

Appendix A - Decision Tree: Common Payments to Students and Non-employee Postdocs/Fellows

<p>START</p> <p>Is this payment for required tuition and fees for a degree program? (See page 13 for more information)</p> <p>NO</p>	<p>Is this payment based on a past accomplishment (e.g., earning the highest GPA, delivering best presentation, etc.)? (See Fellowships Toolkit page 16 for more information)</p> <p>NO</p>	<p>Does/did this payment require the recipient to perform services for Harvard (e.g., teaching, speaking)?</p> <p>NO</p>	<p>Is this payment for personal research/ personal scholarship or living support (room and board, etc.)? (See Fellowships Toolkit page 14 for more information)</p> <p>NO</p>	<p>Is this payment to reimburse travel or other expenses?</p> <p>NO</p>	<p><i>You need more information. Please call your tub finance office for assistance.</i></p>
<p>YES</p>	<p>YES</p>	<p>YES</p>	<p>YES</p>	<p>YES</p>	
<p>This payment is a QUALIFIED (nontaxable) SCHOLARSHIP/ FELLOWSHIP. Object codes 6410, 6430 For NRAs, apply directly to term bill if possible</p>	<p>This payment is a PRIZE (reportable/taxable) 1099 if >=\$600 Use NEW object code 6462 for Students, 8693 for External Post-docs</p>	<p>This is a (reportable) SERVICE PAYMENT* 1099 if >=\$600. Use object code that reflects nature of expense (e.g., tech consulting).</p>	<p>This is a NON-QUALIFIED (taxable) SCHOLARSHIP/ FELLOWSHIP payment. Object codes 6440, 6450, 6452, 6455, 6460</p>	<p>See NEXT PAGE - "Expense Reimbursements for Students and Nonemployee Postdocs/Fellows" for more information.</p>	

* A SERVICE PAYMENT is cash or other value transferred to a non-employee as compensation for services provided to the University.

Expense Reimbursements for Students and Non-employee Postdocs/Fellows

<p>START</p> <p>Is the expense a “pass through course cost” for a student enrolled in a degree program?</p> <p>See Fellowships Toolkit page 13 for more information.</p>	<p>Is the expense appropriate to charge to a faculty member’s grant funds or to other departmental funds; or</p> <p>Are the expenses incurred in the course of activity where the purpose and original intent is for the University to obtain useful results from the project/research; or</p> <p>Are the expenses incurred in the course of activity where results or research will be used by the University; or</p> <p>Are the expenses incurred in the course of activities that advance research or scholarship supported by a Harvard department or being undertaken by a PI?</p> <p>See Fellowships Toolkit pages 14 and 15 for more information.</p>	<p>This is a NON-QUALIFIED (taxable) FELLOWSHIP payment.</p> <p>Object codes 6440, 6450, 6452, 6455, 6460</p> <p>Treat as reportable fellowship income (process as an HCOM Payment Request (“PR”) with description: “Fellowship payment: [business purpose]”</p> <p>Example: “Fellowship payment: summer 2014 travel award for B. Kimball, 6/28/14” END</p>
<p>YES</p>	<p>YES</p>	
<p>This is a NONTAXABLE REIMBURSEMENT. <i>(“Check the box”)</i></p> <p>Use object code that reflects the nature of expense (e.g., travel, lodging, supplies). treat as a non-employee reimbursement (process as an HCOM Non Employee Reimbursement (“NR”), with description “Non-employee reimbursement: expenses in direct support of Harvard research – [business purpose]”</p> <p>Example: “expenses in direct support of Harvard research – J. Smith presenting on behalf of Professor Jones at 2014 APA conference, Chicago 9/28/2014”</p>		

NOTE: The source of funding (i.e., 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 is in DIRECT SUPPORT of University business.