

## **Business Expenses and Personal Expenses**

Harvard must follow IRS rules when paying for or reimbursing someone's expenses.

Harvard can pay for or reimburse expenses that are ordinary and necessary in the direct conduct of Harvard's activities. 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

Generally, expenses that prepare or indirectly support someone's ability to do their work are considered personal expenses and cannot be paid for or reimbursed. Some examples of personal expenses:

- Costs of a person's daily commute
- Routine daily meals
- Clothing worn to work
- In most cases, furniture and supplies for a home office

The IRS distinction between business and personal expenses can be complex; see the [Business Expense Reimbursements Policy](#) for more information and a more detailed list of personal expenses.

If you are unsure if an expense qualifies as a Harvard-related business expense, be sure to check with your School's finance office before you buy.

### **Financial Policy Office**

Office of the Controller  
1033 Massachusetts Avenue  
Third Floor  
Cambridge, MA 02138  
Phone: 617-495-3976  
Fax: 617-495-1937

E-mail: [financialpolicy@harvard.edu](mailto:financialpolicy@harvard.edu)  
<http://policies.fad.harvard.edu/>

### **Travel, Reimbursements and Card Services**

1033 Massachusetts Avenue  
Second Floor  
Cambridge, MA 02138  
T: (617) 495-7760, option 1  
<http://travel.harvard.edu/>

### **Accounts Payable**

1033 Massachusetts Avenue  
Second Floor  
Cambridge, MA 02138  
T: (617) 495-8500  
Front Desk Hours:  
Monday to Friday  
Mornings 9:00am - 12:00pm  
Afternoons 1:00pm - 4:00pm

**A reference guide for purchasers and reimbursees:**

## **What To Do Before and After Making a Purchase**



*From the Responsibilities of Purchasers, Preparers and Approvers Policy*

**Financial Policy Office**  
Harvard Financial Administration



**HARVARD**  
Financial Administration



## Purchasers are responsible for spending Harvard resources prudently

Purchasers have an obligation to:

- Spend Harvard funds with good judgment, and within budget or other approved funding
- Ensure that each purchase is Harvard business-related and advances the work of the University
- Follow Harvard policies and any sponsor or donor restrictions
- Provide complete supporting documentation to the preparer with sufficient time for processing, review and approval

### **Before making a purchase, purchasers must ensure:**

1. All purchases are Harvard business-related, benefit Harvard, and advance the work of the University
2. The purchaser is authorized to spend the funds
3. The purchase follows established policies and procedures of the department, School, University and any required external regulations
4. The purchase satisfies University and applicable external (e.g., grant) conflict of interest policies
5. There are budget or other approved funding sources to cover the expense
6. For restricted gift and endowment funds, the charge must meet the terms of the fund; for all sponsored funds, the charge must be within the budget and project period and in accordance with the terms of the sponsored fund and applicable external requirements and regulations
7. The amount to be spent is reasonable (i.e., appears to be mathematically correct and of an appropriate level of spending for the circumstances)

### **After making a purchase, purchasers must ensure:**

1. The purchaser provides the preparer with an explanation for the purchase that includes the “who, what, why, where, when”
2. Purchasers review and sign their reimbursement requests to certify that the expenses are legitimate Harvard University business expenses. If a purchaser is traveling and cannot physically sign a reimbursement request, the purchaser can send the preparer an email that includes a description of the expenses and language such as, “I have reviewed the expenses listed below (or attached) and certify that they are legitimate Harvard business expenses.”
3. Purchasers provide complete supporting documentation to the preparer (e.g., an invoice, receipts) with sufficient time for processing and approval **before** School/unit deadlines. Check with your School/unit finance office for details
4. Purchasers reply promptly to questions from their preparer, Accounts Payable, or Reimbursements and Card Services to avoid delays