



HARVARD UNIVERSITY FINANCIAL POLICY

Appendix A Taxability of Gifts to U.S. Citizens, Residents and Nonresident Aliens

Scenario	Is the gift taxable to the recipient?			
	Employee		Nonemployee	
	Faculty or Staff	Harvard Students	Harvard Students	Nonemployee
	An employee is defined as an individual who has held a Harvard job (whether benefits-eligible or not) in the current calendar year or will receive a W-2 or 1042S. This includes individuals on the temporary, weekly payroll (student or non-student).		A nonemployee is defined as an individual who has not held a Harvard job (whether benefits-eligible or not) in the current calendar year. This include students, nonemployee fellows, or others. Stipendees are not considered employees.	
		Holds/held a job at Harvard in the current tax year.	Have not held a Harvard job in the current tax year.	
Cash and gift certificates for any amount	YES	YES	NO ^(e)	NO ^(e)
Tangible personal property– occasional ^(a) \$100 or less	NO	NO	NO	NO
Tangible personal property valued greater than \$100 ^(b)	YES	YES	YES	YES
Tangible personal property valued at \$400 or less for longer-service employees’ service milestone or retirement gifts ^(c)	NO	N/A	N/A	N/A
Tangible personal property valued over \$400 ^(d) for longer-service employees’ service milestone or retirement gifts.	YES	N/A	N/A	N/A

^(a) For purposes of this policy, occasional is defined as no more than once per quarter.

^(b) Consult with tub finance office before making payment. If not a longer-service or retirement gift, 100% of the gift is taxable if over \$100 (e.g., \$100.01).

^(c) As defined by the Internal Revenue Code, a “longer-service employee” is one employed for at least five years. Gifts to longer-service employees **in recognition of their length of service or upon retirement** may be made up to \$400 without tax consequences. A longer-service gift can be given to an employee no more than once every five years.

^(d) Consult with tub finance office before making payment. For gifts in recognition of longer service or retirement only amounts greater than \$400 are taxable.

^(e) Total gifts to a nonemployee (including Harvard jobs, gift cards/certificates, tangible gifts, subject payments or other service payments) should not reach or exceed \$600 in a calendar year. Once the \$600 threshold is met, all payment(s) are considered taxable. See section III.B.

YES = subject to all taxes (federal, state, FICA) and included in gross income

NO = not subject to tax withholding and not included in gross income (see e).