

# Timing of Payments for Student Worker Expenses

The Harvard Graduate Student Union (HGSU-UAW) contract provides for payment of certain expenses for student workers. These expenses must be classified as either a fellowship/grant or a Harvard business expense reimbursement, depending on the circumstance (see [next slide](#) for examples). The type of payment determines the tax treatment and how and when it is paid:

## If payment is a Harvard business expense:

- The school or unit **should book and pay travel through [preferred agencies](#) directly in advance** for all authorized and approved lodging, transportation (e.g., airfare), and registration fees
- **Students who pay for these expenses out of pocket can be reimbursed after the end date of the trip, not in advance**
- These expenses must be preapproved by the local department and the student must supply the appropriate information to the department processing these payments in a timely manner
- Reimbursement for other, de minimis, out-of-pocket expenses will be reimbursed upon return from the trip in accordance with current Harvard Travel and related policies
- Harvard business payments will be non-taxable to student, but a complete business purpose and documentation (receipts or registration application, etc.) must be submitted in a timely manner to meet IRS Accountable Plan rules. The business purpose must contain the *who, what, where, when, why*

## If payment is fellowship/grant:

- The school or unit may issue the payment directly to the student prior to the event or activity
- The payment will represent taxable income to the student and may incur tax withholding depending upon the student's tax status
- Departments must note the location of the event or activity for tax reporting purposes
- See [General Information for Fellowship Recipients](#)



# Harvard Business Expenses vs Fellowship/Grant

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

**NOTE:** Please see and follow [Harvard's Travel prohibitions](#) until further notice.

## 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

Examples:

- ❖ A teaching fellow travels to a college admissions fair as a representative of Harvard
- ❖ A teaching fellow is required to take an on-line course in order to be able to complete their duties
- ❖ A teaching fellow makes copies of course materials for the faculty member

Travelers should use Harvard's [preferred agencies](#) whenever policy as well as [register](#) their travel. Students must follow Harvard's [Travel](#) and [related policies](#) as well as any school-specific restrictions.

## 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

Examples:

- ❖ A travel fellowship/grant for individual research
- ❖ An award to a student to do summer research abroad
- ❖ Stipend for a summer internship (personal, educational development)



# Reimbursement Processes for Student Workers

Based on the 2020 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 <a href="#">Harvard's Travel prohibitions</a> 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.

