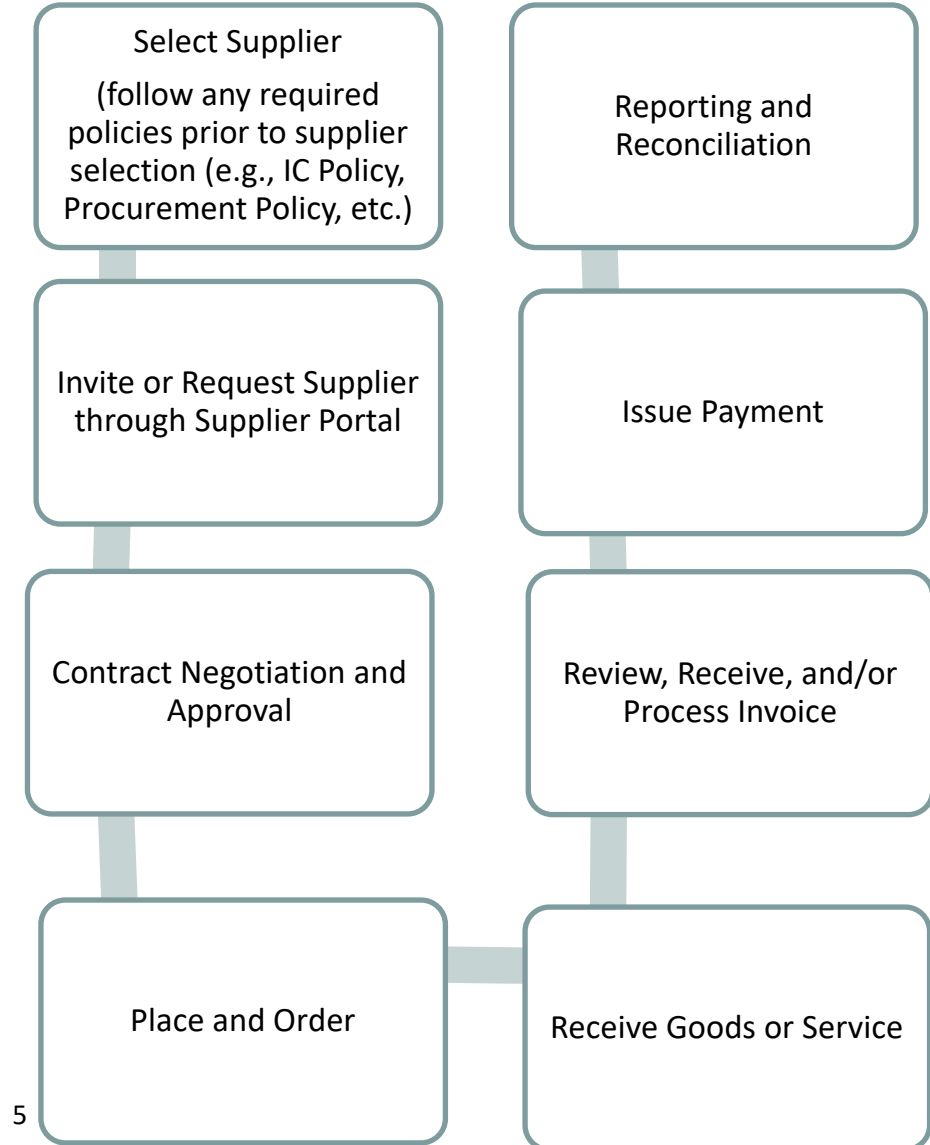
After completing this information session, you should be able to:

- Understand the roles and responsibilities when spending or authorizing expenditures on behalf of Harvard
- Become familiar with the most common financial policies
- Know how to leverage various resources

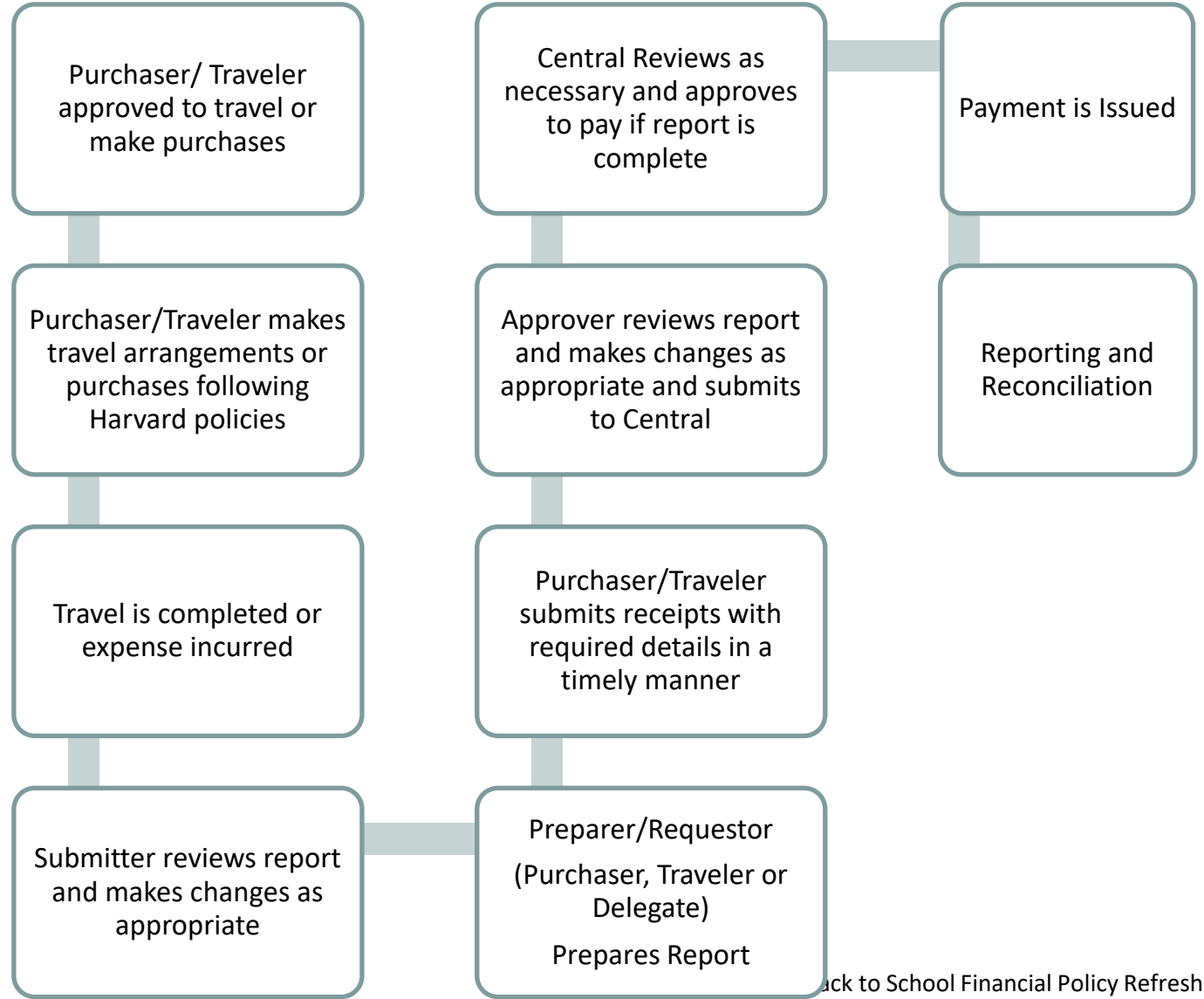
How Do Financial Policies Affect My Work

Purchasing and Reimbursement Life Cycles

Life Cycle of the Accounts Payable Process



Life Cycle of the Reimbursement Process



Responsibilities of Purchasers, Preparers and Approvers (ROPPA)

Responsibilities of Purchasers, Preparers & Approvers (ROPPA)

Individuals who spend funds or who prepare or authorize expenditures on behalf of the University have a stewardship responsibility to ensure those transactions are reasonable, appropriate, and have a proper University business purpose. See the [ROPPA Policy](#), [Training Prerequisites](#), and [Responsibilities by Role](#). Regardless of an individual's role or which system/mechanism they are using, there are a few key things to know:

Spend Harvard resources prudently

- Business expense vs personal expense
- Comply with University, federal, state, fund or other policies or restrictions

Prepare transactions properly

- Ensure request/request contains information that is fully descriptive of the underlying expense and how the supplier should be paid (who, what, where, when, why)
- Collect proper documentation – see [Definition of Receipts](#) or [Invoice Description Procure to Pay Manual](#)

Review and approve transactions in a timely manner

- Approver should have sufficient knowledge to make an informed judgement that the transaction is appropriate and the correct coding has been used
- Due diligence – follow-up if there are questions or concerns

Create evidence of the approval

- Electronic approval, signing paper forms, or emails.
- Best practice is to thoroughly substantiate review and approve in writing

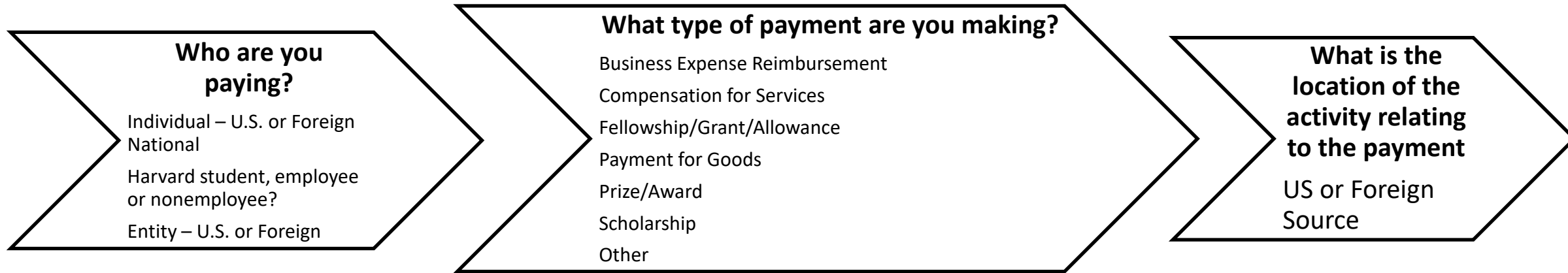
Multiple Approvers

Approving any part of a transaction is a significant responsibility; every individual in an approval chain is accountable for the elements of the transaction that they approve

- In some cases, there may be more than one approver in an approval hierarchy
- For example, a department administrator might approve an expenditure that must be subsequently approved by a sponsored or gift administrator, and then finally approved by the tub finance office
- To avoid confusion, approvers must understand which elements of a transaction they are responsible for approving

Determining Payment Type

Incurring Expenses and Processing Payments



Are you paying an entity/business or an individual?

- Is it a U.S. or foreign entity?
- Is individual a U.S. Citizen/Permanent Resident or a Foreign National/Nonresident Alien
- What is their tax residency and visa status? Is the individual entering the U.S.?

What type of payment are you making?

- The type of payment will help determine what policies need to be followed and if the payment is reportable or taxable. Both individuals and entities may be subject to taxes.
- If payment to an individual, are they classified correctly and are they allowed to receive payment based on their visa status?

Where is the payment being used (inside U.S. or outside U.S.)?

- Are the goods or services being performed in the U.S.?
- Location of the activity drives the foreign source determination
- Does the individual have a PeopleSoft appointment? The appointment type may help in classifying the type of payment (service vs fellowship).

Harvard Business Expense Reimbursements

For Harvard to reimburse an expense without tax implications, the expense must be:

- Ordinary – common and accepted in the normal course of University activities;
- Necessary – appropriate in nature and amount; and
- Business-Related – not a personal expense.
- A complete business purpose and receipts (who, what, when, where, why) is required.

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	B2P
Monthly Teaching Fellow	MTF	6140	B2P
External Post Doc	MEP	6450, 6452	B2P

Generally, this group is reimbursed via Concur.

This group is set up as a vendor in the Buy-to-Pay System

Supplier Onboarding Process

Considerations

In order to process payments to individuals or entities offering goods or services, rents, royalties, or other activities to Harvard, a supplier must be set up in Harvard's Supplier Portal (Jaggaer/Buy-to-Pay/B2P).

Is the individual eligible to receive a payment from Harvard?

- Prior to any formal agreements being made, schools or units must confirm a supplier is legally allowed to be paid by Harvard. Refer to [Most Commonly Seen Visa Types of Foreign National Guest Speakers](#), [Independent Contractors Policy](#), [Debarment Certification](#)
- In rare instances, a Harvard employee may be paid for a service via B2P (e.g., services unrelated to their current job, though additional compensation is best practice).
- Nonemployees receiving reimbursements for a valid Harvard business expenses (qualified, non-taxable).
- Payment method: Do not assume the default payment for a paper check is acceptable when paying foreign payees. Many foreign banks no longer accept paper checks, and international mail also remains unreliable. Invoices may also provide payment method requirements.

Is the supplier type classified correctly?

- Accurate classification facilitates compliance with federal and state regulations
- Suppliers must submit required legal documentation (e.g., W-8, W-9, GLACIER, etc.)
- **NOTE-** Improper classification may result in under withholding and/ or reporting, which can result in taxes being charged back to department to remain compliant with IRS regulations.

Supplier Checklist

- ☐ Is supplier already in B2P?
- ☐ Is supplier record active?
- ☐ Does supplier record need to be updated (Address add/change, [Paymode-X ACH](#), [Zelle](#))?
- ☐ Determine how to onboard the supplier. See [B2P Process Diagrams](#).
- ☐ If foreign individual, will the individual be entering the U.S. and/or do you know their visa type? Review [Supplier Types](#)
 - ☐ Confirm individual is legally allowed to receive payment from Harvard [Most Commonly Seen Visa Types](#).
 - ☐ 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. The Supplier Onboarding Team (SOT) will update the visa type upon receipt of the GLACIER tax summary report and immigration documentation.
 - ☐ 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 GLACIER is only required for U.S.-sourced income.
 - ☐ If you know the individual **will not** be entering the U.S. but is receiving royalty, copyright, or patent income, select “**NE-RC**” visa type.
 - ☐ Individuals being paid on ADVTR visa type will receive GLACIER to complete upon their arrival to the U.S. Their advanced travel grant will be taxed at 30%.
- ☐ How will the payment be made? Paper checks are not always the best process for foreign transactions, is Wire required, if so – USD or foreign currency? See [Treasury links here](#) for further information on the wires process.

Processing Payments

Prepare Transactions Properly

Individuals who prepare a transaction are, at a minimum, responsible for ensuring the business purpose is complete and accurate, proper support is provided, and that the transaction is submitted or resubmitted for approval in a timely manner. Units, particularly those with centralized approval models, may place additional responsibilities on their preparers (also known as requestors, shoppers, or delegates).

Things to consider:

- ☐ Does the purchase comply with established policies and procedures including fund terms, conflict of interest policies, other financial policies?
- ☐ Is there sufficient information for a complete business purpose (who, what, where, when, why)? This will drive the payment classification (payment for goods, services, grant/fellows, or reimbursement)
- ☐ Have you confirmed the payment delivery method with the supplier? Many countries do not accept paper checks or have unreliable international mail and it may be more expedient to process a payment via a wire transfer.
- ☐ Is the appropriate supporting documentation included?
- ☐ Is there a sufficient budget or other funds to cover the expense?
- ☐ Is the correct billing code included?
- ☐ Was the information been provided and the transaction prepared in a timely manner?
- ☐ If a transaction has been returned have the questions been resolved promptly?

Payments to Individuals

Taxable until proven not!

- 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 (90 days)

Business-Related Expenses

Everyone who spends Harvard funds, either directly via a purchasing system (Buy-to-Pay) or indirectly, via PCard, Corporate Card or personal funds to be reimbursed, has an obligation to spend those funds with sound business judgment.

For Harvard to reimburse an expense without tax implications, the expense must be:

- Ordinary – common & accepted in the normal course of University activities;
- Necessary – appropriate in nature and amount; and
- Business-Related – not a personal expense

Common examples of Harvard business-related expenses:

- Registration fees and travel for professional conferences
- Materials used in research
- Supplies and equipment used in campus offices and labs

NOTE:

- Harvard should never pay a vendor directly for expenses that may be taxable to an individual (e.g., fellowship travel, health insurance, course registration for personal development).
- The source of funding (e.g., sponsored research award) does NOT affect the tax treatment of the expense. The tax treatment of the expense ALWAYS hinges on whether or not it the particular expense is in DIRECT SUPPORT of University business.

Personal Expenses

Generally, expenses that prepare or indirectly support someone's ability to do their work are considered personal expenses and cannot be reimbursed as Harvard business expenses.

Common examples of non-reimbursable expenses:

- Commuting expenses from your home to your primary work location
- TSA Precheck, Global Entry, etc. Application Fees
- Repetitive meals (i.e., daily breakfast, lunch or dinner) while not traveling
- Costs for clothing that can be substituted for everyday use
- Personal services (e.g., haircuts, cosmetic services)
- Tuxedo rentals or formal wear – even for Harvard-related events
- Personal credit card annual fees
- Parking tickets or traffic violations
- Home office furniture or equipment
- Harvard paying for expenses related to a fellowship or personal research/development

See the [Business Expense Reimbursements Policy](#)

Business Related

Your business purpose statement should give the reviewer and approver a clear understanding of the reason for the expense. The best way to do this is to answer the 5 Ws.

Who – Who incurred the expense? Where there other individuals involved? List names and other affiliations if required.

What – What did the expense entail (business lunch, travel dinner, reception, etc.)

Where – Where was the expense incurred – city/state/country

When – Date the expense was incurred, or trip made

Why – Detailed purpose, business activity and how it relates to Harvard business

Poor Example	Good Example
Presenting at Conference	RT Airfare BOS-Paris, Presenter at Indo-European Conference 7/1-13/18
Lunch	Individual Meal in WA, DC attending NSF Annual Symposium
Dinner at Harvest	Dinner at Harvest w/D. Faust and J. Harvard re: Harvard capital campaign
Expenses related to research/development	Adobe Distiller to use in research publication designs

Substantiation



Business meals that include alcohol are encouraged to include an itemized receipt, regardless of amount. If an itemized receipt is not available expenses must be allocated following the below:

- If the meal did not include alcohol, the reimbursee must attest that no alcohol was charged (on the receipt and in Concur).
- If the meal did include alcohol and the reimbursee can attest in writing to the alcohol cost, then the alcohol portion with applicable tax and tip must be charged to object code 8450. No alcohol may be charged to a federal award.
- If alcohol was included and the reimbursee cannot attest to the alcohol cost, then **no portion** of the meal cost can be charged to a federal award. For all other funding, the invoice should be prorated with a percentage of the alcohol charged to object code 8450. Schools may set their own prorated amounts as long as they are consistent, usually between 20-35% for alcohol and the balance for the meal.

An electronic or paper Missing Receipt Affidavit (MRA) is required for lost receipts over \$75 or for missing hotel folios. MRAs must be used as exceptions, not on a regular basis.

What should a receipt include? See [Definition of Receipts](#) for more details

- Date of transaction
- Name of merchant
- Transaction details (what was purchased)
- The amount of purchase
- The form of payment used (credit card, cash, check)
- Indication that the amount was paid
- Handwritten receipts that do not contain the above information require a Missing Receipt Affidavit (MRA)

Individual schools and units may have more restrictive policies or internal processes; contact your tub finance department for more information.

Timely

- Regardless of your role, be mindful of internal deadlines and allow sufficient lead time for processing transactions. **Be mindful of your internal processing deadlines** and take them into account in order to meet the 90 day deadline for Concur.
- “Sufficient time” generally means at least a week before the deadline, but complex purchases or reimbursements may require more.

Expense Type	When to Process	Notes
PCard	Weekly - Reviewers and Administrators must enter business purposes, coding and review on a weekly basis.	
Concur – Reimbursements/Payments to Harvard Employee or Citibank	0-90 days with no tax implications 91-182 – taxable to employee 183+ will not be reimbursed	Citibank payments should be made ASAP to avoid late fees. Concur reports must be electronically approved and submitted to Travel, Reimbursements and Card Services within 90 days to avoid tax implications.
Buy-to-Pay – Nonemployee Reimbursement	Best practice – within 90 days or the same fiscal quarter as expense was incurred	
Suppliers	Process upon receipt of invoice	Harvard’s payment terms are normally 30 business days from invoice date.

Timely (continued)

Harvard employees: Concur reports must be electronically approved and submitted to Travel and Reimbursements using the below time table.

Non Harvard employees: Best practice is to follow Harvard policy and follow the same 90-day deadline, Harvard encourages units to pay non-employee expenses in the same fiscal quarter as they are incurred.

Days after trip or transaction date	Result
0-90 <ul style="list-style-type: none">Days after trip end date (preferably w/in 60 days)Days after non trip-related expense incurred	<ul style="list-style-type: none">No tax implicationsExpenses on Corporate Card should be paid by statement due date
91-182 <ul style="list-style-type: none">Days after trip end dateDays after non trip-related expense incurred	<ul style="list-style-type: none">Expenses treated as income to employee – must be processed as additional pay with taxes withheldMay NOT be grossed upCorporate cards should be processed before 90 days to avoid non-reimbursable late fees
183+ <ul style="list-style-type: none">Days after trip end dateDays after non trip-related expense incurred	<ul style="list-style-type: none">Expenses may NOT be paid with University funds

Reimbursement Processes for Student Workers

Based on the Harvard Graduate Student Union Contract (HGSU-UAW)

Business Expenses

For student workers incurring valid Harvard business expenses, the school or unit should directly pay preferred providers in advance for all authorized and approved lodging, transportation (e.g., airfare), and registration fees. These expenses must be preapproved by the local department and the student must supply complete information (who, what, where, when, why) to the department processing this payments in a timely manner.

	If Paid by Harvard	If Paid Out of Pocket by Student
Airfare	Pay in advance by University card or invoice Follow Harvard's Travel prohibitions until further notice.	Student is reimbursed after the trip and upon submission of receipts and other required documentation
Hotel	Pay in advance by University card or invoice	Student is reimbursed after the trip and upon submission of receipts and other required documentation
Registration Fee	Pay in advance by University card or invoice	Student is reimbursed after the trip and upon submission of receipts and other required documentation
Other Reimbursable Expenses (meals, taxis, etc.)		Student is reimbursed after the trip and upon submission of receipts and other required documentation

Fellowship/Grant

For student workers receiving a fellowship/grant, the school or unit may issue the payment directly to the student prior to the event or activity.

	If Paid by Harvard	If Paid Out of Pocket by Student
All Expenses	Harvard should never pay a vendor directly but issue the payment to the student. The payment is taxable income and may incur tax withholding depending upon the student's tax status.	Fellowship/grants must be paid directly to the student. The payment may be made prior to the event or activity as a "in lieu of" payment request. No receipts are required, and the object code 6460 is best practice. Departments must note the location of the event or activity for tax reporting purposes.

See [Travel Policy](#) and [Fellowship Payments and Reimbursements for Students and Non-employee Postdocs/Fellows](#) for additional guidance.

Purchases of Goods or Services

Tax Exemption Guidance for Purchases and Travel

The University, as a nonprofit educational institution, is exempt from Massachusetts sales and use tax and from sales and use tax in many other states. See [Procurement Tax Forms and Tax Exemption Guidance](#) for complete details.

Use Harvard's Tax Exemption When Making Purchases Related to Harvard Business	
Tax Type	Expenses may billed to Harvard, paid by University Corporate Card(s) or PCard, or out-of-pocket reimbursement
Meals Tax (also known as food sales tax)	
Purchased in Massachusetts	Exempt - Provide ST-2 and ST-5 Forms to vendor as requested
Purchased Outside Massachusetts	May be Exempt - See list of exemptions for other states
Room Tax (also known as occupancy or hotel tax)	
Purchased in Massachusetts	Not Exempt
Purchased Outside Massachusetts	May be Exempt - See list of exemptions for other states
Sales Tax	
Purchased in Massachusetts	Exempt - Provide ST-2 and ST-5 Forms to vendor as requested
Purchased outside of Massachusetts Item to be used in Massachusetts	Exempt - Provide ST-2 and ST-5 Forms to vendor as requested
Purchased outside of Massachusetts Item to be used outside of Massachusetts	May be Exempt - See list of exemptions for other states
Value Added Tax (VAT)	
VAT is a general, broadly based consumption tax assessed in many foreign countries on the value added to goods and services. Purchases of goods or services to be used in the US should not have to pay VAT. See Office of the Controller Tax Compliance Office or contact taxcompliance@harvard.edu for additional information.	

Procurement Policy and Related Resources

Individuals must purchase goods and services using practices that are compliant with applicable laws, regulations and obligations and that are aligned with Harvard's policies and objectives.

[Procurement Policy](#) - Information for individuals who plan for or purchase products, equipment, supplies, and services with university funds. conflict of interest standards, special purchases, use of Harvard preferred suppliers, tax exemptions, required practices for purchases with federal funds, including vendor justification form (VJF) and debarment form and best practices for all purchases, including small and small disadvantaged business, wasteful or duplicate purchases, record retention.

[Financial Management of Property, Plant and Equipment](#) – Establishes the proper methods to account for facilities and equipment of purchases, including capitalization ($\geq \$5,000$), depreciation, disposals and impairments, and various funding source.

[Accounting for Leases](#) – Processing and accounting treatment of lease agreements entered into by the University, both as a lessee and as a lessor

[Software Accounting Policy](#) – Addresses when costs for purchased and internally-developed software or cloud-hosting arrangements must be capitalized at the University.

Summary of Purchasing Procedures for Standard Purchase

(Excluding Special Purchases) Schools or Units may have more restrictive requirements; contact your Finance Office for guidance.

Threshold ^(a)	REQUIRED for Federal Funds (100000-199999) Cost-Share Funds or Expenses Journalled onto Federal Funds	BEST PRACTICE for Non-Federal Funds (all other funds)
\$0-\$50,000 Micro Purchase	<ul style="list-style-type: none"> University recognized Preferred Vendors are encouraged Visual Compliance monitors debarred suppliers on a daily basis Purchases should be distributed equitably among qualified suppliers to the extent practical No self-approval is allowed on federal funds 	<ul style="list-style-type: none"> University recognized Preferred Vendors are encouraged Purchases should be distributed equitably among qualified suppliers to the extent practical Self-approval for purchase up to \$2,499.99 is allowed, but not recommended
≥\$35,000 Debarment Certification for Federal Contracts	<ul style="list-style-type: none"> Required for contract purchases ≥ \$35,000 subject to Federal Acquisition Regulations, a signed Debarment Certification Form is required or debarment language must be included in the contract before Harvard makes a purchase commitment 	<ul style="list-style-type: none"> Not Applicable
>\$50,000-\$250,000 Small Purchase Simplified Acquisition Threshold (SAT)	<ul style="list-style-type: none"> Complete and Upload VJF in B2P <ul style="list-style-type: none"> A minimum of 2 but recommend 3 written quotes (email is allowable) is required if purchase is not a single- or sole-source purchase University-recognized preferred vendors may be used as one of the written quotes. Back-up documentation regarding vendor selection justification, (quotes, explanation around sole source vendors etc.) must be kept on file or uploaded into B2P Purchases should be distributed equitably among qualified suppliers to the extent practical 	<ul style="list-style-type: none"> University recognized Preferred Vendors are encouraged, OR Should obtain a minimum of 2 but recommend 3 written quotes (email is allowable) Purchases should be distributed equitably among qualified suppliers to the extent practical
>\$250,000-\$699,999^(b)	<ul style="list-style-type: none"> Same as above, AND If a competitive proposal: <ul style="list-style-type: none"> Must conduct a formal written proposal process. Vendor selection should be awarded to the bidder whose proposal is most advantageous to the program with price being <u>one</u> of the factors. Sealed bids must select the vendor that meets the requirements & has the lowest bid Payments ≥ \$250,000 require electronic approval of Tub Financial Dean or Designee 	<ul style="list-style-type: none"> Same as above, AND Should obtain a minimum of 2 but recommend 3 <u>written</u> quotes (email is allowable). Payments ≥ \$250,000 require electronic approval of Tub Financial Dean or Designee
≥\$700,000+ (\$1.5M for construction)	<ul style="list-style-type: none"> Same as above, AND Purchaser must develop minority vending goals & complete Individual Subcontractor Reports (ISR) & Summary Subcontract Reports (SSR) & submit subcontracting plan if required by RFP 	<ul style="list-style-type: none"> Same as above

B2P Tips and Tricks

B2P Tips and Tricks – Payment Request (PR)

- All payments to foreign entities and individuals are placed in a queue for tax review.
- Make sure the type of transaction matches the description and invoice details (e.g., don't select "Other" as type of transaction, but note "commencement guest speaker" in the description and attachment is an award letter for a prize).
- Attach an invoice, in lieu of form, agreement, email correspondence.

Select the help button
for additional
information.

Transaction Information

Type of Transaction (Suggested Object Code)

1

☐ Copyright/Royalty/Licensing Fees (8570)

☐ Donation (8450/8454)

☐ Fellowship/Grant (6460-Students/6455-NonStudents)

☒ Honoraria/Performer/Lecturer: Inside Mass (8690/8692/8694)

☐ Honoraria/Performer/Lecturer: Outside Mass (8691/8694)

☐ Prize/Award (6462-Students/8693-NonStudents)

☐ Refund

☐ Other (Not Identified Above)

More Information

Description

2

<https://oc.finance.harvard.edu/ap-forms>

254 characters remaining expand clear

Attachments

Add Attachments

3

Size

Date

Invoice Information

Supplier Inv #

If the supplier has provided an invoice number, enter the invoice number as it appears. Exclude: spaces, the word 'invoice', and do not use # as a prefix.

If you do not have a supplier invoice number you must use the following format: SUPPLIERNAME+DD+MMM+YY (e.g. JOHNHARVARD03APR20) for an invoice from supplier John Harvard dated 4/30/20. Exclude lower case, special characters, dashes, and spaces

Invoice Date

mm/dd/yyyy

Invoice Amount

Location of activity

4

Please select...

For more information on Location of Activity

[click here](#)

Section	Description
1 Type of Transaction	<ul style="list-style-type: none">• Select the most appropriate type of transaction.• Only select "Other" if the transaction does not match one of the options listed (e.g., loan forgiveness, human subject payment, consulting, etc.).• Selecting "Other" can delay review and processing since it goes into a larger queue for tax review.
2 Description	Put in a detailed business purpose/description (what, where, when, why). Note the location of the activity/service.
3 Internal Attachments	Attach an invoice or in lieu of form. This documentation shows what the payment is for and why the requestor is initiating the transaction. Documentation can be an invoice, in lieu of form, agreement, contract, or correspondence that documents the business purpose (who, what, where, when, why, how).
4 Location of Activity	Where is the service being performed, property being rented, or the location where fellowship income is expected to be utilized.

B2P Tips and Tricks – Noncatalog Order

- All payments to foreign entities and individuals are placed in a queue for tax review.
- Make sure the type of transaction matches the description and invoice details (e.g., if the invoice is for consulting in Spain, be sure to note consulting in Spain in the description).
- Select the location of activity to speed the tax review process.

The screenshot shows a requisition form with a sidebar on the left containing the following items: Requisitions, General, Ship to & Bill to, Accounting Codes, Internal Notes and Attachm..., External Notes and Attach..., Special Handling & AP, Ad Hoc Approver, Supplier Information, Final Review, Requisition Approvals, Comments, Attachment Overview, and PO Preview. The 'Ship to & Bill to' item is circled in red. The main form area has two sections: 'Ship To' and 'Bill To'. The 'Ship To' section has a 'Shipping address' field with the value: ATTN Name/Department Karen Kittredge, Building/Room 3rd Floor - Room 336, 1033 Massachusetts Ave, Cambridge, MA 02138-0000, United States. The 'Bill To' section has a 'Billing address' field with the value: Harvard University, Accounts Payable, Email invoices to AP_Invoices@harvard.edu, P.O. Box 381588, Cambridge, MA 02238, United States. A pop-up window titled 'Location of Activity' is open, showing a text field with the value 'Great Britain (United Kingdom), Northern Ireland, England, Wales, Scotland' and a link 'Select from all values...'. The pop-up has 'Save' and 'Cancel' buttons at the bottom.

Requisitions <

General ✓

Ship to & Bill to ✓

Accounting Codes ✓

Internal Notes and Attachm... ✓

External Notes and Attach... ✓

Special Handling & AP ✓

Ad Hoc Approver ✓

Supplier Information ✓

Final Review ✓

Requisition Approvals

Comments

Attachment Overview

PO Preview

Ship To edit

Shipping address

ATTN Name/Department Karen Kittredge
Building/Room 3rd Floor - Room 336
1033 Massachusetts Ave
Cambridge, MA 02138-0000
United States

Bill To edit

Billing address

Harvard University
Accounts Payable
Email invoices to AP_Invoices@harvard.edu
P.O. Box 381588
Cambridge, MA 02238
United States

Location of Activity ? X

Location of Activity

Great Britain (United Kingdom), Northern Ireland, England, Wales, Scotland
[Select from all values...](#)

Save Cancel

Independent Contractor Policy

Guidance on Classifications

MYTH: Individuals can be paid as employees, independent contractors or vendors/suppliers.

FACT: There are only two options for paying individuals – as employees **or** as vendors/suppliers. An “independent contractor” is the **same thing** as a “vendor” or “supplier.”

Employee

Paid via PeopleSoft or an approved out-of-state or out-of-country payroll

- Individual
- Generally being paid compensation or salary and wages in exchange for past, present or future services that are primarily for Harvard’s benefit.
- Requires a Form I-9
- Receives a W-2
- May have income taxes withheld

Vendor

(May also be called a Supplier or Contractor and may be paid for the purchase of goods and/or services.)

Paid via Accounts Payable (B2P)

- Can be operating as a single individual, or a multiple employee business
- Can be unincorporated, an individual person, a company, LLC, business, partnership, nonprofit, government agency, trust/estate, etc.
- Individuals or single-person companies (regardless of company type) must comply with the [Independent Contractor Policy](#)
- Foreign vendors (individual or entity) may have taxes withheld depending upon the payment type and tax status
- May receive a 1042S or 1099 based on vendor and payment type and tax status

Independent Contractor Classification (IC)

- Under MA law, the *presumption is that an individual is an **employee*** unless the individual meets the three-part IC test, which is based on the completion of the [Independent Contractor Questionnaire \(ICQ\)](#) and review and classification by your local Human Resources Office.
- An ICQ must be completed regardless of where the work is being completed (including those performing work inside and outside of Massachusetts) and prior to engaging the individual to start work.
- For work outside of the U.S., *Harvard must follow the rules and regulations based on the country in which the work is taking place*. The local school or unit's HR office can work with Global Support Services (GSS) to determine international IC status.
- A worker's or department's preference is not relevant to the classification; classification is based on state and federal criteria and regulations.
- Misclassifying a worker as an IC instead of an employee can result in a significant liability. The local department or unit is responsible for any liability resulting from a misclassification decision, including fines, penalties, and attorney's fees.
- The IC review and approval process must be completed PRIOR to a contract being signed or the work being performed.
- The Policy applies if you require services that will be completed by an individual OR a single-employee LLC, Company or Partnership OR a third-party marketplace not considered a managed service provider (i.e., marketplace does not go through a formal classification process, but acts as a freelancer marketplace such as freelancer.com).

Individual schools and units may have more restrictive policies or internal processes; contact your tub human resources or finance department for more information.

IC Questionnaire Exceptions Process

Under limited circumstances, the formal completion of an IC Questionnaire is not required

- The local department or unit must still confirm that the classification satisfies the three-part legal test
 - A written contract / agreement is still required
 - The local department or unit must provide the accounts payable approver with a written exception attestation form or statement of why a completed IC Questionnaire is not required
- 1) Guest Speaker or Guest Lecturer receiving an honorarium or speaking fee for a one-time speaking engagement (performers/musicians also fall into this category). This exception cannot be used for individuals teaching or co-teaching a substantial portion of a course, those listed as instructors in the course catalog, or those who hold a Harvard appointment for their teaching role.
 - 2) Single, Short-Term Engagements for Less than \$3,000 - An ICQ is not required if the engagement satisfies the three-part Independent Contractor test; the engagement will last no longer than three months (90 calendar days); AND total payments to the IC will not exceed \$3,000.

Individual schools and units may have more restrictive policies or internal processes; contact your tub human resources or finance department for more information.

Where Policy Does Not Apply and an ICQ is not Required

The Policy does not apply and an ICQ is not required for the following performing services for Harvard

- Suppliers/vendors with more than one employee whose personnel are classified as employees (e.g., Cambridge Landscaping, Randstad)
- Human Subject Payments (See [Human Subject Payments Policy](#))
- When the University is contracting with a third-party entity (e.g., managed services provider, temp agency, payrolling service, IT staffing firm) to obtain personnel who are classified by those firms as employees or contractors to perform services
- Schools and departments enrolled in the [Contingent Workforce Managed Services Program](#) (Fieldglass/DZConneX (formerly Yoh)) or who use the suppliers managed in the Yoh Managed Service Program meet the IC classification requirements of a managed services provider

**Fellowships, Prizes, Awards, Business Expense
Reimbursements**

Harvard Business Expenses vs Fellowship/Grant

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

Travelers should use Harvard's [preferred agencies](#) whenever policy as well as [register](#) international travel if not purchasing airfare through a Harvard preferred agency. Students must follow Harvard's [Travel](#) and [related policies](#) as well as any school-specific restrictions.

Business Expense

- Expenses that are in direct support of University research or scholarship such as travel on behalf of Harvard
- Expenses required to fulfill duties of the student worker (e.g., required training)
- Job-related materials, equipment and supplies

Fellowship/Grant

- May also be called a scholarship, award, allowance, travel grant, research grant, etc.
- Payment or other value (plane ticket or other expenses) to support an **individual in pursuit of their professional development, personal learning or scholarship**
- A fellowship may take the form of a living, travel, or research award or allowance. This is not related to performance of services on behalf of Harvard

Fellowship vs. Prizes Reporting and Tax Withholding Requirements

Fellowship/ Grants 6460 – Students/6455 - Nonstudents Support payments (e.g., plane tickets, health insurance, or other travel expenses) paid to or on behalf of an individual to aid in their own personal research or scholarship.		Prize/ Awards 6462 – Students/8693 - Nonstudents Payments issued in recognition of a past accomplishments or achievements, such as those awarded for earning the highest GPA or winning a business plan competition.	
US Tax Residents	Nonresident Aliens	US Tax Residents	Nonresident Aliens
<ul style="list-style-type: none"> • Harvard is not required to report these payments to the IRS or to the recipient • No withholding is required at time of payment, but tax payments due at filing could be required • Recipient must self-report as gross income for any non-qualified fellowship received 	<ul style="list-style-type: none"> • Harvard is required to report payments to the IRS. The recipient will receive a Form 1042-S indicating “fellowship/ scholarship” for non-qualified payments • Withholding is required (at 14% or 30% depending on visa type) but can be reduced by tax treaties if determined eligible beforehand 	<ul style="list-style-type: none"> • Harvard must report to the IRS and issue prize recipients a Form 1099 if the recipient receives \$600 or more in prize money during a calendar year • 1099 MISC Box 3 	<ul style="list-style-type: none"> • Harvard is required to report these payments to the IRS and to the recipient on Form 1042-S as “other income” • 30% Withholding is required. Not eligible for tax treaty exemption

Massachusetts Performer Tax

Summary of Performer and Non-Performance Related Honoraria Object Codes

NEW



Lecture / Performance
Held Outside of
Massachusetts Use Object
Code 8691

(Lect Perf OUTSIDE MA - honoraria/svc
pmt/fees to vistng lect/perf)

- Individual or entity was not located in Massachusetts when they performed the service
- Not subject to the Massachusetts Performer tax (though they may be liable for other taxes based on their location and immigration status)
- Payments may be classified as honorarium or service payments

Lecture / Performance
Held Inside Massachusetts
Use Object Code 8690

(Lect Perf IN MA WH Ex-honoraria/svc
pmt/fees to vis lec/perf/ent(pmt holds))

No Exemption Attestation

- Individual or entity was in Massachusetts when they performed the service
- Payments may be classified as honorarium or service payments
- Individual or entity did NOT submit a Form PWH-WW or PWH-RW to Mass Department of Revenue
- Will be assessed a performer tax when they earn >\$5,000 cumulatively in a calendar year. Note: The tax will be withheld on the total payment that reaches the \$5,000 threshold and any payments after that

Updated



Lecture / Performance
Held Inside Massachusetts

Use Object Code 8692

(Lect Perf IN MA WH Ex-honoraria/svc
pmt/fees to vis lec/perf/ent(pmt holds))

Includes Exemption
Attestation

- Individual or entity was in Massachusetts when they performed the service
- Payments may be classified as honorarium or service payments
- Individual or entity has completed the [Attestation Form for Claiming Exemption or Reduction in Withholding](#) acknowledging they submitted a Form PWH-WW or PWH-RW to Mass Department of Revenue at least 10 days before the event
- Central Accounts Payable will review the documentation and adjust tax liability as appropriate.

NEW



Individual - Non-
Performance Related
Honoraria Use Object Code
8694

(Honoraria-Individual "non
performance" related)

- Non-performance payment that is classified as an honorarium.
- Payment is to an individual (not entity) and is one-time payment for which no fee is required or set. For example, a juror on an award selection committee.
- Non-performance related payments to an entity would most likely be in the 79XX object code series.

Gifts and Celebratory Events

What is a gift?



Harvard units may occasionally spend modest amounts (\$100 or less) from appropriate funding sources to recognize employees or nonemployees under certain circumstances. See [Gifts and Celebratory Events for Employees and Nonemployees Policy](#).

Employees

Gifts to employees must be for an allowable reasons:

- Work-related achievement
 - Gifts for work-related achievements must be minimal in value (\$100 or less), occasional, and are expected to reward an employee for an immediate, short-term task or accomplishment.
- Sympathy upon the death or serious illness of an employee or employee's immediate family member (includes flowers)
- Service milestone or retirement
 - All schools participate in service milestone programs (allowable every 5 years), so the above applies to that program, any additional gifts should be modest in scope to avoid possible tax implications since gift thresholds are cumulative across all of Harvard.
 - Retirement gifts go up to \$400 as nontaxable

Gifts to employees that are not allowable:

- Disguised wages
- To be given in recognition of personal events or achievements unrelated to work (e.g., birthdays, weddings, baby showers, housewarming) or in recognition of holidays rather than work-related achievement
- Gift certificates of any amount are ALWAYS taxable income to the employee and require additional procedures.

What is a gift?



Nonemployees

Gifts to nonemployees must be motivated by detached or disinterested generosity or respect, admiration, charity or like sentiment. Gifts to nonemployees may not be given in lieu of payment for services or as a quid pro quo (this for that).

- Gifts must be valued at \$100 or less
- Both tangible gifts and gift certificates are allowable
- Totals cannot exceed \$600 or more in a calendar year
- Students who have held a Harvard job in the current year are considered employees and the gift is taxable.

Gifts to Donors

- Should stay within the \$100 threshold if possible. See [Guidance Regarding Gifts to Donors](#).

Human Subject Payments

- Thresholds mirror the Gift Policy

Host/ess Gift

- Employees who stay in a private residence with relatives or friends while traveling on business may be reimbursed for one appreciation gift for their host per visit, valued at \$100 or less (including tax or any other charges).

Events

Sympathy

- Can be flowers, fruit arrangement or similar donation in Lieu of flowers is allowable
 - May require Administrative of Financial Dean approval
 - Gifts must be made on behalf of a Harvard department not an individual (e.g., On behalf of the Controller's Office)
 - Per IRS regulations, flowers must adhere to \$100 threshold. Anything over \$100 is considered 100% taxable.

Celebratory or Morale Building Events

- Modest amounts from appropriate funding sources to recognize employees or a department are allowable under certain circumstances.
- Celebrations for departing or entering employees
- Occasional employee morale-building events (e.g., department wide luncheon, summer employee picnic, etc.)
- Holiday/Seasonal Parties
- Mark achievement of a major department goal

Random drawings or door prizes

- Random drawings or door prizes are not considered gifts but should follow the same thresholds. IRS treats raffles as a form of lottery which is taxed differently than a gift.

Accounting for Gifts

Charge Appropriate Funding Source

- Federally sponsored funds must never be used to charge employee or nonemployee gifts.
- Non-federally sponsored funds may be used only if the expense is allowable under the terms of the award.
- Restricted funds may be used only if within the fund terms.
- Departmental unrestricted funds may be used at the discretion of the department, if the budget allows and within the boundaries of this policy.

Gifts to Harvard Staff from 3rd Parties

Harvard personnel must avoid an actual or perceived conflict of interest when accepting gifts from third parties in connection with their Harvard work. Employees who make purchasing decisions are encouraged to use particular care when accepting gifts from vendors.

Employees should notify their supervisor when they are given a gift of greater than nominal value (meaning an item more substantial than standard giveaway items like t-shirts, keychains, mugs, etc.) from a third party in connection with their Harvard work. Local policies may apply; contact your tub Finance Office for more information. See the [Policy on Conflicts of Interest and Commitment for Senior Staff](#) for additional guidance.



Purchasing Card - PCard

Under Transition

Purchasing Card - PCard

What is the PCard?

PCards are used for low-dollar, high-volume, non-travel business expenses that cannot be purchased via B2P. See [PCard Policy](#).

Who can request a PCard?

Employees: with proper approvals

Other individuals: the following individuals may apply for a Harvard Purchasing Card at a school or unit's discretion:

- Affiliated hospital employee
- Harvard University graduate student
- Harvard University undergraduate student (requires Financial Dean approval; student must purchase routinely for the University)

The following individuals CANNOT apply for a PCard:

- Monthly External Post-Doctoral Students (MEPs)

Responsibilities for PCard Holders and Reviewers

The PCard workflow processes are transitioning to Concur in early 2023. Both workflows and the PCard Policy are expected to change. Additional communications will be forthcoming.

PCard Cardholders must:

- Use Harvard's tax-exempt status when making purchases
- Review their charges weekly and provide a detailed business purpose and receipt ≥\$75 for each transaction.
 - While Cardholders **may delegate detailed review** to a designee, **Cardholders remain responsible** for all charges on their card.
 - Even if detailed review is delegated, Cardholders should still ensure all charges are **familiar** and **reasonable**.
 - Cardholders can do this in various ways, for example, by logging into the PCard Settlement System.
 - Each business purpose must include the **who, what, why, where, when**.
 - **Provide documentation to reviewers promptly**
 - **Cancel your card if you leave your department or Harvard**

PCard Reviewers must:

- Review transactions before the weekly sweep (see [PCard Procedures Timeline](#)) and confirm expenses:
 - are an allowed legitimate University PCard expense
 - have a complete business purpose and appropriate account coding (who, what, why, where, when)
 - have supporting proof-of-purchase documentation from cardholder
- Reviewers must also
 - be aware of personal and administrative misuse
 - keep required documentation
 - address any unreviewed charges and resolve any outstanding charges for terminated employees

Responsibilities for PCard Administrators

PCard Administrators must:

- Manage and submit applications
- Coordinate with Card Services for cancelation of lost/stolen cards and cancelation of cards for terminated employees
- Monitor credit limits and ensure changes are approved by departments
- Monitor declined charges and ensure compliance with PCard policy
- Determine access rights to PCard settlement system
- Authorize and request PCard reviewer access in Oracle

Purchasing Card (PCard)

PCard Restrictions	
Cash Advances	Travel and Entertainment Expenses
Gift Cards or Gift Certificates of any amount	<ul style="list-style-type: none">• Airline, train, bus, cruise ship tickets.
Gifts over \$100	<ul style="list-style-type: none">• Travel agency charges
Hazardous materials	<ul style="list-style-type: none">• Hotel stays
Independent Contractor Payments	<ul style="list-style-type: none">• Gasoline for vehicles not owned by Harvard.
Mobile Devices (cell phone, etc.)	<ul style="list-style-type: none">• Theater tickets for entertainment (tickets for academic/teaching purpose are allowed), tickets purchased from Outings & Innings <u>must</u> be directed-billed and not PCard
Personal purchases of any kind	<ul style="list-style-type: none">• Airline club fees or airline memberships
Prescription drugs and controlled substances	<ul style="list-style-type: none">• Rental cars including Zip car
Split transactions to circumvent the single-transaction limit (one-time increases can be requested by a school's PCard Administrator).	Cannot be used for purchasing equipment, furnishing, software of vehicles \geq \$5,000 (capital equipment)



Corporate Card and Travel Policy



Travel Payment Options

There is no direct payment payment/billing option when using our preferred agencies.





Harvard Corporate Card – issued to employees who travel or incur entertainment or business expenses on behalf of the University.

Harvard Department Card – issued in the name of department, can be used to pay for hotel, air and registration fees for guests and employees who travel occasionally

Personal Cards / Out-of-Pocket – least preferred option. Travel expenses cannot be reimbursed until after travel is completed.

Contact your Finance Office for additional information and guidance.

Types of Credit Cards Available for Harvard University Business Use

TYPE OF CARD	PURPOSE	PROPER USES (PARTIAL LIST)	PROHIBITED USES (SEE SPECIFIC POLICY FOR FULL DETAILS)	BILLING, PAYMENT & LIABILITY
Purchasing Card PCard Program Information 	<p>Issued to staff, faculty, affiliates, some graduate or undergraduate students (with financial dean approval).</p> <p>Low-dollar, high-volume purchases not available through B2P</p>	<ul style="list-style-type: none"> Miscellaneous supplies not available through B2P Conference & professional membership fees Subscriptions Taxis (including UBER) & sedan services Business meals & allowable entertainment in the Boston/Cambridge area only 	<ul style="list-style-type: none"> Personal expenses Buy-to-Pay supplier purchases Travel expenses Cash advances Prescription drugs, controlled substances or hazardous materials Gift cards or gift certificates Gifts over \$100 Rental cars (includes Zip Car) Payments to independent contractors 	<ul style="list-style-type: none"> University billed Centrally paid University liability Single purchase & monthly spending limits
Corporate Card Corporate Card Information 	<p>Issued to staff & faculty for reimbursable expenses incurred while traveling or conducting approved University business.</p>	<ul style="list-style-type: none"> Lodging Ground transportation Reimbursable meals Airfare Conference fees Other allowable Harvard business expenses 	<ul style="list-style-type: none"> Personal expenses Payments to independent contractors Late fees 	<ul style="list-style-type: none"> Individually billed Direct payment of approved expenses to Citibank via Concur University & Cardholder jointly liable Payments must be made within statement date to avoid late fees, within 90 days to avoid individual tax liability Monthly spending limits
Declining Balance Card Declining Card Program Information 	<p>Issued under an individual's name (including students) but must have a Harvard employee assigned as a department program administrator. May be used for purchases associated with approved activities with set budgets.</p>	<ul style="list-style-type: none"> Food for on-campus meetings Local student transportation Tickets to approved events Per diems for athletes Approved travel Tub can restrict spending types (MCC Codes) 	<ul style="list-style-type: none"> Personal expenses Payments to independent contractors Late fees 	<ul style="list-style-type: none"> Parent account billed Payment through B2P University and Departments jointly liable. Payments must be made within statement date to avoid late fees School/Unit sets card spending limit (does not refresh monthly)
Department Card Department Card Information 	<p>Issued under a department's name but must have a Harvard employee assigned as a department card administrator. May be used for travel expenses for guests & employees who do not have Corporate Cards as well as department expenses which cannot be put on a PCard, purchased through BP2 or invoiced (e.g., catering deposit or hotel)</p>	<ul style="list-style-type: none"> Lodging Ground transportation Reimbursable meals Airfare Conference fees Meeting deposits & charges Tub can restrict spending types (MCC Codes) 	<ul style="list-style-type: none"> Personal expenses Business supplies & services eligible to be purchased via HCOM or PCard Payments to independent contractors Rental cars (includes Zip Car) Late fees require a letter of exception signed by Financial Dean or designee 	<ul style="list-style-type: none"> Individual account billed Direct payment of approved expenses to Citibank via Concur University and Department jointly liable. Payments must be made within statement date to avoid late fees School/unit sets monthly spending limits.

Contact your [local card administrator](#) or see cardservices.harvard.edu for additional information or pcard@harvard.edu fad_corporatecard@harvard.edu

Harvard Issued Cards

Individuals who hold Harvard-issued credit cards (e.g., Travel & Entertainment Cards, PCards, Department Cards or other) agree to follow applicable terms and conditions of the cardholder agreement.

Two key points regarding University cardholders:

- **Harvard-issued credit cards should be used solely for Harvard business-related expenses.** Inadvertent personal use of a Harvard-issued credit card should be rare and should result in prompt identification and payment of the respective charges.
- **Cardholders are responsible for all transactions charged to their Harvard-issued credit card.** Cardholders have a responsibility for validating the reasonableness of all charges made using their Harvard-issued credit cards before submitting expense reports for payment. While detailed reconciliation, account coding and settlement of charges is most often undertaken by designated administrative staff, cardholders should confirm that all charges are proper and appropriate.

It is essential that Harvard's resources are used prudently, in accordance with sponsored guidelines, donor expectations and within the requirements of the regulatory environment in which we operate. We are all stewards of such resources and have a responsibility to employ the highest ethical standards.

If you are unsure if an expense qualifies as a Harvard-related business expense or need further advice on the use and oversight of a Harvard-issued credit card, please contact your local school or unit's Finance Office.

Per Harvard's PCard Policy and Card Application Agreements, improper use of Harvard Cards, including for personal purchases, require full reimbursement to Harvard of the amount inappropriately charged. A Cardholder may also be subject to disciplinary action up to and including termination of employment.

International Travel Registration Requirements (effective 9/1/22)

In order to be reimbursed, Harvard faculty, staff, students, and researchers traveling internationally **must** be registered with [International SOS](#), the University's 24/7 global emergency response provider.

The International SOS program offers medical, mental health assistance, security assistance, and travel assistance for Harvard business travelers. Additionally, it provides country guide information, email alerts, and a training hub for safety and security when traveling internationally.

- **Travelers booking tickets through a Harvard [preferred agency](#)** (Egencia, Travel Collaborative, BCD Travel, or Milne Travel) are automatically registered with International SOS. The agency receipt serves as proof of registration.
- **Travelers booking tickets through the airline directly or using other, non-preferred agencies**, must include proof of registration in the form of either:
 - the International SOS Itinerary & Travel Brief registration confirmation email, or
 - a screenshot of your registered trip in the International SOS MyTrips system.

See [Harvard International Travel and Reimbursement Guidance](#) for additional information, sample receipts, and FAQs.

Travel and Reimbursement Policy

For Harvard to reimburse an expense without tax implications, the expense must be:

- Ordinary – common and accepted in the normal course of University activities;
- Necessary – appropriate in nature and amount;
- Business-Related – not a personal expense;
- Must be substantiated – documented with receipts and business purpose
- Reimbursement request must be submitted timely (90 days); regardless if charged to corporate card or out-of-pocket.
- Amount reimbursed can't exceed actual expense

School and units may have more restrictive policies, contact your local finance office for details.

No policy can address every scenario, where unusual circumstances arise, the spirit of the policy – and the good judgement – should prevail.

Harvard Preferred Vendors & Benefits

Use [Preferred Vendors](#)

Airlines American*, Delta, Jet Blue, Porter Airlines, United, Emirates, Cathay Pacific & more *Includes AA JV One World Partners – British Air, Japan Airlines, Iberia, etc.	Discounted pricing, name changes, preferred seating (at no additional cost), priority boarding, priority re-accommodation, priority upgrades. Feeds to Harvard Travel International SOS Program and allows one stop shopping – one call for air, hotel and car reservations.
Hotels Chainwide Agreements with Marriott, Club Quarters, Choice Hotels in addition to discounts at Cambridge and Boston Hotels	Harvard employees who join Marriott Bonvoy frequent stay program are upgraded to Silver Elite Status (must be a new membership using Harvard e-mail address)
Car Rentals Enterprise/National and Hertz	Discounted pricing, free program memberships and University required insurances* included in the rates * Insurance applies to Harvard Business rentals in the US only. See the Harvard Required Insurance Grid .
Amtrak	Harvard has discounts with Amtrak. Harvard travelers are expected to purchase the lowest available fare that offers reserved seating.

Preferred Vendors

Harvard's preferred [Travel Agencies](#) include BCD Travel, Egencia, The Travel Collaborative, and Milne Travel. They are aware of Harvard policies and restrictions regarding travel. Reservations must be made through one of these preferred agencies to receive discounts and added values. Preferred Airlines include American, Jet Blue, Delta, United and more.

- Our preferred travel agencies identify our travelers as “Harvard travelers” making them eligible for applicable discounts, benefits and added value features.
- Preferred seating/assistance with seat availability - Preferred seating is available at no additional charge for members of [AA](#) and [Delta](#) frequent flyer programs
- Greater value – free bags with applicable flat fares, early boarding
- Negotiated pricing – Harvard has deeply discounted, fully – refundable flat fares on certain frequently traveled city-pairs with AA and JetBlue
- Duty of care – Our preferred agencies provide feeds to Harvard Travel Assist
- One stop shopping – one call for air, hotel and car reservations
- Help with Fly America and Open Skies Acts (requirement for federal or cost-share funds or expenses transferred to federal awards)
- Information feeds directly into [Harvard International SOS Program](#)

Flights – Not charged to Federal Awards

	Scheduled air time ⁽¹⁾ of trip is six (6) hours or less AND will not be charged to a federal award	Scheduled air time ⁽¹⁾ of trip is more than six (6) hours AND will not be charged to a federal award
Domestic Air Travel inside the contiguous 48 United States	Lowest-priced non-stop economy class airfare only	
Air Travel Involving <ul style="list-style-type: none"> • Alaska • Hawaii • Canada • Mexico • U.S. Territories and Possessions⁽²⁾ 	Lowest-priced non-stop economy class airfare only	Lowest -priced non-stop business class if permitted by local policy and budget
Air Travel Involving an international location OTHER THAN Canada and Mexico	Lowest -priced non-stop business class if permitted by local policy and budget	

⁽¹⁾ Air time means the amount of time a traveler is in the air. The air time of connecting legs can be added together to yield the total air time of a trip. Time spent on a stopover/layover does not count towards total air time

⁽²⁾ U.S. Territories and Possessions: Puerto Rico, American Samoa, Guam, the U.S. Virgin Islands and Baker, Howland, Kingman Reef, Jarvis, Johnston, Midway, Palmyra, and Wake Islands

Flights – Charged to Federal Awards

Harvard's air travel restrictions differ depending upon the source of the funding used for travel: federal vs non-federal. Generally, travel on federal funds is more restrictive. See the [Flight Checklist when using Federal or Cost Share Funds](#).

Lowest economy fare class* on U.S. Air Carriers is required for travel charged to federal awards. Non U.S. Carriers are allowed only with approval of the [Fly America Travel Reimbursement Exception Form](#).

Business class or upgraded economy travel is NOT allowed as a direct charge to a federal award unless an exception is approved using the [Federal Lowest Economy Airfare Travel Reimbursement Exception Form](#). To qualify one of the following must be met:

- Requires circuitous routing;
- Requires travel during unreasonable hours;
- Excessively prolongs the travel;
- Results in additional costs that offset savings;
- Cannot reasonably accommodate the traveler's medical needs.

*Harvard defines lowest economy class airfare (sometimes called standard economy fare class or base airfare) to include a reserved seat, one personal item, one carry-on bag, and one checked bag.

Meals

Individual Meals

- Travelers will be reimbursed for reasonable individual meal expenses while traveling on University business. Travelers are expected to use their best judgement when incurring meal expenses.
- Per IRS regulations, the University does **not** reimburse individual meal expenses for one-day travel, except when the travel time is greater than 12 hours.
- Itemized receipts for individual meals are **encouraged** regardless of amount.

Business Meals

- Business meals are meals with faculty, staff, students, donors, or other external parties during which specific documented business discussions take place.
- The business purpose for the meal expense must include the names of all attendees (if fewer than five guests; otherwise list the total number of guests), their connection to Harvard and the business conducted during the meal.

Alcohol

Business meals that include alcohol must have an itemized receipt, should be kept to a minimum, and must be charged to object code 8450. Alcohol is **not allowed** as a charge on a federal award. The following must be followed if an itemized receipt is not available.

- If the meal did not include alcohol, the reimbursee must attest that no alcohol was charged (on the receipt and in Concur).
- If the meal did include alcohol and the reimbursee can attest in writing to the alcohol cost, then the alcohol portion with applicable tax and tip must be charged to object code 8450. No alcohol may be charged to a federal award.
- If alcohol was included and the reimbursee cannot attest to the alcohol cost, then no portion of the meal cost can be charged to a federal award. For all other funding, the invoice should be prorated with a percentage of the alcohol charged to object code 8450. Schools may set their own prorated amounts as long as they are consistent, usually between 20-35% for alcohol and the balance for the meal.

Hotels and Housing

- Travelers are expected to stay in standard, single-occupancy rooms where available.
- Exercise fiscal responsibility when choosing hotels.
- It is strongly recommended that travelers book lodging with one of Harvard's preferred vendors.
- Travelers may stay in rental accommodations (e.g., VRBO or Airbnb) if the total cost is less expensive than a hotel stay in a standard, single occupancy room. While people may choose to use Airbnb or VRBO at their (or the school's) discretion and if the funding allows, they cannot be compelled to do so. Harvard's stance is that we will reimburse with proper documentation but does not endorse use of Airbnb or VRBO's.
- If travelers choose to stay in a rental accommodation (VBRO, etc.), they must provide documentation of the rental accommodation's lower cost.

Not allowed

Charges for room-upgrade or guest club fees. Free upgrades are allowed but must be noted on the report to avoid confusion when auditing.

Rooms purchased through frequent-guest credits.

Personal expenses like in-room movies, golf fees, or health club/exercise room fees.

Lodging for trips of less than 50 miles one-way (determined from the traveler's place of business, not home) unless for business-related extenuating circumstances

Ground Transportation and Parking

Travelers are expected to use fiscal responsibility when traveling to and from air, bus, or rail terminals.

Taxis/Uber/Lyft, etc. are common choices; travelers should also consider public transportation options and shuttle services. While people may choose to use UBER and Lyft at their (or the school's) discretion and if the funding allows, they cannot be compelled to do so. Harvard's stance is that we will reimburse with proper documentation, but does not endorse use of Lyft or UBER.

Private sedans, Uber Black, or other car services may not be used to attend meetings on or around campus. Limousine expenses are prohibited.

Personal car is allowable when the expenses do not exceed the cost of rental or cabs.

- Gas expenses will not be reimbursed in lieu of miles.
- Insurance on a personal car, and any liability from inadequate insurance coverage, is the responsibility of the traveler, not the University.
- Travel to and from the airport using a personal car may be reimbursed.

Rental Car

- Use a preferred vendor when possible.
- Use Harvard's corporate account numbers to receive negotiated rates and insurance coverage.
- Select a vehicle class that is consistent with business needs (usually a compact or mid-size).
- Free vehicle upgrades are often available through Harvard's preferred vendors. Free upgrades should be noted in the reimbursement request.

Rental Car Insurance

The following matrix applies to benefits eligible Harvard employees, non-benefits eligible Harvard employees and non-employees traveling on Harvard related business. This includes students performing official work for Harvard and student groups sponsored by the FAS's Office of Student Life (and equivalent offices at other Harvard schools) on official Harvard trips. **Travelers must purchase all of the insurance indicated below even if paying for the rental with a Harvard corporate card.**

Insurance Type and What It Covers	Within All 50 U.S. States and Within Puerto Rico	Outside All 50 U.S. States and Outside Puerto Rico
Supplemental Liability Insurance (SLI) <i>Protects authorized drivers against bodily injury</i>	<ul style="list-style-type: none"> • Enterprise, National, or Hertz* - DECLINE MUST use Harvard's account numbers: <ul style="list-style-type: none"> ○ Hertz = CDP 31570 ○ Enterprise/National = XZHARVB • All other vendors - PURCHASE SLI of \$250K per person/\$250K per occurrence 	<ul style="list-style-type: none"> • All vendors - PURCHASE SLI of \$250K per person/\$250K per occurrence
Loss Damage Waiver/Collision Damage Waiver (LDW/CDW) <i>Covers damage to your rental car</i>	<ul style="list-style-type: none"> • Enterprise, National, or Hertz* - DECLINE MUST use Harvard's account numbers: <ul style="list-style-type: none"> ○ Hertz = CDP 31570 ○ Enterprise/National = XZHARVB • All other vendors - PURCHASE LDW/CDW 	<ul style="list-style-type: none"> • All vendors - PURCHASE LDW/CDW • In some countries there is a deductible that applies even if you purchased the LDW/CDW coverage. This is a reimbursable expense. Departments can recover this amount by filing a claim with the Insurance Office (617-495-7971)
Personal Accident Insurance (PAI) <i>Covers medical expenses, loss of or damage to property, and accidental death</i>	<ul style="list-style-type: none"> • PAI is not a reimbursable expense • Drivers may purchase PAI at their own expense 	<ul style="list-style-type: none"> • PAI is not a reimbursable expense • Drivers may purchase PAI at their own expense

*There are a handful of small, remote Hertz locations ("licensee" locations) that do not honor the Harvard corporate rates or include the required insurance; if renting from one of these locations, travelers must purchase SLI of \$250K per person, per occurrence and LDW/CDW insurance. When renting with Hertz, be sure to verify that Harvard's corporate rates and required insurance are provided at that location. [See the Travel Policy page](#)

Commuting/Travel Expenses

Regular commuting expenses are considered personal expenses and cannot be paid or reimbursed as a business expense. Generally, commuting expenses also include travel to campus expenses for remote employees who primarily work off-campus and travel to campus infrequently. Note: that for the purposes of this addendum, a “remote” employee may either be an individual paid on a Harvard payroll (in Harvard registered states) or on a third-party payroll (such as AllSource or a PEO). See [Business Expense Reimbursements Policy](#) for additional information.

Generally, Not Allowed	Remote employee works away from campus for reasons that do not benefit the University (i.e., personal reasons) – Harvard provides no reimbursement for travel to campus expenses.
Generally Allowed	If a remote employee works away from campus for the benefit of the University (i.e., a development employee who covers the mid-Atlantic region lives in MD) and there is a University-driven business reason to bring that employee to campus for occasional on-campus meetings, Harvard can pay for those expenses as nontaxable business travel reimbursements.

External Organizations

Payments by outside organizations

- Individuals should not seek payment from Harvard for business-related expenditures that will be reimbursed from another source. Where travel and other expenses will ultimately be paid by a third party, travelers should seek reimbursement directly from the third party.
- Under extenuating circumstances, such as uncertainty regarding the outside organization's willingness to pay or a multi-leg trip with expenses payable by Harvard and an outside entity commingled, Harvard may reimburse an individual for some or all expenses with Financial Dean approval.
- Under no circumstances will Harvard provide up-front payment for expenses that are not related to University business, even if the recipient intends to later reimburse Harvard.

Reimbursement Common Errors

Reimbursement requests are often returned or rejected because of...

- Missing or insufficient detailed business purpose (e.g., Travel vs Travel to Paris, France to attend Annual Researchers Conference)
- No signed Missing Receipt Affidavit (MRA) when required
- Missing required receipts (hotel folio) or attachments which do not meet receipt requirements (e.g., a trip summary that does not show ticket payment).
- Nonemployee reimbursement
 - Processed as a Payment Request (PR) rather than a Non-Employee Reimbursement (NR)
 - Missing reimbursee's signature
- Per Diem limits are exceeded
- Expenses are taxable to an individual
 - Sympathy flowers to an employee exceed \$100
 - Gift certificate to an employee
- Expenses exceeding 90 days which do not include the appropriate additional pay form
- Corporate card payments which are taxable must include
 - Add Pay form with "No Check Required" written on the top of the form
 - Add Pay form and associated receipts included in the Concur expense report header
 - The "Includes additional pay" box is checked at the expense report header in Concur

Support

Reference Materials

[Business Expense Reimbursements Policy](#)

[Buy to Pay Materials and Forms](#)

[Definition of Receipts](#)

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

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

[Fellowships Toolkit](#)

[Financial Systems Access](#)

[Fraud Awareness and Reporting](#)

[GLACIER Instructions](#)

[Harvard Training Portal](#)

[Honoraria and Reimbursements for Foreign Nationals](#)

[Independent Contractors](#)

[Policy on Responsibilities of Purchasers, Preparers and Approvers](#)

[Procurement Policy and Procure to Pay Manual](#)

[Harvard Training Portal – On-Line Training - Introduction to ROPPA](#)

[Reference Guide for Purchasers and Reimbursees](#)

[Sponsored Program Policies](#)

[Sponsored Travel Guidance and Resources](#)

[Supplier Set-Up Materials \(B2P\)](#)

[Supplier Onboarding Policy and Process Information Session](#)

[Training Portal](#) –Including ROPPA Training, IC Training, etc.

Instructor Led IC Training scheduled for October 12 and November 7th – [Register in the Training Portal](#)

[Travel Policy](#)

Appendices

Training Prerequisite by Role

Responsibilities of Purchasers, Preparers and Approvers (ROPPA)

Role	ROPPA Training Track	Training Prerequisite
Buy-to-Pay Supplier Portal Role	Purchasers	<p>Required for all new users except faculty, whose participation is at each School's discretion*</p> <p>The online training may be found on the Training Portal</p>
Buy-to-Pay Approvers	Approvers	
Buy-to-Pay Requestors	Preparers	
Concur Approvers	Approvers	
Fieldglass Hiring Manager	Approver	
PCard Holders	Purchasers	
PCard Reviewers	Approvers	
Buy-to-Pay Shoppers	Preparers	At each School's discretion
Concur Delegates/Preparers	Preparers	
Concur Reimbursees	Purchasers	
Corporate Card Holders	Purchasers	

*"Faculty" typically means employees whose **primary appointment** is a faculty, instructional role. For example, post-docs would still be required to take the training, as would staff who have a secondary teaching appointment.

Each school is responsible for making sure the training has been completed prior to granting access to the system(s).

ROPPA Responsibilities by Role

Purchasers, preparers and approvers have related and overlapping responsibilities. Tubs are responsible for communicating responsibilities to their purchasers, preparers, and approvers. The following is a template of minimum required responsibilities by role. **At their discretion, units may place additional responsibilities on any role, Preparers in particular.**

	Responsibilities	Purchasers ¹	Preparers ²	Approvers
1	Purchasers are responsible for ensuring all purchases are Harvard business-related, benefit Harvard, and advance the work of the University	X		
2	There is a documented business purpose description provided that clearly and completely explains the purchase i.e., includes the “who, what, why, where, when”	X	X	X
3	The business purpose is legitimate, i.e., that the expenditure is an appropriate use of Harvard funds			X
4	The purchaser is authorized to spend the funds	X		X
5	The purchase is in compliance with established policies and procedures of the School, Harvard University, and any required external regulations	X		X
6	The transaction complies with University and any applicable external (e.g., grant) conflict of interest policies	X	X	
7	For restricted gift and endowment funds (302000-389999, 430000-699999), the charge is in accordance with the terms of the fund; for all sponsored funds (100000-299999), the charge is within the budget and project period and in accordance with terms of the sponsored fund and with applicable external requirements and regulations	X		X
8	There are sufficient budgeted or other approved funds to cover the expense	X		X
9	The amount of the purchase is reasonable (i.e., an appropriate level of spending for the circumstances)	X		X
10	Completed supporting documentation is provided to the preparer (e.g., an invoice, receipts, an email with written approval of a purchase, etc.) with sufficient time for processing, review, and approval	X		
11	When submitting a reimbursement, the purchaser has documented their approval of these expenses (on paper or online)	X		
12	The correct 33-digit coding, including the proper object code, is used for the expenditure		X	X
13	Perform reasonable due diligence in addressing any questions about the payment		X	X
14	The transaction is prepared and forwarded with any required documentation, to an appropriate approver with sufficient time for review and approval <u>before University deadlines</u>		X	
15	Transactions returned for editing or corrections are corrected and resubmitted in a timely manner.	X	X	
16	The transaction is approved, returned for correction, or rejected in a timely manner			X
17	Each approver has documented the approval/rejection of the expenditure			X
18	When any role performs receiving in B2P: do reasonable due diligence to ensure correct items were received	X	X	X
19	Reply promptly to questions from Accounts Payable or Travel, Reimbursements and Card Services	X	X	X

Purchasers: anyone who commits to or incurs a financial obligation on behalf of Harvard. A purchaser may be a shopper or requestor (B2P), a traveler, etc.

Preparers: anyone who creates a request for payment in a Harvard financial system. This may include someone who holds the role of requestor or is delegated on behalf of someone else to prepare a payment. etc.

Quick Reference – Sample Timeline for PCard Procedures

The University PCard policy establishes cardholder and Reviewer responsibilities as well as tub and central responsibilities. Failure to follow PCard policy may lead to PCard privileges being revoked.

What are the key points of the policy?

- PCard holders (or their designee) **must** enter a detailed business purpose for all PCard transactions.
- Someone **other** than the PCard holder must review transactions in the PCard settlement system.
- All PCard holders must take an on-line PCard training course.
- The PCard Tub Administrator must perform a quarterly audit.

Responsibilities

PCard Holders	PCard Reviewer (Departmental Reviewer)	PCard Tub Administrator
<p>Weekly Cardholder or designee reconciles transactions in the PCard system against sales receipts, fills in a detailed business purpose for each transaction, and reviews and changes the general ledger account coding where appropriate.</p> <p>Wednesday Cardholder prints a <i>Settlement System Report</i> and forwards it with receipts to their PCard Reviewer. Report and receipts must be received by the Reviewer by end of day Wednesday.</p> <p>An appropriate business purpose contains:</p> <ul style="list-style-type: none">• Who incurred the expense• What type of event, activity, or purchase• Where the event or activity took place• When the event or activity took place• Why the expense was incurred	<p>Thursday by 12:00 PCard Reviewer reviews the Cardholder's transactions in the PCard system against the sales receipts. The Reviewer edits the business purpose and general ledger account coding as necessary and marks the item as reviewed in the settlement system by Thursday at 12:00.</p> <p>Reviewer forwards <i>Settlement System Report</i> and receipts to the PCard Tub Administrator.</p>	<p>Wednesday PCard Tub Administrator sends a reminder to PCard holders and Reviewers to review their PCard.</p> <p>Thursday after 12:00 PCard Tub Administrator contacts PCard Reviewers regarding any unreviewed PCard transactions.</p> <p>PCard Tub Administrator does a high-level review of business purposes and coding strings to confirm they are in compliance with University policy.</p> <p>Quarterly PCard Tub Administrator performs a quarterly audit as required by University policy. PCard Tub Administrator will contact PCard Reviewer to address any outstanding items.</p>

Questions: Please contact your PCard Tub Administrator with questions any regarding PCard policy or transactions.

Air Travel Guidelines at a Glance

Harvard strongly encourages travelers to book airline tickets through one of Harvard's [preferred travel agencies](#) and to use [preferred airlines](#). Preferred agencies and airline vendors may provide additional value (e.g., after hours access, fare discounts, free priority seating, boarding or re-accommodation), etc. See the [Travel Policy](#) and FAQ for additional guidance.

	Federal Funds (Including Federal Cost-Share Funds)			Non-Federal Funds / University Funds (If no additional local unit or fund restrictions apply)		
	Domestic Air Travel inside the contiguous 48 United States	Air Travel Involving Canada, Mexico, Alaska, Hawaii, or U.S. Territories and Possessions when flying to, from, or within these locations	International Air Travel with destination and/or origin outside the United States and its territories and possessions	Domestic Air Travel inside the contiguous 48 United States	Air Travel Involving Canada, Mexico, Alaska, Hawaii, or U.S. Territories and Possessions when flying to, from, or within these locations	International Air Travel with destination and/or origin outside the United States and its territories and possessions
Lowest economy class airfare ¹	Required	Required	Required	Required	Allowed within policy	Allowed within policy
Business class if single non-stop flight leg is more than six (6) hours ²	Not Allowed	Not Allowed	Not Allowed	Not Allowed	Allowed within policy	Allowed within policy
U.S. Flag Carrier unless qualify for an exception as noted in the Fly America Act ³	Required	Required	Required			
Open Skies Agreement (exception to Fly America which is an agreement between the US and a foreign government) ⁴	Required	Required	Required			

¹ Harvard defines lowest economy class airfare (sometimes called coach, standard economy fare class or base airfare) to include a reserved seat, one personal item, one carry-on bag, and one checked bag. Where there is a high likelihood that the itinerary may change; it is appropriate to purchase a refundable (unrestricted) ticket. Include in the business purpose section of the reimbursement request the reason for purchasing a refundable ticket. Under extenuating circumstances certain exceptions may apply (e.g., documented medical reasons, circuitous routing, etc.). For Federal or cost share funds see [Federal Lowest Economy Airfare Travel Reimbursement Exception Form](#) or [Travel Policy](#) for additional details.

² Under extenuating circumstances certain exceptions may apply (e.g., documented medical reasons, circuitous routing, etc.). For Federal or cost share funds see [Federal Lowest Economy Airfare Travel Reimbursement Exception Form](#) or [Travel Policy](#) for additional details.

³ When a non-U.S. flag air carrier is used for travel charged to federally-sponsored or cost-share awards, a [Fly America Travel Reimbursement Exception Form](#) must be completed. If not completed appropriately, the expenses must be charged to a nonfederal award.

⁴ An exception to Fly America is when an [Open Skies Agreement](#) is in place between the U.S. government and the government of a foreign country, with the exception of Department of Defense funds. See [Open Skies Document](#).

Common Sources of Reimbursement Questions

Not Reimbursable	<ul style="list-style-type: none">• Everyday clothing and footwear (even formal wear for a University event)• Home office furniture and equipment (even if used when working from home)• Daily commuting expenses from home to regular place of work• Regular meals (i.e., not “business meals”)• Personal services (i.e., barber, hairstylists, etc.)
Sometimes Reimbursable	<ul style="list-style-type: none">• Expenses payable by outside organizations• Overnight hotel stays near campus• Laundry (travel restrictions)
Typically Reimbursable	<ul style="list-style-type: none">• Software, e-books used for a Harvard project• Books that are used for a Harvard project and that will remain University property• Purchase or rental of regalia for employees participating in commencement exercises

What could be considered taxable or reportable?

Unallowable: Personal expenses of any kind (e.g., services, goods, credit card annual fees, rewards, and finance charges – *even if the purchaser intends to reimburse Harvard for the cost of the purchase*).

Common examples of payments that must be processed as taxable include:

- **Late Reimbursement (LRB):** Late reimbursements apply to Harvard employees whose electronically-approved reimbursement requests are received by Travel, Reimbursements and Card Services 91-182 days after the expense has been incurred or trip end date. All expenses with a transaction date greater than 183 days will not be reimbursed.
- **Gift Certificates/Gift Cards:** Gift certificates/cards of any amount are ALWAYS taxable income to an employee (this includes students who will receive a W2 in a current tax year). Gift certificates/cards over \$100 may be taxable to nonemployees. See the Policy on [Gifts and Celebratory Events for Employees and Nonemployees](#) and the [Gift Policy Updates and FAQs](#) for additional information.
- **Gifts over Certain Thresholds:** Tangible gifts over \$100 are taxable. Employee gifts given for longer-service or retirement valued over \$400 are taxable.
- **House Hunting or Moving Expenses:** Effective January 1, 2018, payments to an individual or a vendor (e.g., moving company) are taxable to an employee.
- **Other Taxable Payments:** Examples of other taxable payments may include VISA or passport fees for family members, legal fees regarding house closings, etc.
- **3rd Party Payments:** Third party payments may include payments to a moving company for an employee move or reimbursing an individual for housing expenses (where the landlord must be flagged as receiving the income).