

HARVARD  
FINANCIAL ADMINISTRATION



***Back to School Financial Policy Refresher***

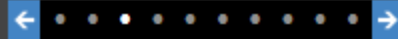
Karen Kittredge, Office of the Controller Manager, Policy and Business Process





### Procurement Policy

Effective 7/1/18 This policy details requirements and best practices for all funding sources when making purchases for Harvard.



# Financial Policy Website: [policies.fad.harvard.edu](https://policies.fad.harvard.edu)

Please note that completion of this training in no way substitutes a thorough review of Harvard Financial policies and procedures.

### COVID-19 Updates:

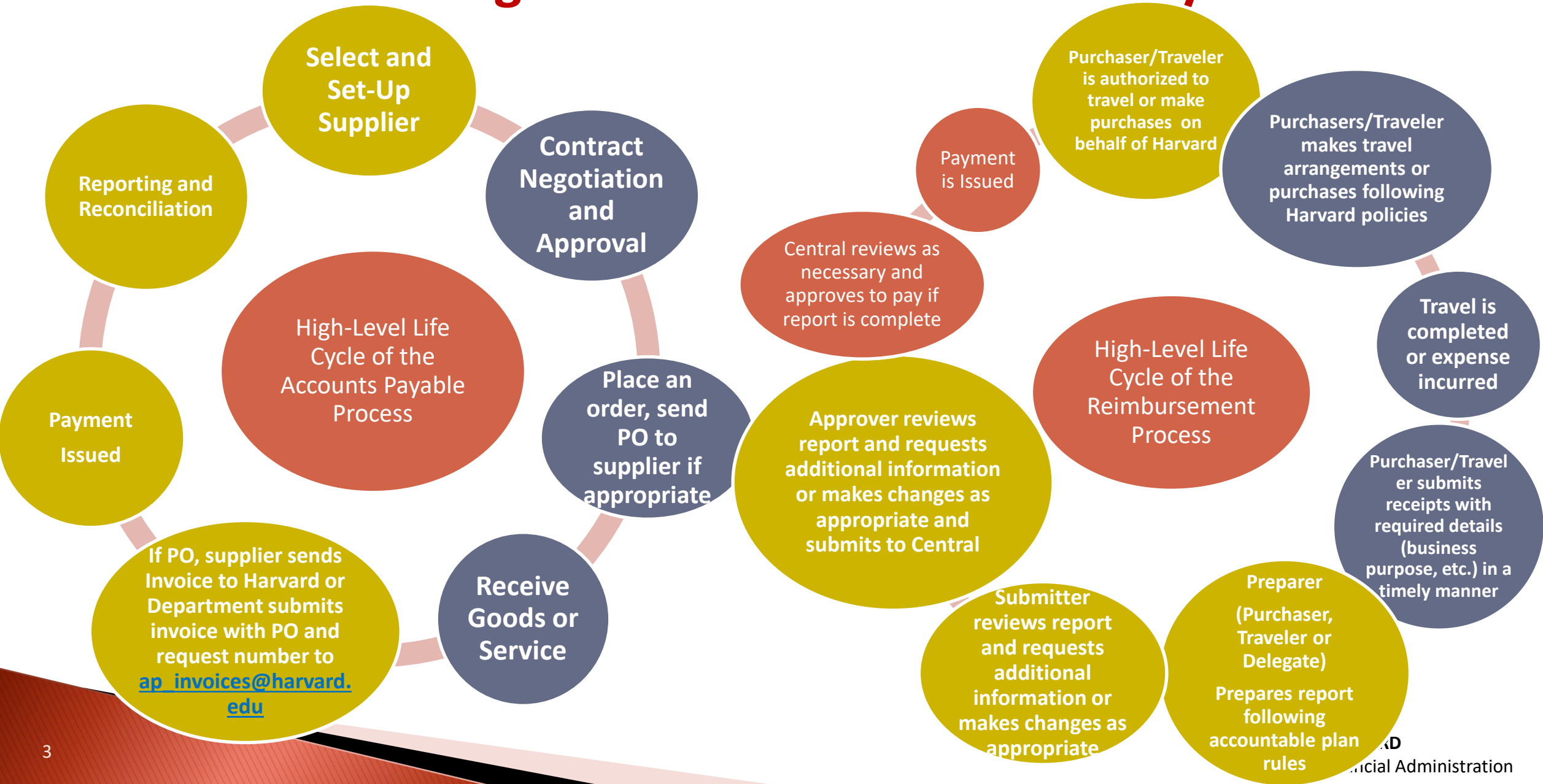
- [Harvard Main Coronavirus Website](#)
- [Cash Receipts Guidelines](#)
- [Guidance Regarding Independent Contractor Policy Requirements](#)
- [Guidance Regarding I-9 Collection](#)
- [GLACIER Submission Guidance \(Secure Upload\)](#)
- [Internal Controls \(Key Controls\) Guidance](#)
- [Interim Payroll Policy and Processes](#)
- [Reimbursement Expenses for Remote Work - Business Expense Policy](#)
- [Sponsored Expenses FAQ](#)
- [Travel Guidance Effective 10/29/21 - Updated 10/29/21](#)



## COVID-19 Updates Guidance



# Purchasing and Reimbursement Life Cycles



# Processing Payments

## Who are you paying?

Individual – U.S. or Foreign National

Harvard student, employee or nonemployee?

Entity – U.S. or Foreign

## What type of payment are you making?

Business Expense Reimbursement

Compensation for Services

Fellowship/Grant/Allowance

Payment for Goods

Prize/Award

Scholarship

Other

## What is the location of the activity relating to the payment

US or Foreign Source

Are you paying an entity/business or an individual?

- Is it a U.S. or foreign entity?
- Is individual a U.S. Citizen/Permanent Resident or a Foreign National/Nonresident Alien
- What is their tax residency and visa status? Is the individual entering the U.S.?

What type of payment are you making?

- The type of payment will help determine what policies need to be followed and if the payment is reportable or taxable. Both individuals and entities may be subject to taxes.
- If payment to an individual, are they classified correctly and are they allowed to receive payment based on their visa status?

Where is the payment being used (inside U.S. or outside U.S.)?

- Are the goods or services being performed in the U.S.?
- Location of the activity drives the foreign source determination
- Does the individual have a PeopleSoft appointment? The appointment type may help in classifying the type of payment (service vs fellowship).



# Responsibilities of Purchasers, Preparers & Approvers (ROPPA)

Individuals who spend funds or who prepare or authorize expenditures on behalf of the University have a stewardship responsibility to ensure those transactions are reasonable, appropriate, and have a proper University business purpose. Regardless of an individual's role or which system/mechanism they are using, there are a few key things to know:

## **Spend Harvard resources prudently**

- Business expense vs personal expense
- Comply with University, federal, state, fund or other policies or restrictions

## **Prepare transactions properly**

- Ensure request/request contains information that is fully descriptive of the underlying expense (who, what, where, when, why)
- Collect proper documentation – see [Definition of Receipts](#) or [Invoice Description Procure to Pay Manual](#)

## **Review and approve transactions in a timely manner**

- Approver should have sufficient knowledge to make an informed judgement that the transaction is appropriate
- Due diligence – follow-up if there are questions or concerns

## **Create evidence of the approval**

- Electronic approval, signing paper forms, or emails.
- Best practice is to thoroughly substantiate review and approve in writing



# Training Prerequisite by Role

## Responsibilities of Purchasers, Preparers and Approvers (ROPPA)

Role	ROPPA Training Track	Training Prerequisite
Buy-to-Pay Approvers	Approvers	Required for all new users except faculty, whose participation is at each School's discretion*  The online training may be found on the <a href="#">Training Portal</a>
Buy-to-Pay Requestors	Preparers	
Concur Approvers	Approvers	
Fieldglass Hiring Manager	Approver	
PCard Holders	Purchasers	
PCard Reviewers	Approvers	
Buy-to-Pay Shoppers	Preparers	At each School's discretion
Concur Delegates/Preparers	Preparers	
Concur Reimbursees	Purchasers	
Corporate Card Holders	Purchasers	

\*“Faculty” typically means employees whose *primary appointment* is a faculty, instructional role. For example, post-docs would still be required to take the training, as would staff who have a secondary teaching appointment.

Each school is responsible for making sure the training has been completed prior to granting access to the system(s).





# Multiple Approvers

***Approving any part of a transaction is a significant responsibility; every individual in an approval chain is accountable for the elements of the transaction that they approve***

- In some cases, there may be more than one approver in an approval hierarchy
- For example, a department administrator might approve an expenditure that must be subsequently approved by a sponsored or gift administrator, and then finally approved by the tub finance office
- To avoid confusion, approvers must understand which elements of a transaction they are responsible for approving



# Responsibilities by Role

Updated for  
03/01/2021

Purchasers<sup>1</sup>, preparers<sup>2</sup> and approvers have related and overlapping responsibilities. Tubs are responsible for communicating responsibilities to their purchasers, preparers, and approvers. The following is a template of minimum required responsibilities by role. **At their discretion, units may place additional responsibilities on any role, Preparers in particular.**

	Responsibilities	Purchasers <sup>1</sup>	Preparers <sup>2</sup>	Approvers
1	Purchasers are responsible for ensuring all purchases are Harvard business-related, benefit Harvard, and advance the work of the University	X		
2	There is a documented business purpose description provided that clearly and completely explains the purchase i.e., includes the “who, what, why, where, when”	X	X	X
3	The business purpose is legitimate, i.e., that the expenditure is an appropriate use of Harvard funds			X
4	The purchaser is authorized to spend the funds	X		X
5	The purchase is in compliance with established policies and procedures of the School, Harvard University, and any required external regulations	X		X
6	The transaction complies with University and any applicable external (e.g., grant) conflict of interest policies	X	X	
7	For restricted gift and endowment funds (302000-389999, 430000-699999), the charge is in accordance with the terms of the fund; for all sponsored funds (100000-299999), the charge is within the budget and project period and in accordance with terms of the sponsored fund and with applicable external requirements and regulations	X		X
8	There are sufficient budgeted or other approved funds to cover the expense	X		X
9	The amount of the purchase is reasonable (i.e., an appropriate level of spending for the circumstances)	X		X
10	Completed supporting documentation is provided to the preparer (e.g., an invoice, receipts, an email with written approval of a purchase, etc.) <b>with sufficient time for processing, review, and approval</b>	X		
11	When submitting a reimbursement, the purchaser has documented their approval of these expenses (on paper or online)	X		
12	The correct 33-digit coding, including the proper object code, is used for the expenditure		X	X
13	Perform reasonable due diligence in addressing any questions about the payment		X	X
14	The transaction is prepared and forwarded with any required documentation, to an appropriate approver <b>with sufficient time for review and approval before University deadlines</b>		X	
15	Transactions returned for editing or corrections are corrected and resubmitted in a timely manner.	X	X	
16	The transaction is approved, returned for correction, or rejected in a timely manner			X
17	Each approver has documented the approval/rejection of the expenditure			X
18	When any role performs receiving in B2P: do reasonable due diligence to ensure correct items were received	X	X	X
19	Reply promptly to questions from Accounts Payable or Travel, Reimbursements and Card Services	X	X	X

<sup>1</sup> Purchasers: anyone who commits to or incurs a financial obligation on behalf of Harvard. A purchaser may be a shopper or requestor (B2P), a traveler, etc.

<sup>2</sup> Preparers: anyone who creates a request for payment in a Harvard financial system. This may include someone who holds the role of requestor or is delegated on behalf of someone else to prepare a payment, etc.



# Payments to Individuals: Taxable until proven not!

- Any time Harvard gives money or other value to an individual, it can have tax implications.
- The “Accountable Plan” is the set of IRS rules Harvard must follow to ensure reimbursements are not taxable to the recipient/reimbursee.
- The rules aren’t necessarily intuitive. Some expenses -- **even though they relate to work** – are still considered personal expenses (commuting, professional attire, etc.)

## SUMMARY OF ACCOUNTABLE PLAN RULES

- Must be substantially business-related – not a personal expense
- Must be substantiated – documented with receipts and business purpose
- Reimbursement request must be submitted timely (90 days)
- Amount reimbursed can’t exceed actual expense



# Business-Related Expenses

Everyone who spends Harvard funds, either directly via a purchasing system (Buy-to-Pay) or PCard, or indirectly, via Corporate Card or personal funds to be reimbursed, has an obligation to spend those funds with sound business judgment.

For Harvard to reimburse an expense without tax implications, the expense must be:

- Ordinary – common & accepted in the normal course of University activities;
- Necessary – appropriate in nature and amount; and
- Business-Related – not a personal expense

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

## NOTE:

- Harvard should never pay a vendor directly for expenses that may be taxable to an individual (e.g., fellowship travel, health insurance, course registration for personal development).
- The source of funding (e.g., 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 the particular expense is in **DIRECT SUPPORT** of University business.



# Personal Expenses

Generally, expenses that prepare or indirectly support someone's ability to do their work are considered personal expenses and cannot be reimbursed as Harvard business expenses.

Common examples of non-reimbursable expenses:

- Commuting expenses from your home to your primary work location
- Repetitive meals (i.e., daily breakfast, lunch or dinner) while not traveling
- Costs for clothing that can be substituted for everyday use
- Personal services (e.g., haircuts, cosmetic services)
- Tuxedo rentals or formal wear – even for Harvard-related events
- Personal credit card annual fees
- Parking tickets or traffic violations
- Home office furniture or equipment
- Harvard paying for expenses related to a fellowship or personal research/development

See the [Business Expense Reimbursements Policy](#)



# Tax Exemption Guidance for Purchases and Travel

The University, as a nonprofit educational institution, is exempt from Massachusetts sales and use tax and from sales and use tax in many other states. See [Procurement Tax Forms and Tax Exemption Guidance](#) for complete details.

Use Harvard's Tax Exemption When Making Purchases Related to Harvard Business	
Tax Type	Expenses may billed to Harvard, paid by University Corporate Card(s) or PCard, or out-of-pocket reimbursement
<b>Meals Tax (also known as food sales tax)</b>	
Purchased in Massachusetts	Exempt - Provide <a href="#">ST-2</a> and <a href="#">ST-5</a> Forms to vendor as requested
Purchased Outside Massachusetts	May be Exempt - See list of exemptions for <a href="#">other states</a>
<b>Room Tax (also known as occupancy or hotel tax)</b>	
Purchased in Massachusetts	Not Exempt
Purchased Outside Massachusetts	May be Exempt - See list of exemptions for <a href="#">other states</a>
<b>Sales Tax</b>	
Purchased in Massachusetts	Exempt - Provide <a href="#">ST-2</a> and <a href="#">ST-5</a> Forms to vendor as requested
Purchased outside of Massachusetts Item to be used in Massachusetts	Exempt - Provide <a href="#">ST-2</a> and <a href="#">ST-5</a> Forms to vendor as requested
Purchased outside of Massachusetts Item to be used <b>outside</b> of Massachusetts	May be Exempt - See list of exemptions for <a href="#">other states</a>
<b>Value Added Tax (VAT)</b>	
VAT is a general, broadly based consumption tax assessed in many foreign countries on the value added to goods and services. Purchases of goods or services to be used in the US should not have to pay VAT. See Office of the Controller <a href="#">Tax Office</a> or contact <a href="mailto:tax_reporting@harvard.edu">tax_reporting@harvard.edu</a> for additional information.	



# Prepare Transactions Properly

Employees who prepare a transaction are, at a minimum, responsible for ensuring the business purpose is complete and accurate, proper support is provided, and that the transaction is submitted or resubmitted for approval in a timely manner. Units, particularly those with centralized approval models, may place additional responsibilities on their preparers (also known as requestors, shoppers, or delegates).

Things to consider:

- Does the purchase comply with established policies and procedures including fund terms, conflict of interest policies, other financial policies?
- Is there sufficient information for a complete business purpose (who, what, where, when, why)?
- Is the appropriate supporting documentation included?
- Is there a sufficient budget or other funds to cover the expense?
- Is the correct billing code included?
- Was the information been provided and the transaction prepared in a timely manner?
- If a transaction has been returned have the questions been resolved promptly?

If you don't see something say something!



# Business Related

Your business purpose statement should give the reviewer and approver a clear understanding of the reason for the expense. The best way to do this is to answer the 5 Ws.

**Who** – Who incurred the expense? Where there other individuals involved? List names and other affiliations if required.

**What** – What did the expense entail (business lunch, travel dinner, reception, etc.)

**Where** – Where was the expense incurred – city/state/country

**When** – Date the expense was incurred or trip made

**Why** – Detailed purpose, business activity and how it relates to Harvard business

Poor Example	Good Example
Presenting at Conference	RT Airfare BOS-Paris, Presenter at Indo-European Conference 7/1-13/18
Lunch	Individual Meal in WA, DC attending NSF Annual Symposium
Dinner at Harvest	Dinner at Harvest w/D. Faust and J. Harvard re: Harvard capital campaign
Expenses related to research/development	Adobe Distiller to use in research publication designs







# Substantiation



Business meals that include alcohol are encouraged to include an itemized receipt, regardless of amount. If an itemized receipt is not available expenses must be allocated following the below:

- If the meal did not include alcohol, the reimbursee must attest that no alcohol was charged (on the receipt and in Concur).
- If the meal did include alcohol and the reimbursee can attest in writing to the alcohol cost, then the alcohol portion with applicable tax and tip must be charged to object code 8450. No alcohol may be charged to a federal award.
- If alcohol was included and the reimbursee cannot attest to the alcohol cost, then **no portion** of the meal cost can be charged to a federal award. For all other funding, the invoice should be prorated with a percentage of the alcohol charged to object code 8450. Schools may set their own prorated amounts as long as they are consistent, usually between 20-35% for alcohol and the balance for the meal.

An electronic or paper Missing Receipt Affidavit (MRA) is required for lost receipts over \$75 or for missing hotel folios. MRAs must be used as exceptions, not on a regular basis.

What should a receipt include? See [Definition of Receipts](#) for more details

- Date of transaction
- Name of merchant
- Transaction details (what was purchased )
- The amount of purchase
- The form of payment used (credit card, cash, check)
- Indication that the amount was paid
- Handwritten receipts that do not contain the above information require a Missing Receipt Affidavit (MRA)

**Individual schools and units may have more restrictive policies or internal processes; contract your tub finance department for more information.**



# Timely

- Regardless of your role, be mindful of internal deadlines and allow sufficient lead time for processing transactions. **Be mindful of your internal processing deadlines** and take them into account in order to meet the 90 day deadline for Concur.
- “Sufficient time” generally means at least a week before the deadline, but complex purchases or reimbursements may require more.

Expense Type	When to Process	Notes
PCard	Weekly - Reviewers and Administrators must enter business purposes, coding and review on a weekly basis.	
Concur – Reimbursements/Payments to Harvard Employee or Citibank	0-90 days with no tax implications 91-182 – taxable to employee 183+ will not be reimbursed	Citibank payments should be made ASAP to avoid late fees. Concur reports must be electronically approved and submitted to Travel, Reimbursements and Card Services within 90 days to avoid tax implications.
Buy-to-Pay – Nonemployee Reimbursement	Best practice – within 90 days or the same fiscal quarter as expense was incurred	
Suppliers	Process upon receipt of invoice	Harvard’s payment terms are normally 30 business days from invoice date.



# Timely

**Harvard employees:** Concur reports must be electronically approved and submitted to Travel and Reimbursements using the below time table.

**Non Harvard employees:** Best practice is to follow Harvard policy and follow the same 90-day deadline, Harvard encourages units to pay non-employee expenses in the same fiscal quarter as they are incurred.

Days after trip or transaction date	Result
<b>0-90</b> <ul style="list-style-type: none"><li>Days after trip end date (preferably w/in 60 days)</li><li>Days after non trip-related expense incurred</li></ul>	<ul style="list-style-type: none"><li>No tax implications</li><li>Expenses on Corporate Card should be paid by statement due date</li></ul>
<b>91-182</b> <ul style="list-style-type: none"><li>Days after trip end date</li><li>Days after non trip-related expense incurred</li></ul>	<ul style="list-style-type: none"><li>Expenses treated as income to employee – must be processed as additional pay with taxes withheld</li><li>May NOT be grossed up</li><li>Corporate cards should be processed before 90 days to avoid non-reimbursable late fees</li></ul>
<b>183+</b> <ul style="list-style-type: none"><li>Days after trip end date</li><li>Days after non trip-related expense incurred</li></ul>	<ul style="list-style-type: none"><li>Expenses may NOT be paid with University funds</li></ul>



# Harvard Business Expense Reimbursements

For Harvard to reimburse an expense without tax implications, the expense must be:

- Ordinary – common and accepted in the normal course of University activities;
- Necessary – appropriate in nature and amount; and
- Business-Related – not a personal expense.
- A complete business purpose and receipts (who, what, when, where, why) is required.

Employee Type	Pay Group	Common Object Codes	Reimbursement System
Weekly Trades	SPC, WPT, WRT	6080, 6090	Concur
Bi-Weekly Employees (OT Eligible and Exempt)	POU, PON, PFX	6050, 6070	Concur
Monthly Faculty	MFC	6010-6030	Concur
Internal Post Docs	MIP	6150, 6152	Concur
Weekly Temps (includes work-study)	WTM	6110, 6120	B2P
Monthly Teaching Fellow	MTF	6140	B2P
External Post Doc	MEP	6450, 6452	B2P

Generally, this group is reimbursed via Concur.

This group is set up as a vendor in the Buy-to-Pay System



# 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.



# Supplier Set-Up





# What is a Supplier

Individuals or entities offering goods or services, rents, royalties, or other activities to Harvard must be set up as a supplier in Harvard's Supplier Portal (Jaggaer/Buy-to-Pay/B2P). Certain information is required in order to be compliant with federal and state regulations.

## Things to be thinking about when setting up a supplier:

### Is the individual eligible to receive a payment from Harvard?

- Prior to any formal agreements being made, schools or units must confirm an individual or supplier is legally allowed to be paid by Harvard. Criteria may include:
  - [Most Commonly Seen Visa Types of Foreign National Guest Speakers](#), [Independent Contractors Policy](#), [Debarment Certification](#)
  - Supplier must complete and submit any required documentation (e.g., W-8, W-9, GLACIER, etc.)

### Who should be set up as a supplier?

- Individuals or entities offering goods or services, other to Harvard.
  - For the most part, non-benefits eligible employees are set up as suppliers in the Supplier Portal.
  - In rare instances, a Harvard employee may be paid for a service via B2P (e.g., services unrelated to their current job, though additional compensation is best practice).
- Nonemployees receiving reimbursements for a valid Harvard business expenses (qualified, non-taxable).

Remind suppliers they can register for electronic payment methods. [Zelle](#) for individuals with a U.S. bank account or [Paymode](#) for U.S. entities.



# What is a Supplier (continued)

## Classify a supplier correctly

Supplier classification helps comply with federal and state regulations for both U.S. and Non U.S. suppliers

- Some payments may be considered a Harvard business expense and may not be taxable or reportable.
- Some payments to suppliers may be considered income and are taxable or reportable.
- Suppliers may sometimes receive payments for both goods or services and qualified business expenses.

## Classify a payment correctly

A detailed description of the payment (who, what, where, when, why) helps determine tax withholding and reporting requirements for both U.S. and Non U.S. suppliers.

- U.S. vs foreign sourced income (i.e., location of the activity)
- Type of payment
  - Payments to individuals completing services who are not classified as an employee
  - Payments related to other activities such as:
    - Supplies and equipment (i.e., lab supplies, office supplies, cleaning supplies)
    - Contracted services (i.e., independent contractors or consultants and temporary agencies)
    - Lease payments
    - Honorarium, prizes, awards, or fellowship payments
    - Royalty payments
- Use the object code that best describes the purpose of the expense



# Most Common Supplier Types

- Individual – U.S. Citizen or U.S. Permanent Resident (1099 supplier)
- Individual – Non U.S. Citizen (1042S supplier)
- Supplier

## US Supplier Types

**US - Sole Proprietorship** - A type of business entity that is owned and run by one individual

**US Partnership LLC** - A hybrid business entity having certain characteristics of both a corporation and a partnership or sole proprietorship.

**US Corporation** - Created under the laws of a state as a separate legal entity that has privileges and liabilities that are distinct from those of its members. Includes 501(3)(c) nonprofit, US colleges/universities.

**US Government Agency**

## Foreign Supplier Types (W-8 Suppliers)

Foreign Corporation

Foreign Partnership

Foreign Trust

Foreign Tax-Exempt Organization

Foreign Private Foundation

Foreign Estate

Foreign Government or International Organization



# Complete Supplier and Visa Type Inactivation Dates

Supplier Type	Inactivation Date Any suppliers with no activity for two years will be automatically inactivated
Business Expense Reimbursement – Foreign (BER)	90 days from activation date
Individual – Non-US Citizen (A visa type is required for Individual – Non-US Citizens, a sample of visa types is below)	
ADVTR – Advance Travel Request (always taxable)	90 days from activation date
NA – Not Applicable/Unknown	Should be switched to another visa type by supplier or Supplier Onboarding Team
NE – No Entry (use if individual not entering the U.S.)	90 days from activation date
NE-RC – No Entry Royalty Payment (taxable)	2 years from activation date
All other visa types	Based on immigration documentation end dates
Individual: US Citizen/ Perm Res.	N/A
Temporary Supplier (Refunds)	30 days
Supplier – US Sole Proprietorship Partnership LLC Corporation Government Agency	N/A
Supplier – Foreign Corporation Partnership Trust Tax-Exempt Organization Private Foundation Estate Government or International Organization	Up to three years, based on W-8 Form

# B2P Tips and Tricks – Payment Request (PR)

- All payments to foreign entities and individuals are placed in a queue for tax review.
- Make sure the type of transaction matches the description and invoice details (e.g., don't select "Other" as type of transaction, but note "commencement guest speaker" in the description and attachment is an award letter for a prize).
- Attach an invoice, in lieu of form, agreement, email correspondence.

Select the help button for additional information.

**Transaction Information** ?

Type of Transaction (Suggested Object Code)

- Copyright/Royalty/Licensing Fees (8570)
- Donation (8450/8454)
- 1**  Fellowship/Grant (6460-Students/6455-NonStudents)
- Honoraria/Performer/Lecturer: Inside Mass (8690/8692/8694)
- Honoraria/Performer/Lecturer: Outside Mass (8691/8694)
- Prize/Award (6462-Students/8693-NonStudents)
- Refund
- Other (Not Identified Above)

More Information

Description

**2**

254 characters remaining expand | clear

Attachments

**3** Add Attachments

Size Date

**Invoice Information**

Supplier Inv #

*If the supplier has provided an invoice number, enter the invoice number as it appears. Exclude: spaces, the word 'invoice', and do not use # as a prefix. If you do not have a supplier invoice number you must use the following format: SUPPLIERNAME+DD+MMM+YY (e.g. JOHNHARVARD03APR20) for an invoice from supplier John Harvard dated 4/30/20. Exclude lower case, special characters, dashes, and spaces*

Invoice Date

Invoice Amount

Location of activity **4**

For more information on Location of Activity [click here](#)

Section	Description
<b>1</b> Type of Transaction	<ul style="list-style-type: none"> <li>• Select the most appropriate type of transaction.</li> <li>• Only select "Other" if the transaction does not match one of the options listed (e.g., loan forgiveness, human subject payment, consulting, etc.).</li> <li>• Selecting "Other" can delay review and processing since it goes into a larger queue for tax review.</li> </ul>
<b>2</b> Description	Put in a detailed business purpose/description (what, where, when, why). Note the location of the activity/service.
<b>3</b> Internal Attachments	Attach an invoice or in lieu of form. This documentation shows what the payment is for and why the requestor is initiating the transaction. Documentation can be an invoice, in lieu of form, agreement, contract, or correspondence that documents the business purpose (who, what, where, when, why, how).
<b>4</b> Location of Activity	Where is the service being performed, property being rented, or the location where fellowship income is expected to be utilized.



# B2P Tips and Tricks – Noncatalog Order

- All payments to foreign entities and individuals are placed in a queue for tax review.
- Make sure the type of transaction matches the description and invoice details (e.g., if the invoice is for consulting in Spain, be sure to note consulting in Spain in the description).
- Select the location of activity to speed the tax review process.

The screenshot displays a requisition form with a sidebar on the left containing various tabs. The 'Ship to & Bill to' tab is highlighted with a red oval. The main content area shows shipping and billing addresses for Harvard University. A dialog box titled 'Location of Activity' is open in the foreground, showing a dropdown menu with the selected value 'Great Britain (United Kingdom), Northern Ireland, England, Wales, Scotland' and a 'Select from all values...' link. The dialog box includes 'Save' and 'Cancel' buttons.

**Requisitions**

- General ✓
- Ship to & Bill to** ✓
- Accounting Codes ✓
- Internal Notes and Attachm... ✓
- External Notes and Attach... ✓
- Special Handling & AP ✓
- Ad Hoc Approver ✓
- Supplier Information ✓
- Final Review ✓

**Ship To** edit

Shipping address: ATTN Name/Department Karen Kittredge  
Building/Room 3rd Floor - Room 336  
1033 Massachusetts Ave  
Cambridge, MA 02138-0000  
United States

**Bill To** edit

Billing address: Harvard University  
Accounts Payable  
Email invoices to AP\_Invoices@harvard.edu  
P.O. Box 381588  
Cambridge, MA 02238  
United States

**Location of Activity** ? X

Location of Activity: Great Britain (United Kingdom), Northern Ireland, England, Wales, Scotland  
[Select from all values...](#)

**Save** **Cancel**



# Procurement Policy



# Key Elements of Procurement Policy and Related Resources

## Procurement Policy

- Conflict of Interest Standards
- Special Purchases
- Use of Harvard Preferred Suppliers (list found at [Strategic Procurement](#) website)
- Tax Exemptions
- Required Practices for Purchases with Federal Funds, Including
  - Vendor Justification Form (VJF)
  - Debarment Form
- Best Practices for all Purchases, Including
  - Small and Small Disadvantaged Business
  - Wasteful or Duplicate Purchases
  - Record Retention

## Other Procurement Related Policies

- Financial Management of Property, Plant and Equipment ( $\geq \$5,000$ ).
- Software Policy – Upcoming – when to capitalize or expense.



# Summary of Purchasing Procedures for Standard Purchase

(Excluding Special Purchases) Schools or Units may have more restrictive requirements; contact your Finance Office for guidance.

Threshold <sup>(a)</sup>	REQUIRED for Federal Funds (100000-199999) Cost-Share Funds or Expenses Journalled onto Federal Funds	BEST PRACTICE for Non-Federal Funds (all other funds)
\$0-\$50,000  <b>Micro Purchase</b>	<ul style="list-style-type: none"> <li>University recognized Preferred Vendors are encouraged</li> <li>Visual Compliance monitors debarred suppliers on a daily basis</li> <li>Purchases should be distributed equitably among qualified suppliers to the extent practical</li> <li>No self-approval is allowed on federal funds</li> </ul>	<ul style="list-style-type: none"> <li>University recognized Preferred Vendors are encouraged</li> <li>Purchases should be distributed equitably among qualified suppliers to the extent practical</li> <li>Self-approval for purchase up to \$2,499.99 is allowed, but not recommended</li> </ul>
≥\$35,000  <b>Debarment Certification for Federal Contracts</b>	<ul style="list-style-type: none"> <li>Required for contract purchases ≥ \$35,000 subject to Federal Acquisition Regulations, a signed Debarment Certification Form is required or debarment language must be included in the contract before Harvard makes a purchase commitment</li> </ul>	<ul style="list-style-type: none"> <li>Not Applicable</li> </ul>
>\$50,000-\$250,000  <b>Small Purchase</b>  <b>Simplified Acquisition Threshold (SAT)</b>	<ul style="list-style-type: none"> <li>Complete and Upload VJF in B2P               <ul style="list-style-type: none"> <li>A minimum of 2 but recommend 3 written quotes (email is allowable) is required if purchase is not a single- or sole-source purchase</li> <li>University-recognized preferred vendors may be used as one of the written quotes. Back-up documentation regarding vendor selection justification, (quotes, explanation around sole source vendors etc.) must be kept on file or uploaded into B2P</li> </ul> </li> <li>Purchases should be distributed equitably among qualified suppliers to the extent practical</li> </ul>	<ul style="list-style-type: none"> <li>University recognized Preferred Vendors are encouraged, OR</li> <li>Should obtain a minimum of 2 but recommend 3 written quotes (email is allowable)</li> <li>Purchases should be distributed equitably among qualified suppliers to the extent practical</li> </ul>
>\$250,000-\$699,999 <sup>(b)</sup>	<ul style="list-style-type: none"> <li>Same as above, AND</li> <li>If a competitive proposal:               <ul style="list-style-type: none"> <li>Must conduct a formal written proposal process. Vendor selection should be awarded to the bidder whose proposal is most advantageous to the program with price being <u>one</u> of the factors. Sealed bids must select the vendor that meets the requirements &amp; has the lowest bid</li> </ul> </li> <li>Payments ≥ \$250,000 require electronic approval of Tub Financial Dean or Designee</li> </ul>	<ul style="list-style-type: none"> <li>Same as above, AND</li> <li>Should obtain a minimum of 2 but recommend 3 <u>written</u> quotes (email is allowable).</li> <li>Payments ≥ \$250,000 require electronic approval of Tub Financial Dean or Designee</li> </ul>
≥\$700,000+ (\$1.5M for construction)	<ul style="list-style-type: none"> <li>Same as above, AND</li> <li>Purchaser must develop minority vending goals &amp; complete Individual Subcontractor Reports (ISR) &amp; Summary Subcontract Reports (SSR) &amp; submit subcontracting plan if required by RFP</li> </ul>	<ul style="list-style-type: none"> <li>Same as above</li> </ul>

# Independent Contractor Policy



# Guidance on Classifications

**MYTH:** Individuals can be paid as employees, independent contractors or vendors/suppliers.

**FACT:** There are only two options for paying individuals – as employees **or** as vendors/suppliers. An “independent contractor” is the **same thing** as a “vendor” or “supplier.”

## Employee

Paid via PeopleSoft or an approved out-of-state or out-of-country payroll

- Individual
- Generally being paid compensation or salary and wages in exchange for past, present or future services that are primarily for Harvard’s benefit.
- Requires a Form I-9
- Receives a W-2
- May have income taxes withheld

## Vendor

(May also be called a Supplier or Contractor and may be paid for the purchase of goods and/or services.)

Paid via Accounts Payable (B2P)

- Can be operating as a single individual, or a multiple employee business
- Can be unincorporated, an individual person, a company, LLC, business, partnership, nonprofit, government agency, trust/estate, etc.
- Individuals or single-person companies (regardless of company type) must comply with the [Independent Contractor Policy](#)
- Foreign vendors (individual or entity) may have taxes withheld depending upon the payment type and tax status
- May receive a 1042S or 1099 based on vendor and payment type and tax status

# Independent Contractor Classification (IC)

Per Massachusetts and federal law, the University is required to meet a number of obligations when classifying an individual providing services to Harvard. Under MA law, the *presumption is that an individual is an **employee*** unless the individual meets the three-part IC test, which is based on the completion of the [Independent Contractor Questionnaire \(ICQ\)](#) and review and classification by your local Human Resources Office. **Individual schools and units may have more restrictive policies or internal processes or may be participating in a [Managed Service Program](#); contact your tub human resources or finance office for more information.**

Misclassifying a worker as an IC instead of an employee can result in a significant liability. The local department or unit is responsible for any liability resulting from a misclassification decision, including fines, penalties, and attorney's fees.

- A worker's or department's preference is not relevant to the classification; classification is based on state and federal criteria and regulations.
- The IC review and approval process must be completed PRIOR to a contract being signed or the work being performed. PIs/Researchers should work with their department administrator to complete the required IC review process.
- The Policy applies if you require services that will be completed by an individual OR a single-employee LLC, Company or Partnership OR a third-party marketplace not considered a managed service provider (i.e., marketplace does not go through a formal classification process, but acts as a freelancer marketplace such as freelancer.com).
- Some schools or units may offer an expedited review (exception process) for one-time guest speakers/performers or one-time payments for short-term, low dollar agreements. Contact your HR Office for guidance and refer to the [IC Policy Process Flowchart](#).
- If the IC Policy does not apply, a written contract is still required. Follow local school processes and policies regarding contracts.
- Mass. Gen. Laws Ch. 149, sec. 148B

**Individual schools and units may have more restrictive policies or internal processes; contact your tub human resources or finance department for more information.**





# When to Complete an Independent Contractor Questionnaire (ICQ)

An independent contractor questionnaire (ICQ) must be completed regardless of where the work is being completed (including those performing work inside and outside of Massachusetts) and prior to engaging the individual to start work.

- For work outside of the U.S., *Harvard must follow the rules and regulations based on the country in which the work is taking place.* These provisions may be different than MA law and are occasionally more stringent (Europe) or entail tax withholdings on payments to contractors. The local school or unit's HR office can work with Global Support Services (GSS) to determine international IC status.

An ICQ is required for the following engaged to perform a service for Harvard

- An individual engaged to perform a service for Harvard (see [exceptions](#))
- Single-Employee Limited Liability Company (LLC), Unincorporated or Incorporated Company  
An ICQ is required when a company is a single-employee company (even if it subcontracts additional workers)
- Third-Party Entity that Act as Freelancer Marketplace (W2 no ICQ)  
If the third-party entity does not go through a formal classification process but rather acts as a freelancer marketplace (an intermediary which advertises and coordinates individuals selling their services such as freelancer.com or TaskRabbit) an ICQ must be completed

Generally, based on a third-party's structure, Parts 1 and 3 of the three-part legal test are met; however, part 2 – usual course of business must be reviewed and classified appropriately by HR.

Note: Buy to Pay has quick Independent Contractor Form that can help determine if an ICQ must be completed.



# IC Questionnaire Exceptions Process

Under limited circumstances, the formal completion of an IC Questionnaire is not required

- The local department or unit must still confirm that the classification satisfies the three-part legal test
  - A written contract / agreement is still required
  - The local department or unit must provide the accounts payable approver with a written exception attestation form or statement of why a completed IC Questionnaire is not required
- 1) Guest Speaker or Guest Lecturer receiving an honorarium or speaking fee for a one-time speaking engagement (performers/musicians also fall into this category). This exception cannot be used for individuals teaching or co-teaching a substantial portion of a course, those listed as instructors in the course catalog, or those who hold a Harvard appointment for their teaching role.
  - 2) Single, Short-Term Engagements for Less than \$3,000 - An ICQ is not required if the engagement satisfies the three-part Independent Contractor test; the engagement will last no longer than three months (90 calendar days); AND total payments to the IC will not exceed \$3,000.

**Individual schools and units may have more restrictive policies or internal processes; contact your tub human resources or finance department for more information.**



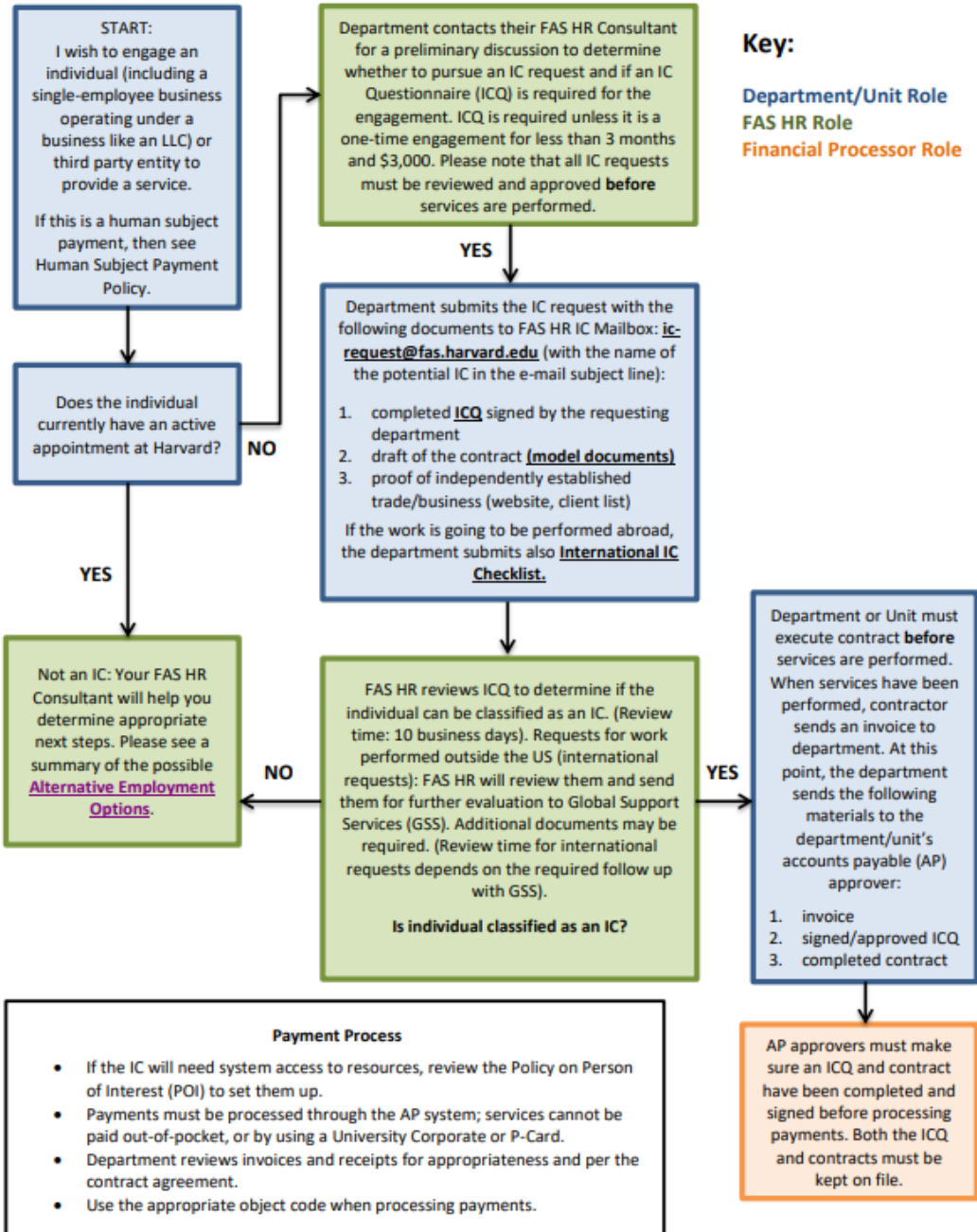
# Where Policy Does Not Apply and an ICQ is not Required

The Policy does not apply and an ICQ is not required for the following performing services for Harvard

- Suppliers/vendors with more than one employee whose personnel are classified as employees (e.g., Cambridge Landscaping, Randstad)
- Human Subject Payments (See [Human Subject Payments Policy](#))
- When the University is contracting with a third-party entity (e.g., managed services provider, temp agency, payrolling service, IT staffing firm) to obtain personnel who are classified by those firms as employees or contractors to perform services
- Schools and departments enrolled in the [Contingent Workforce Managed Services Program](#) (Fieldglass/Yoh) or who use the suppliers managed in the Yoh Managed Service Program meet the IC classification requirements of a managed services provider



## Independent Contractor (IC) Process in FAS (Faculty of Arts and Sciences)



# FAS Specific Guidance

[See - Contingent Labor | Faculty of Arts and Sciences \(harvard.edu\)](https://www.harvard.edu/contingent-labor)

- Contact your HR consultant for IC requests or questions. They can help you think through needs and payment options.
- Plan ahead. It takes time to fill out the ICQ and receive a decision. IC status must be granted before services are performed, the sooner you plan ahead the better.
  - FAS review time is 10 business days
  - Classification for work outside the U.S. will be longer
- FAS HR will review requests for work performed outside the US (international requests) and send them for further evaluation to Global Support Services (GSS). Additional documents may be required. (Review time for international requests depends on the required follow up with GSS).
- Do not skip questions on the ICQ and be sure to have appropriate signatures on the form.
- Independent Contractor questions and classification requests should be sent to [ic-request@fas.harvard.edu](mailto:ic-request@fas.harvard.edu)



# Fellowships, Prizes, Awards, Business Expense Reimbursements



# 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)





# Fellowship vs. Prizes Reporting and Tax Withholding Requirements

Fellowship/ Grants- Support payments (i.e. plane tickets, health insurance, or other travel expenses) paid to or on behalf of an individual to aid in their own personal research or scholarship.		Prize/ Awards- Payments issued in recognition of a past accomplishments or achievements, such as those awarded for earning the highest GPA or winning a business plan competition.	
US Tax Residents	Nonresident Aliens	US Tax Residents	Nonresident Aliens
<ul style="list-style-type: none"> <li>• Harvard is not required to report these payments to the IRS or to the recipient</li> <li>• No withholding is required at time of payment, but tax payments due at filing could be required</li> <li>• Recipient must self-report as gross income for any non-qualified fellowship received</li> </ul>	<ul style="list-style-type: none"> <li>• Harvard is required to report payments to the IRS. The recipient will receive a Form 1042-S indicating “fellowship/ scholarship” for non-qualified payments</li> <li>• Withholding is required (at 14% or 30% depending on visa type) but can be reduced by tax treaties if determined eligible beforehand</li> </ul>	<ul style="list-style-type: none"> <li>• Harvard must report to the IRS and issue prize recipients a Form 1099 if the recipient receives \$600 or more in prize money during a calendar year</li> <li>• 1099 MISC Box 3</li> </ul>	<ul style="list-style-type: none"> <li>• Harvard is required to report these payments to the IRS and to the recipient on Form 1042-S as “other income”</li> <li>• 30% Withholding is required. Not eligible for tax treaty exemption</li> </ul>



# Massachusetts Performer Tax



# Summary of Performer and Non-Performance Related Honoraria Object Codes

NEW



Lecture / Performance  
Held Outside of  
Massachusetts Use Object  
Code 8691

(Lect Perf OUTSIDE MA - honoraria/svc  
pmt/fees to vistng lect/perf)

- Individual or entity was not located in Massachusetts when they performed the service
- Not subject to the Massachusetts Performer tax (though they may be liable for other taxes based on their location and immigration status)
- Payments may be classified as honorarium or service payments

Lecture / Performance  
Held Inside Massachusetts  
Use Object Code 8690

(Lect Perf IN MA WH Ex-honoraria/svc  
pmt/fees to vis lec/perf/ent(pmt holds))

No Exemption Attestation

- Individual or entity was in Massachusetts when they performed the service
- Payments may be classified as honorarium or service payments
- Individual or entity did NOT submit a Form PWH-WW or PWH-RW to Mass Department of Revenue
- Will be assessed a performer tax when they earn >\$5,000 cumulatively in a calendar year. Note: The tax will be withheld on the total payment that reaches the \$5,000 threshold and any payments after that

Updated



Lecture / Performance  
Held Inside Massachusetts

Use Object Code 8692  
(Lect Perf IN MA WH Ex-honoraria/svc  
pmt/fees to vis lec/perf/ent(pmt holds))

Includes Exemption  
Attestation

- Individual or entity was in Massachusetts when they performed the service
- Payments may be classified as honorarium or service payments
- Individual or entity has completed the [Attestation Form for Claiming Exemption or Reduction in Withholding](#) acknowledging they submitted a Form PWH-WW or PWH-RW to Mass Department of Revenue at least 10 days before the event
- Central Accounts Payable will review the documentation and adjust tax liability as appropriate.

NEW



Individual - Non-  
Performance Related  
Honoraria Use Object  
Code  
8694

(Honoraria-Individual "non  
performance" related)

- Non-performance payment that is classified as an honorarium.
- Payment is to an individual (not entity) and is one-time payment for which no fee is required or set. For example, a juror on an award selection committee.
- Non-performance related payments to an entity would most likely be in the 79XX object code series.

# Gifts and Celebratory Events





# What is a gift?

The IRS has many rules that restrict gifts to employees and nonemployees. If a gift does not follow these rules, the value of the gift may be reportable and/or taxable to the individual. Do not purchase gift certificates for employees. Gift certificates of any amount are ALWAYS taxable income to the employee and require additional procedures.

## Employees

Gifts to employees must be for an allowable reason:

- Work-related achievement
- Sympathy upon the death or serious illness of an employee or employee's immediate family member

Gifts to employees that are not allowable:

- Disguised wages
- To be given in recognition of personal events or achievements unrelated to work (e.g., birthdays, weddings, baby showers, housewarming) or in recognition of holidays rather than work-related achievement

## Nonemployees

Gifts to nonemployees must be motivated by detached or disinterested generosity or respect, admiration, charity or like sentiment. Gifts to nonemployees may not be given in lieu of payment for services or as a quid pro quo (this for that).



# Gifts to Employees

## Work-related Achievement:

Acknowledge outstanding performance

- When is it appropriate to give an employee a gift rather than a bonus?
  - Employee gifts for work-related achievements must be minimal in value (\$100 or less), occasional, and are expected to reward an employee for an immediate, short-term task or accomplishment. Gifts cannot be disguised earnings, i.e., in lieu of overtime pay or retroactive pay.

For example: An employee works over the weekend on an urgent request. The department wishes to thank them for going above and beyond with little notice. A small gift is appropriate. If the same individual assumes additional duties while another employee is on extended leave, the individual may qualify for a temporary change in pay or for a larger bonus paid via PeopleSoft. Contact your HR Office for guidance,

- Check with your Human Resources Office for details on any established program in your school or unit.

## Service Milestone or Retirement

- Allowable every five years
- May go up to \$400 as nontaxable
- All schools participate in milestone programs, so the above applies to that program, any additional gifts should be modest in scope to avoid possible tax implications since gift thresholds are cumulative across all of Harvard.

Gift certificates to a Harvard employee of any amount are ALWAYS taxable income and must be processed as taxable income to the employee. Contact your Finance Office for approval and guidance.





# Events

## Sympathy

Can be flowers, fruit arrangement or similar donation in Lieu of flowers is allowable

- May require Administrative or Financial Dean approval
- Gifts must be made on behalf of a Harvard department not an individual (e.g., On behalf of the Controller's Office)
- Per IRS regulations, flowers must adhere to \$100 threshold. Anything over \$100 is considered 100% taxable.

## Celebratory or Morale Building Events

Modest amounts from appropriate funding sources to recognize employees or a department are allowable under certain circumstances.

- Celebrations for departing or entering employees
- Occasional employee morale-building events (e.g., department wide luncheon, summer employee picnic, etc.)
- Holiday/Seasonal Parties
- Mark achievement of a major department goal



# Gifts to Nonemployees

These gifts should be motivated by detached or disinterested generosity or respect, admiration, charity or like sentiment. Gifts may not be given in lieu of payment for services or as a quid pro quo (this for that).

- Gifts must be valued at \$100 or less
- Both tangible gifts and gift certificates are allowable
- Totals cannot exceed \$600 or more in a calendar year
- Students who have held a Harvard job in the current year are considered employees and the gift is taxable.

## Gifts to Donors

- Should stay within the \$100 threshold if at all possible
- If exceed the threshold, follow school or unit guidelines
- Cannot exceed \$600 in a tax year

## Human Subject Payments

- Thresholds mirror the Human Subject Payment Policy

## Host/ess Gift

- Employees who stay in a private residence with relatives or friends while traveling on business may be reimbursed for one appreciation gift for their host per visit, valued at \$100 or less (including tax or any other charges).



# Gifts to Nonemployees, continued

## Random drawings or door prizes

- Random drawings or door prizes are not considered gifts but should follow the same thresholds. IRS treats raffles as a form of lottery which is taxed differently than a gift.
- Survey that allows participants to put their name in for a random drawing.



# Accounting for Gifts

## Charge Appropriate Funding Source

- Federally sponsored funds must never be used to charge employee or nonemployee gifts.
- Non-federally sponsored funds may be used only if the expense is allowable under the terms of the award.
- Restricted funds may be used only if within the fund terms.
- Departmental unrestricted funds may be used at the discretion of the department, if the budget allows and within the boundaries of this policy.

## Gifts to Harvard Staff from 3<sup>rd</sup> Parties

Harvard personnel must avoid an actual or perceived conflict of interest when accepting gifts from third parties in connection with their Harvard work. Employees who make purchasing decisions are encouraged to use particular care when accepting gifts from vendors.

Employees should notify their supervisor when they are given a gift of greater than nominal value (meaning an item more substantial than standard giveaway items like t-shirts, keychains, mugs, etc.) from a third party in connection with their Harvard work. Local policies may apply; contact your tub Finance Office for more information. See the [Policy on Conflicts of Interest and Commitment for Senior Staff](#) for additional guidance.







# Corporate Card and Travel Policy



## Harvard Card Program Quick Reference Guide

Contact your local Finance Office for school or unit-specific requirements

TYPE OF CARD	PURPOSE	PROPER USES	PROHIBITED USES (SEE SPECIFIC POLICY FOR FULL DETAILS)	BILLING, PAYMENT & LIABILITY
Purchasing Card <a href="#">PCard Policy</a> 	Issued to staff, faculty, affiliates, some graduate or undergraduate students (with financial dean approval).  Low-dollar, high-volume purchases not available through HCOM.	<ul style="list-style-type: none"> <li>Miscellaneous supplies not available through HCOM</li> <li>Conference fees</li> <li>Professional membership fees</li> <li>Subscriptions</li> <li>Taxis (including UBER)</li> <li>Sedan Services</li> <li>Business meals &amp; allowable entertainment <b>in the Boston/Cambridge area only</b></li> </ul>	<ul style="list-style-type: none"> <li>Personal expenses</li> <li>HCOM supplier purchases</li> <li>Travel expenses</li> <li>Cash advances</li> <li>Prescription drugs, controlled substances, or hazardous materials</li> <li>Gift cards or gift certificates</li> <li>Gifts over \$100</li> <li>Rental cars (includes Zip Car)</li> <li>Payments to independent contractors</li> </ul>	<ul style="list-style-type: none"> <li>University billed</li> <li>Centrally paid</li> <li>University liability</li> </ul> <p>Single purchase limit &amp; monthly spending limits.</p>
Corporate Card <a href="#">Travel Policy</a> 	Issued to staff & faculty for reimbursable expenses incurred while traveling or conducting approved University business.	<ul style="list-style-type: none"> <li>Lodging</li> <li>Ground transportation</li> <li>Reimbursable meals</li> <li>Airfare</li> <li>Conference fees</li> <li>Other allowable Harvard Business Expenses</li> </ul>	<ul style="list-style-type: none"> <li>Personal expenses</li> <li>Payments to independent contractors</li> <li>Late fees</li> </ul>	<ul style="list-style-type: none"> <li>Individually billed</li> <li>Direct payment of approved expenses to Citibank via Concur</li> <li>University &amp; Cardholder jointly liable</li> <li>Payments must be made within statement date to avoid late fees, within 90 days to avoid individual tax liability.</li> </ul> <p>Monthly spending limits.</p>
Declining Balance Card <a href="#">Declining Card Program Information</a> 	Card issued under an individual's name (including students), <u>but</u> must have a university employee assigned as a department administrator. May be used for purchases associated with approved activities with set budgets.	<ul style="list-style-type: none"> <li>Food for on-campus meetings</li> <li>Local student transportation</li> <li>Per diems for athletes</li> <li>Approved travel</li> <li>Tub can restrict spending types (MCC Codes)</li> </ul>	<ul style="list-style-type: none"> <li>Payments to independent contractors</li> <li>Late fees</li> </ul>	<ul style="list-style-type: none"> <li>Parent account billed</li> <li>Payment through B2P</li> <li>University liability</li> <li>Payments must be made within statement date</li> </ul> <p>Set card spending limit (does not refresh monthly)</p>
Department Card <a href="#">Department Card Information</a> 	Card issued under a department's name, <u>but</u> must have a university-employee assigned as a department administrator. May be used for travel expenses for guests & employees who do not have Corporate Cards as well as Department expenses which cannot be put on a PCard,	<ul style="list-style-type: none"> <li>Lodging</li> <li>Ground transportation</li> <li>Reimbursable meals</li> <li>Airfare</li> <li>Conference fees</li> <li>Meeting deposits &amp; charges</li> <li>Tub can restrict spending types (MCC Codes)</li> </ul>	<ul style="list-style-type: none"> <li>Personal expenses</li> <li>Business supplies &amp; services eligible to be purchased via B2P or PCard</li> <li>Payments to independent contractors</li> <li>Cash advance</li> </ul>	<ul style="list-style-type: none"> <li>Individual account billed</li> <li>Direct payment of approved expenses to Citibank via Concur</li> <li>University liability</li> <li>Payments must be made within statement date to avoid late fees</li> </ul> <p>Monthly spending limits.</p>

Contact your local card administrator or see [cardservices.harvard.edu](http://cardservices.harvard.edu) for additional information or [pcard@harvard.edu](mailto:pcard@harvard.edu) [fad\\_corporatecard@harvard.edu](mailto:fad_corporatecard@harvard.edu)



# Harvard Issued Cards

Individuals who hold Harvard-issued credit cards (e.g., Travel & Entertainment Cards, PCards, Department Cards or other) agree to follow applicable terms and conditions of the cardholder agreement.

Two key points regarding University cardholders:

- **Harvard-issued credit cards should be used solely for Harvard business-related expenses.** Inadvertent personal use of a Harvard-issued credit card should be rare and should result in prompt identification and payment of the respective charges.
- **Cardholders are responsible for all transactions charged to their Harvard-issued credit card.** Cardholders have a responsibility for validating the reasonableness of all charges made using their Harvard-issued credit cards before submitting expense reports for payment. While detailed reconciliation, account coding and settlement of charges is most often undertaken by designated administrative staff, cardholders should confirm that all charges are proper and appropriate.

It is essential that Harvard's resources are used prudently, in accordance with sponsored guidelines, donor expectations and within the requirements of the regulatory environment in which we operate. We are all stewards of such resources and have a responsibility to employ the highest ethical standards.

If you are unsure if an expense qualifies as a Harvard-related business expense or need further advice on the use and oversight of a Harvard-issued credit card, please contact your local school or unit's Finance Office.

**Per Harvard's PCard Policy and Card Application Agreements, improper use of Harvard Cards, including for personal purchases, require full reimbursement to Harvard of the amount inappropriately charged. A Cardholder may also be subject to disciplinary action up to and including termination of employment.**



# Travel Documentation Requirements for Harvard Faculty, Staff, Students, and Researchers

## Effective for Travel on or After 10/29/2021

Traveler Type	Documentation Requirements	
	U.S. Travel	International Travel
Harvard faculty Harvard staff Harvard students Harvard researchers (e.g., employee postdocs)	<ul style="list-style-type: none"> <li>All appropriate receipts following University and local policy</li> <li>Copy of the <a href="#">Vaccination Attestation</a>, OR email approval for travel from the Office of Vice Provost for International Affairs (OVPIA) after completing the <a href="#">Travel Petition</a> process (required for each time you travel)</li> </ul>	<ul style="list-style-type: none"> <li>Register with <a href="#">International SOS</a> PRIOR to travel and include auto-generated email confirmation</li> <li>All appropriate receipts following University and local policy</li> <li>Copy of the <a href="#">Vaccination Attestation</a>, OR email approval for travel from the Office of Vice Provost for International Affairs (OVPIA) after completing the <a href="#">Travel Petition</a> process (required for each time you travel)</li> </ul>
Postdocs or other fellows/stipendees (e.g., external postdocs, student travel grants)	<p>Nonemployee Reimbursement (NR)</p> <ul style="list-style-type: none"> <li>All appropriate receipts following University and local policy</li> <li>Copy of the <a href="#">Vaccination Attestation</a>, OR email approval for travel from the Office of Vice Provost for International Affairs (OVPIA) after completing the <a href="#">Travel Petition</a> process (required for each time you travel)</li> </ul> <p>Payment Request for Fellowship/Stipend/Grant (PR)</p> <ul style="list-style-type: none"> <li>Submit any required <a href="#">pretravel waivers</a> and other documentation to awarding department prior to travel.</li> </ul>	<p>Nonemployee Reimbursement (NR)</p> <ul style="list-style-type: none"> <li>Register with <a href="#">International SOS</a> PRIOR to travel and include auto-generated email confirmation</li> <li>All appropriate receipts following University and local policy</li> <li>Copy of the <a href="#">Vaccination Attestation</a>, OR email approval for travel from the Office of Vice Provost for International Affairs (OVPIA) after completing the <a href="#">Travel Petition</a> process (required for each time you travel)</li> </ul> <p>Payment Request for Fellowship/Stipend/Grant (PR)</p> <ul style="list-style-type: none"> <li>Submit any required <a href="#">pretravel waivers</a> and other documentation to awarding department prior to travel.</li> </ul>

See the [Travel Guidance](#) page for details and an FAQ. Internationally, review [Global Support Services guidance](#) to develop a safe travel plan.

# Travel and Reimbursement Policy

For Harvard to reimburse an expense without tax implications, the expense must be:

- Ordinary – common and accepted in the normal course of University activities;
- Necessary – appropriate in nature and amount;
- Business-Related – not a personal expense;
- Must be substantiated – documented with receipts and business purpose
- Reimbursement request must be submitted timely (90 days); regardless if charged to corporate card or out-of-pocket.
- Amount reimbursed can't exceed actual expense

As of October 29, 2021, the below must be included in reimbursement requests for all Harvard faculty, staff, students, and researchers:

- Vaccination Attestation Form or petition approval documentation (if not vaccinated), AND
- If traveling internationally, email registration confirmation from International SOS

School and units may have more restrictive policies, contact your local finance office for details.

No policy can address every scenario, where unusual circumstances arise, the spirit of the policy – and the good judgement – should prevail.



# Travel and Reimbursement Policy

## Use [Preferred Vendors](#)

### Preferred Travel Agencies/Egencia

- Greater value
- Negotiated pricing
- Duty of care
- Feeds to Harvard Travel [International SOS Program](#) and allows one stop shopping – one call for air, hotel and car reservations (when using preferred ag
- Help with Fly America and Open Skies Acts (requirement for federal or cost-share funds or expenses transferred to federal awards).
- Purchasing tickets with specific airlines entitle you to special benefits and savings such as help with seat availability (reservations made with specific airlines do not automatically enroll you in the [International SOS Program](#) ).

### Car Rentals:

- Car rental vendors and/or sedan services offer discounted rates which often include the insurance coverage required by the University

**Hotel Vendors:** Harvard has discounts at local properties in the Cambridge/Boston area, as well as with select chains including:

- Choice Hotels – 20% off best available rate.
- Club Quarters – offers low “fixed” rates to member organizations
- Marriott Hotels – 10% discount
- Wyndham - up to 20% off the best available rate



# Flights – Not charged to Federal Awards

	Scheduled air time <sup>(1)</sup> of trip is six (6) hours or less AND will not be charged to a federal award	Scheduled air time <sup>(1)</sup> of trip is more than six (6) hours AND will not be charged to a federal award
Domestic Air Travel inside the contiguous 48 United States	Lowest-priced non-stop economy class airfare only	
Air Travel Involving <ul style="list-style-type: none"> <li>• Alaska</li> <li>• Hawaii</li> <li>• Canada</li> <li>• Mexico</li> <li>• U.S. Territories and Possessions<sup>(2)</sup></li> </ul>	Lowest-priced non-stop economy class airfare only	Lowest -priced non-stop business class if permitted by local policy and budget
Air Travel Involving an international location OTHER THAN Canada and Mexico	Lowest -priced non-stop business class if permitted by local policy and budget	

<sup>(1)</sup> Air time means the amount of time a traveler is in the air. The air time of connecting legs can be added together to yield the total air time of a trip. Time spent on a stopover/layover does not count towards total air time

<sup>(2)</sup> U.S. Territories and Possessions: Puerto Rico, American Samoa, Guam, the U.S. Virgin Islands and Baker, Howland, Kingman Reef, Jarvis, Johnston, Midway, Palmyra, and Wake Islands





## Air Travel Guidelines at a Glance

Harvard strongly encourages travelers to book airline tickets through one of Harvard's [preferred travel agencies](#) and to use [preferred airlines](#). Preferred agencies and airline vendors may provide additional value (e.g., after hours access, fare discounts, free priority seating, boarding or re-accommodation), etc. See the [Travel Policy](#) and FAQ for additional guidance.

	Federal Funds (Including Federal Cost-Share Funds)			Non-Federal Funds / University Funds (If no additional local unit or fund restrictions apply)		
	Domestic Air Travel inside the contiguous 48 United States	Air Travel Involving Canada, Mexico, Alaska, Hawaii, or U.S. Territories and Possessions when flying to, from, or within these locations	International Air Travel with destination and/or origin outside the United States and its territories and possessions	Domestic Air Travel inside the contiguous 48 United States	Air Travel Involving Canada, Mexico, Alaska, Hawaii, or U.S. Territories and Possessions when flying to, from, or within these locations	International Air Travel with destination and/or origin outside the United States and its territories and possessions
Lowest economy class airfare <sup>1</sup>	Required	Required	Required	Required	Allowed within policy	Allowed within policy
Business class if single non-stop flight leg is more than six (6) hours <sup>2</sup>	Not Allowed	Not Allowed	Not Allowed	Not Allowed	Allowed within policy	Allowed within policy
U.S. Flag Carrier unless qualify for an exception as noted in the <a href="#">Fly America Act</a> <sup>3</sup>	Required	Required	Required			
<a href="#">Open Skies Agreement</a> (exception to Fly America which is an agreement between the US and a foreign government) <sup>4</sup>	Required	Required	Required			

<sup>1</sup> Harvard defines lowest economy class airfare (sometimes called coach, standard economy fare class or base airfare) to include a reserved seat, one personal item, one carry-on bag, and one checked bag. Where there is a high likelihood that the itinerary may change; it is appropriate to purchase a refundable (unrestricted) ticket. Include in the business purpose section of the reimbursement request the reason for purchasing a refundable ticket. Under extenuating circumstances certain exceptions may apply (e.g., documented medical reasons, circuitous routing, etc.). For Federal or cost share funds see [Federal Lowest Economy Airfare Travel Reimbursement Exception Form](#) or [Travel Policy](#) for additional details.

<sup>2</sup> Under extenuating circumstances certain exceptions may apply (e.g., documented medical reasons, circuitous routing, etc.). For Federal or cost share funds see [Federal Lowest Economy Airfare Travel Reimbursement Exception Form](#) or [Travel Policy](#) for additional details.

<sup>3</sup> When a non-U.S. flag air carrier is used for travel charged to federally-sponsored or cost-share awards, a [Fly America Travel Reimbursement Exception Form](#) must be completed. If not completed appropriately, the expenses must be charged to a nonfederal award.

<sup>4</sup> An exception to Fly America is when an [Open Skies Agreement](#) is in place between the U.S. government and the government of a foreign country, with the exception of Department of Defense funds. See [Open Skies Document](#).



# Flights – Charged to Federal Awards

Harvard's air travel restrictions differ depending upon the source of the funding used for travel: federal vs non-federal. Generally, travel on federal funds is more restrictive. See the [Flight Checklist when using Federal or Cost Share Funds](#).

Lowest economy fare class\* on U.S. Air Carriers is required for travel charged to federal awards. Non U.S. Carriers are allowed only with approval of the [Fly America Travel Reimbursement Exception Form](#).

Business class or upgraded economy travel is NOT allowed as a direct charge to a federal award unless an exception is approved using the [Federal Lowest Economy Airfare Travel Reimbursement Exception Form](#). To qualify one of the following must be met:

- Requires circuitous routing;
- Requires travel during unreasonable hours;
- Excessively prolongs the travel;
- Results in additional costs that offset savings;
- Cannot reasonably accommodate the traveler's medical needs.

\*Harvard defines lowest economy class airfare (sometimes called standard economy fare class or base airfare) to include a reserved seat, one personal item, one carry-on bag, and one checked bag.



# Meals

## Individual Meals

- Travelers will be reimbursed for reasonable individual meal expenses while traveling on University business. Travelers are expected to use their best judgement when incurring meal expenses.
- Per IRS regulations, the University does **not** reimburse individual meal expenses for one-day travel, except when the travel time is greater than 12 hours.
- Itemized receipts for individual meals are **encouraged** regardless of amount.

## Business Meals

- Business meals are meals with faculty, staff, students, donors, or other external parties during which specific documented business discussions take place.
- The business purpose for the meal expense must include the names of all attendees (if fewer than five guests; otherwise list the total number of guests), their connection to Harvard and the business conducted during the meal.

## Alcohol

Business meals that include alcohol must have an itemized receipt, should be kept to a minimum, and must be charged to object code 8450. Alcohol is **not allowed** as a charge on a federal award. The following must be followed if an itemized receipt is not available.

- If the meal did not include alcohol, the reimbursee must attest that no alcohol was charged (on the receipt and in Concur).
- If the meal did include alcohol and the reimbursee can attest in writing to the alcohol cost, then the alcohol portion with applicable tax and tip must be charged to object code 8450. No alcohol may be charged to a federal award.
- If alcohol was included and the reimbursee cannot attest to the alcohol cost, then no portion of the meal cost can be charged to a federal award. For all other funding, the invoice should be prorated with a percentage of the alcohol charged to object code 8450. Schools may set their own prorated amounts as long as they are consistent, usually between 20-35% for alcohol and the balance for the meal.



# Hotels and Housing

- Travelers are expected to stay in standard, single-occupancy rooms where available.
- Exercise fiscal responsibility when choosing hotels.
- It is strongly recommended that travelers book lodging with one of Harvard's preferred vendors.
- Travelers may stay in rental accommodations (e.g., VRBO or Airbnb) if the total cost is less expensive than a hotel stay in a standard, single occupancy room. While people may choose to use Airbnb or VRBO at their (or the school's) discretion and if the funding allows, they cannot be compelled to do so. Harvard's stance is that we will reimburse with proper documentation, but does not endorse use of Airbnb or VRBO's.
- If travelers choose to stay in a rental accommodation (VBRO, etc.), they must provide documentation of the rental accommodation's lower cost.

## Not allowed

Charges for room-upgrade or guest club fees. Free upgrades are allowed, but must be noted on the report to avoid confusion when auditing.

Rooms purchased through frequent-guest credits.

Personal expenses like in-room movies, golf fees, or health club/exercise room fees.

Lodging for trips of less than 50 miles one-way (determined from the traveler's place of business, not home) unless for business-related extenuating circumstances



# Ground Transportation and Parking

Travelers are expected to use fiscal responsibility when traveling to and from air, bus, or rail terminals.

Taxis/Uber/Lyft, etc. are common choices; travelers should also consider public transportation options and shuttle services. While people may choose to use UBER and Lyft at their (or the school's) discretion and if the funding allows, they cannot be compelled to do so. Harvard's stance is that we will reimburse with proper documentation but does not endorse use of Lyft or UBER.

Private sedans, Uber Black, or other car services may not be used to attend meetings on or around campus. Limousine expenses are prohibited.

Personal car is allowable when the expenses do not exceed the cost of rental or cabs.

- Gas expenses will not be reimbursed in lieu of miles.
- Insurance on a personal car, and any liability from inadequate insurance coverage, is the responsibility of the traveler, not the University.
- Travel to and from the airport using a personal car may be reimbursed.

## Rental Car

- Use a preferred vendor when possible.
- Use Harvard's corporate account numbers to receive negotiated rates and insurance coverage.
- Select a vehicle class that is consistent with business needs (usually a compact or mid-size).
- Free vehicle upgrades are often available through Harvard's preferred vendors. Free upgrades should be noted in the reimbursement request.



# External Organizations

## Payments by outside organizations

- Individuals should not seek payment from Harvard for business-related expenditures that will be reimbursed from another source. Where travel and other expenses will ultimately be paid by a third party, travelers should seek reimbursement directly from the third party.
- Under extenuating circumstances, such as uncertainty regarding the outside organization's willingness to pay or a multi-leg trip with expenses payable by Harvard and an outside entity commingled, Harvard may reimburse an individual for some or all expenses with Financial Dean approval.
- Under no circumstances will Harvard provide up-front payment for expenses that are not related to University business, even if the recipient intends to later reimburse Harvard.





# Travel and Card Services:

## <https://travel.harvard.edu/policies-reimbursement>

Harvard Travel Services Contact

Booking International **Policies & Reimbursement** Concur Meetings Resources

HOME /


### Policies & Reimbursement

The links below will direct you to Harvard's travel policies, payment options and reimbursement information.

### Travel Policies & Procedures

Description	Link
Harvard Travel Policy	<a href="#">Go</a>
Required use of Egencia for University-funded Air Fare for Central Administration Travelers	<a href="#">Go</a>
Sponsored Travel Policy	<a href="#">Go</a>
Parking Object Code Guidance	<a href="#">Go</a>


VISIT HARVARD TRAVEL PORTAL



Go to the [Harvard Travel Portal](#) >

Card Services Contact

HOME PCard Corporate Declining Balance Department Resources



## Welcome to Card Services

Card Services administers and provides support for the Harvard University payment card programs

---

#### ABOUT CARD SERVICES

Card Services administers the University payment card programs. The University offers two primary card options for eligible faculty and staff who travel or purchase goods and services on behalf of their department: a Purchasing Card (PCard) and a Corporate Card.

Harvard Purchasing Cards ("PCards") are University-liability payment cards issued in the names of authorized, trained individuals to purchase certain eligible goods and services in support of Harvard University business.

#### WHAT'S NEW

**Card Program Matrix**

Card Services has created a [card program matrix](#) showing the different card programs available for business use.





# Global Support Services: <https://www.globalsupport.harvard.edu/travel-tools>



HARVARD  
Global Support Services

[Register Travel](#) ✈️ [In an Emergency](#) + [Travel Forms](#) 📄

- TRAVEL TOOLS
- MANAGE PROJECTS
- RESOURCES
- NEWS & ADVICE
- ABOUT
- 🔍

## Travel Tools

### Travel Tools

- Risk Ratings
  - List Protocol
- Register International Travel
  - Registering Groups & Others
  - Travel Registration FAQs
- Emergency Response Program
  - Services
  - Eligibility
  - Check Your Eligibility
  - Country Guides & Alerts
  - Assistance App

[Home](#) » [Travel Tools](#)

## Travel Tools & Resources

International travel requires careful planning, even for seasoned travelers. Use our tools and resources to inform your pre-departure planning and ensure you have a safe and rewarding trip abroad.

- Before you leave**
- While traveling

### A Checklist Before You Leave

	Review risk ratings and travel policies
	Research your destination
	Register your trip
	Learn about International SOS
	Check visa requirements

### New Emergency Response Program

International SOS is Harvard University's new provider for travel registration and global emergency response.

[Learn More](#)

### News & Advice

- How to Travel with Medication
- 5 Visa & Passport Tips
- 3 Mobile Phone Options Abroad
- How to Protect Your Data Abroad



# Buy to Pay (B2P)

<https://b2p.procurement.harvard.edu/>

Harvard Strategic Procurement

HOME Harvard (Internal) For Vendors Supplier Diversity Buy-to-Pay

HOME /

**buy<sup>2</sup>pay**  
HARVARD UNIVERSITY

Training Links

Click to visit B2P Updates Blog

Click below to access online training, quick reference guides, video tutorials, and more training resources.

eProcurement/AP Contract Management Supplier Portal Sourcing

**Shop!**  
Create POs, PRs, NRs. Manage invoices, receipts, and reports

Create and upload contracts to the repository

Set up and invite suppliers to B2P

Conduct RFPs, RFIs, and other sourcing events

LOG IN TO BUY-TO-PAY

Click to Access B2P

**Quick Start Guides**  
New users start here! The guides below summarize key activities for each role.  
(Visit eProcurement/AP training page for Quick Reference Guides that cover specific topics.)



# Reference Materials

[Business Expense Reimbursements Policy](#)

[Buy to Pay Materials and Forms](#)

[Definition of Receipts](#)

[Employee and Nonemployee Gifts and Celebratory Events](#)

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

[Fellowships Toolkit](#)

[Fraud Awareness and Reporting](#)

[GLACIER Instructions](#)

[Harvard Training Portal](#)

[Honoraria and Reimbursements for Foreign Nationals](#)

[Independent Contractors](#)

[Policy on Responsibilities of Purchasers, Preparers and Approvers](#)

[Procurement Policy and Procure to Pay Manual](#)

[Harvard Training Portal – On-Line Training - Introduction to ROPPA](#)

[Reference Guide for Purchasers and Reimbursees](#)

[Sponsored Program Policies](#)

[Sponsored Travel Guidance and Resources](#)

[Supplier Set-Up Materials \(B2P\)](#)

[Training Portal](#) –Including ROPPA Training, IC Training, etc.

[Travel Policy](#)

For policy questions contact your local finance office or [financialpolicies@harvard.edu](mailto:financialpolicies@harvard.edu)

[Accounts Payable/B2P](#): [ap\\_customerservice@harvard.edu](mailto:ap_customerservice@harvard.edu) or 617-495-8500 option 1

[Supplier setup](#): 617-495-8500 option 3 or [vendorsetup\\_ufs@harvard.edu](mailto:vendorsetup_ufs@harvard.edu)

[Nonresident Aliens or GLACIER](#) see: 617-495-8500 option 2 or [nrtax\\_ufs@harvard.edu](mailto:nrtax_ufs@harvard.edu) or set up a [virtual appointment](#)

PCard questions or issues [pcard@harvard.edu](mailto:pcard@harvard.edu)

Corporate Card questions or issues [fad\\_corporatecard@harvard.edu](mailto:fad_corporatecard@harvard.edu)

Reimbursement or Policy questions or issues [fad\\_travelmgr@harvard.edu](mailto:fad_travelmgr@harvard.edu)

[Travel, Reimbursements, and Card Services](#): 617-495-8500 option 2

