

## Instructions for Processing Complex Reimbursements

<b>A. Late Employee Reimbursements for Out of Pocket Expenses (between 91-182 days):</b>
<ol style="list-style-type: none"><li>1. Employee reimbursements between 91-182 days must be processed as Additional Pay. <b>DO NOT SUBMIT A WEB REIMBURSEMENT.</b> Add Pay forms for LRB cannot be grossed up</li><li>2. Prepare an "Additional Pay - One/Recurring" Form</li><li>3. Assemble the same back up documentation as you would for a regular employee Web Reimbursement</li><li>4. Send the completed Add Pay Form and supporting documentation directly to <b>Central Payroll</b></li></ol>
<b>B. Late Employee Reimbursements for Citibank Charges (between 91-182 days):</b>
<ol style="list-style-type: none"><li>1. Employee reimbursements between 91-182 days must be processed as Additional Pay. Add Pay Forms for LRB cannot be grossed up</li><li>2. Prepare an "Additional Pay - One/Recurring" Form and type "no check required" in the form's comment box</li><li>3. Assemble the same back up documentation as you would for a regular Citi Card payment</li><li>4. Attach the Add Pay Form to the front of the Citi Card report</li><li>5. Send the completed Add Pay Form and all supporting documentation directly to <b>Reimbursements and Card Services</b></li></ol>
<b>C. Late Non-employee Reimbursements for Out of Pocket Expenses:</b>
<ol style="list-style-type: none"><li>1. Although it is best practice to reimburse nonemployees within 90 days, nonemployees are not bound by the same IRS rules as employees and can be reimbursed after 90 days without tax consequences</li><li>2. Complete the Nonemployee Reimbursement Form (NR) and submit the reimbursement forms and supporting documentation to Reimbursement and Card Services. Submit the same information as you would for an NR under 90 days.</li><li>3. Note that fellowship payments cannot be paid via NR, see the Fellowships vs Business Expense Reimbursements Policy for more information</li></ol>
<b>D. Gift Cards for Employees Purchased on Corporate Card:</b>
<ol style="list-style-type: none"><li>1. When gift cards are purchased on a Corporate Card and then given to employees, there are <b>two parts</b> to processing the transaction: you need to record the <b>taxable income to the recipient</b> of the gift card, and pay the Corporate Card of the <b>purchaser</b> of the gift card</li><li>2. Prepare an "Add Pay - Gift/Third Party" form for the recipient of the gift card. In the Add Pay Form's comment box, type "no check required," and include the following information:<ol style="list-style-type: none"><li>a. Name of the recipient of the gift card</li><li>b. Harvard ID # of the recipient of the gift card</li><li>c. Paygroup</li><li>d. Employee Record of the recipient of the gift card</li><li>e. Costing String</li><li>f. Amount (<b>must</b> be grossed up to cover tax)</li><li>g. Earnings code: GTX</li></ol></li><li>3. Prepare the Corporate Card reimbursement as you normally would</li><li>4. Forward the Corporate Card reimbursement paperwork and the Add Pay form together to Reimbursements and Card Services</li><li>5. Alternately, if there are several recipients of gift cards, you can list the same information listed in Step 2 above in a spreadsheet and send it along with the Corporate Card reimbursement paperwork to Reimbursements and Card Services. <i>In your spreadsheet, be sure to include ALL of</i></li></ol>

*the information listed in Step 2*

#### **E. Gift Cards For Employees Purchased Out of Pocket:**

1. If an employee buys a gift card out of pocket for another employee, there are two parts to processing the transaction: you need to record the taxable income to the recipient of the gift card, and reimburse the purchaser of the gift card
2. Complete an “Add Pay - Gift/Third Party” form for the recipient of the gift card, including the following information:
  - a. Name of the recipient of the gift card
  - b. Harvard ID # of the recipient of the gift card
  - c. Paygroup
  - d. Employee Record of the recipient of the gift card
  - e. Costing String
  - f. Amount (**must** be grossed up to cover tax)
  - g. Earnings code: GTX
3. In the same Add Pay Form, complete the “Third-Party Detail” for the employee who **purchased** the gift card. This will reimburse the employee who purchased the gift card without tax implications

**Note: HARVARD POLICY PROHIBITS THE PURCHASE OF GIFT CARDS FOR EMPLOYEES ON PCARDS. However, if gift cards are purchased on a PCard in error, follow the steps below to correct the situation.**

#### **How to Correct the Situation When Gift Cards for Employees Are Purchased on a Pcard:**

1. When gift cards are purchased on a PCard and then given to employees, the PCard will be swept as it normally would but you must process an “**Add Pay – Gift/Third Party**” form for the recipient of the gift card
2. In the Add Pay Form’s comment box, type “no check required.” Send the completed form to Central Payroll
3. Alternately, if there are several recipients of gift cards, you can list them in a spreadsheet and send it to Central Payroll
4. Regardless of whether it is processed on Add Pay form or on a spreadsheet, you need the following information for each gift card recipient:
  - a. Name of recipient
  - b. Harvard ID # of recipient
  - c. Paygroup
  - d. Employee Record of recipient
  - e. Costing String
  - f. Amount (must be grossed up to cover tax)
  - g. Earnings code: GTX

#### **Gift Cards for Human Subjects**

Harvard’s Human Subject Payments Policy allows gift cards of \$100 or less to be paid to human subjects. Purchase these gift cards on a Corporate Card and submit your Corporate Card reimbursement support as you normally would. Alternately, purchase the gift cards using personal funds and request a Web Reimbursement as you normally would. Include support that documents the number and denomination of gift cards purchased. See the Human Subject Payments Policy for more information.