Use of Department Funds Policy

Policy Overview
HUIT will directly pay or reimburse valid and properly substantiated business expenses for activities that benefit the University and are necessary and appropriate in the conduct of University business. Such expenses include direct payments to vendors for goods and services and reimbursements to employees for travel, meals, and entertainment related to University activities. Managers should be sensitive to the fact that incurred business expenses are passed along to University departments and are therefore encouraged to proactively seek cost saving alternatives when making business decisions.

Please note that the portion of this policy related to Student and Coop employees can be found under the Celebratory Events Section.

Reimbursements for ALL out of pocket expenses must be submitted within 60 days from the date of expenditure.
Use of Department Funds Policy

Personal expenses, including payment or reimbursement for activities that benefit an individual, will not be paid or reimbursed to HUIT staff.

General Use of Department Funds
The following sections list some of the most commonly incurred business expenses within HUIT. In all cases management approval is required prior to the expense being incurred. Please refer to the University’s online policy for a full listing of personal and unallowable expenses.

Supplies
Office, printing and other supplies needed to perform daily job functions are part of the cost of doing business. HUIT has adopted a program whereby one assigned person (Shopper) in each building orders and manages a standardized inventory of supplies purchased from University preferred vendors. HCOM (Harvard Crimson Online Marketplace) is the procurement system that has to be used for the purchase of all HUIT departmental supplies. The following table lists designated individuals by location.

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Julianna Stowe</td>
<td>60 Oxford Street</td>
</tr>
<tr>
<td>Maggie Ronald</td>
<td>Smith Center UCIO 1350 Mass Ave</td>
</tr>
<tr>
<td>Karen Ela</td>
<td>8 Story Street</td>
</tr>
<tr>
<td>Julie DiMilla</td>
<td>1230 Soldiers Field Road</td>
</tr>
<tr>
<td>Katie McNaught</td>
<td>1033 Mass Ave &amp; 65 Rear Mt. Auburn Street</td>
</tr>
<tr>
<td>Alex Butzbach</td>
<td>60 Oxford Street - Dev Ops, 50 Church St. 1430 Mass Ave. 8 Story St 5&amp;6 FL</td>
</tr>
<tr>
<td>Peg Davis</td>
<td>1414 Mass Ave, Science Center</td>
</tr>
</tbody>
</table>

The following University guidelines should be followed when ordering supplies:
- Buy in bulk when appropriate
- Choose generic brands
- Adopt a standard list of office and printer supplies
- No exceptions for unique “high-end” products
- Identify best price when placing order, as prices may fluctuate
- Consolidate orders across the organization to achieve volume discounts and/or economies of scale
- Use preferred vendors from HCOM.
- Review vendors periodically for cost, support and service
- Recycle and reuse supply items (e.g., paper, printer cartridges, binders, folders) whenever possible

Below are additional best practices to follow for printing when possible:
- Print documents double-sided and in black ink
- Limit external printing and binding jobs
- Use network printers rather than having an individual one
- Consider electronic distribution and/or review versus printing documents

All items outside of the standard supply list require the appropriate Director’s preapproval and must be billed directly to the requesting business budget.
Parking Expenses
Whether driving personal or business vehicles, employees are required to park in valid, legal parking spots at all times, both on and off campus. HUIT will not directly pay for or reimburse incurred parking fines. However, under certain circumstances, HUIT does reimburse for valid parking expenses. In such cases, employees must get prior management approval and submit a reimbursement through Concur.

Annual Parking Passes
Harvard employees (such as network and telecommunications technicians) who use a personal vehicle to perform their job may apply for reimbursement for a mobile parking pass to park in multiple Harvard garages or lots. HUIT does not reimburse the cost of annual parking passes for staff that only occasionally use their personal vehicle to attend meetings in other areas of the University.

NOTE: Staff that work in Cambridge/Allston and park in the Harvard Square area for meetings or training must do so at their own expense. HUIT will not reimburse for parking in Cambridge. Employees can purchase one day passes from Campus Services at their own expense, or if they currently have Harvard parking, they may explore getting a Dual or Mobile Parking Pass, if it is more economical. HUIT will reimburse parking expense within the Harvard Square area if the employee is delivering equipment or is responding to an emergency outage.

Annual parking passes are usually paid for via automatic payroll deduction with pretax dollars. In January (mid-fiscal year), designated employees should complete and submit a reimbursement through Concur, which will be processed through payroll for the full amount of the pass (not grossed up), with the appropriate payroll taxes withheld.

Daily Parking Passes and Fees
HUIT will reimburse employees for daily parking passes or parking fees only when:
- no on-campus parking spots are available, or
- an employee is conducting University business off campus

HUIT will also directly pay for or reimburse the cost of daily parking passes/expenses for non-employees who are visiting for work reasons and park in either a Harvard or Cambridge garage.

Travel Related Expenses
Business travel expenses will be paid by the University if they are reasonable, appropriately documented, and properly authorized.

See “Non-reimbursable Expenses” for those travel and business expenses that are specifically identified by University policy as ineligible for reimbursement. An employee will be responsible for all non-reimbursable expenses, including “out of pocket” and Corporate Card charges, incurred while traveling on Harvard business.

For more information on travel related expenses, see our policy on Travel and Expense Reimbursement.

Meals & Entertainment (Non-Travel Related)
HUIT recommends that individual non-travel related meals do not exceed a cost of $10-$20 for breakfast and $15-$30 for lunch or dinner. Tips included on meal receipts will be reimbursed, and, as a general rule, should not exceed 20% of the bill. When submitting the expense for processing, a written explanation of the business purpose of the meeting must be provided, including names of the attendees, one of whom must be a non-departmental person.
Use of Departmental Funds Policy

Meals
Meals will not be provided to employees during lunch hour meetings, even when it is the only possible or practical time for a group to gather due to schedules. Instead, employees should consider brown bags, potlucks or allotting additional time to pick up lunch.

Meal expenses incurred solely for the benefit of employees during normal working hours, when not traveling, are not reimbursable. In addition, food and related expenditures for events that are not of a clear business purpose or are of a general nature should be borne by the participants and/or organizers of the event.

HUIT will reimburse for non-travel related meals on these occasions:
- Reward or recognition events authorized by the department.
- On or off-campus meetings with work associates (non-employees) to discuss business matters. (The inclusion of University employees should be moderated as much as possible with careful consideration given to other forums for meeting and discussing University business.)
- In-house training or customer working groups with external vendors or customers

Meal costs for social occasions, such as employee birthdays, are not reimbursable. (See the Inappropriate Times to Recognize Staff section of this policy)

Entertainment
Expenses for nightclubs, theaters, or sporting events incurred while entertaining customers, vendors or others, are not allowed and will not be reimbursed to HUIT staff.

Department sponsored recognition programs are covered under the When to Recognize Staff section of this policy. Contact your HR representative for more information.

Alcoholic Beverages
According to Harvard University Policy, the use of alcohol for business entertainment purposes should be kept to a minimum. Employees should be aware that the purchase and use of alcohol places significant legal exposure on the University. HUIT may provide and pay for alcohol at HUIT Department sponsored events (e.g., holiday parties, summer barbeque and, and on rare occasion, at a business meal outside of the normal work day).

In general, alcohol consumption is not recommended during business hours or during business meals taken during the workday. Employees may not keep alcohol in the workplace, either within their work area or within a refrigerator in a common kitchen area. Unconsumed alcohol following HUIT sponsored events should be disposed of or given to HUIT Human Resources for proper storage.

To ensure that alcohol is not charged directly or indirectly to a federal grant or contract, all alcohol related expenses must be charged to object code 8450. If a bill is not itemized and liquor cannot be broken out, then the entire bill should be coded to 8450. Alcohol should never be purchased or served at events that include undergraduate or graduate students.

Recruiting Expenses
HUIT recognizes that efforts to hire and retain talented and competent staff members sometimes require recruiting expenses. Some of the most common include:
- Outside agency fees (usually used to fill highly skilled and/or hard to fill positions)
- Career fairs (to attract college graduates and/or specific industry applicants)
- Help wanted advertisements in local newspapers
- Online job postings (e.g., Monster.com)
Managers should consult and coordinate with HUIT Human Resources regarding the appropriate vehicle to use to fill open positions prior to authorizing expenses.

Other, less frequent recruiting expenses usually occur when a potential employee travels a long distance for an interview. These may include mileage, parking fees, transportation, hotel, tolls, and/or meals. If requested by the interviewee, these expenses are allowable and reimbursable with management approval, and should be submitted on a non-employee expense reimbursement form. A W-9 form must be included so that Harvard AP can set them up in the AP system. These forms with original receipts must be sent to Ahmed Ahmed at 784 Memorial Drive Cambridge MA. 02139

Please note that HUIT does not currently reimburse for relocation expenses.

Training, Professional Development & Conferences
HUIT is committed to giving staff every opportunity to become more effective in their jobs and improve their professional skills. Employees may pursue various educational offerings provided internally (Harvard Center for Workplace Development or CWD) as well as externally (third-party classes, seminars, conferences, certifications such as CPE credits) so long as the training either:

- Directly relates to an individual’s job function
- Advances key priorities or the profile of a department/unit or
- Contributes to an individual’s career development

When considering educational offerings, staff should follow the following best practices whenever possible:

- Pursue online options for training and conferences
- Select internal CWD training before external alternatives
- Attend events at local venues to save travel fees
- Seek group rates for travel and registration expenses
- Limit attendance to one individual who can share knowledge with the team afterwards
- Bring one person in to provide consolidated, university-wide group training
- Ensure certifications are from industry recognized or accredited organizations

Employees must fill out a Conference Seminar & Travel Request Form in advance. Out of pocket expenses associated with the above should be submitted with management approval for reimbursement. Please note that per IRS regulations, meal reimbursement for one day travel (less than 12 hours) is not available.

Business directors should review departmental training plans on an annual basis.

Dues & Initiation Fees
HUIT pays dues and initiation fees for University, department-wide, and individual memberships to professional organizations as long as membership is required for job functions and provides the University benefits such as:

- Access to industry data (e.g., benchmarking information) through publications and/or websites
- Networking opportunities with other industry members at conferences and seminars
- Representation at conferences and other trade or business events

Wherever possible, staff should pursue cost-saving methods including:

- Electronic versus paper membership
- Multi-year arrangements to lock pricing
- Collaboration with other departments to achieve volume discounts
- Singular hardcopy subscriptions that can be shared between staff members
Use of Departmental Funds Policy

Individual dues/memberships exceeding $500 require prior approval of the appropriate Managing Director.

The University does not reimburse social or country clubs memberships.

Subscriptions and Books
Harvard University will pay for subscriptions to publications and books that are business or trade related. Expenses must have management approval prior to processing. Personal reading materials (books, magazines, newspapers, etc.) will not be reimbursed.

Uniforms/Business Logo Clothing
If employees are required to wear uniforms as part of their job (e.g. so that customers can easily recognize staff members of a specific business by a particular article of clothing), HUIT will directly pay or reimburse the cost of the uniform if management approves the expense.

Business unit managers who wish to purchase non-job-required uniforms or business logo clothing for employees should be aware that the added expense will be passed on to customers. In addition, while logo clothing may improve morale, managers should be sensitive to the fact that due to financial constraints not all HUIT organizations can afford this added expense.

Non-job-required clothing in excess of $75 per employee is considered a gift of tangible property and must be reported as income. Please contact the HUIT Human Resources Department at 617-495-5314, so they can fill out an Extra Compensation form and forward it to Harvard University Payroll for processing. Payroll will include the dollar value on the employee’s year-end W-2 form.

Furniture and Space Renovation
Staff should direct requests for furniture (small renovations, minor remodeling, fixtures, appliance purchases and so on) to HUIT Facilities Services, which will search HUIT inventory or else procure items from a University preferred vendor. Please consider recycled and refurbished furniture options and avoid high-end products (e.g. wood paneling).

All space related projects should be coordinated through HUIT Facilities. Local groups planning on engaging in space projects should contact May Woo. All requests will be reviewed by Campus Services, Harvard Planning & Project Management (HPPM) and Financial Strategy & Planning, all of whom will provide feedback to the EVP prior to final approval on all proposals.

Personal/Miscellaneous Expenses
In addition to all previously listed unallowable expenses, other expenses exists, which Harvard University considers personal costs, and therefore not reimbursable. These include:

- Clothing or toiletry items
- Babysitting fees
- Golf fees
- Corporate card delinquency or finance charges
- Massages

Sympathy (Death in the Family or Serious Illness)
Upon the death or serious illness of an employee or the immediate family member of an employee, appropriate gifts may include:

- Memorial
- Donation to a charity (see below for additional information required)
- Flower arrangement or food/fruit basket
Use of Department Funds Policy

HUIT suggests a charitable donation in the amount of $50 – which must be charged to object code 8454. Please note that all donations to charitable organizations require a memo signed by HUIT’s Financial Dean containing the following:

- Name and address of charity to receive donation
- Name of the deceased
- Gift recipient’s name and address

All requests for a donation must be requested through Stacey Yesenosky in HUIT HR.

Please refer to the University-wide Business Expense Policy for more information on sympathy contributions and donations.

Work Related Achievements & Other Events

HUIT acknowledges that from time to time, expenses associated with specific work-related achievement or other events (e.g. gifts or celebratory activities) should be paid for by the organization. Things to keep in mind when planning an event:

- Think holistically. For instance, if you are having a function to reward part-time employees, be sure to invite all such employees to this single event, rather than having multiple rewards for different groups or categories of staff.
- When planning specifics for your event, be sure to assess that no part of the event could be considered offensive to any staff (including decorations, themes, awards, or gifts.)
- This reward should not duplicate any department-wide functions already in place (holiday party, school/fiscal year end thank you.)
- No alcohol at lunches or any events that include students.
- Expenses associated with the above examples and other morale-building occasions are reimbursable and must be charged to object code 8450.
- The use of Harvard preferred vendors for catering (e.g. Crimson Catering) is strongly encouraged. The current dollar threshold for such events is $15 per person.

When to Recognize Staff

Examples of appropriate occasions to recognize employees include:

- Mark the achievement of a major departmental goal
- Recognize individual or team performance (excluding job promotions)
- Mark the end of the fiscal year or following fall rush activities
- Honor an employee in connection with a work-related employee recognition program
- Honor a long-service employee with 15 or more years of service
- Honor an employee leaving the department or retiring

Inappropriate Times to Recognize Staff

Celebratory events and gifts that honor individuals for non-work-related achievements or personal events other than sympathy are considered inappropriate occasions to recognize employees and will not be considered for reimbursement. Departments may use personal funds to pay for these and other kinds of staff parties and for gifts at such events. Examples of inappropriate occasions to recognize employees through department sponsored events or gifts include:

- Individual personal achievements or holiday gifts other than sympathy, including:
  - Individual birthday celebrations
  - Weddings
  - Baby showers
  - Housewarmings
  - Graduations
  - Christmas gifts
- Employee job promotion
- Anniversary of date of hire
Use of Departmental Funds Policy

- Festive events/decorations for calendar holidays that are not recognized by the University (e.g., St. Patrick’s Day or Valentine’s Day)

Please refer to the University’s online policy on what may/may not be charged under Employee Gifts and Celebratory Events.

Employee Gift Purchases & Reimbursement
Gifts may be given to recognize employees on appropriate occasions (see above sections on Sympathy and When to Recognize Staff). Gifts may take the form of gift certificates or tangible personal property such as a watch, pen or briefcase.

Gift Thresholds
HUIT recommends a gift amount of $75-$100 for a work related achievement outside of the extra compensation program.

For retirees or employees leaving a department, HUIT suggests the following gift values:
- $150 or less for employees who have worked 5–15 years
- $300 or less for employees who have worked over 15 years

Taxability of Gifts
An employee receiving a gift may have to pay tax on the gift, depending on the type of gift and its value. Employees are obligated to report as income and pay tax on the following:
- Gift certificates of any dollar amount
- Gifts of tangible personal property greater than or equal to $75 (including sales tax, shipping, handling and delivery costs)
- Gifts of tangible personal property greater than $400 to recognize a long-service or retiring employee. (A ‘long-service’ employee is one who has been employed at least five years. Only one gift can be given every five years)

Reimbursement of Tangible Gifts
If you purchase a tangible gift for another employee, which the employee is obligated to report as income, you should obtain a vendor invoice and process and code it to object code ‘8450’.

If you paid for a non-taxable tangible gift using out of pocket funds (personal credit cards only), visit Concur to request reimbursement.

If you paid for a gift that is taxable to the recipient, call HUIT HR and ask them to fill out an Extra Compensation Form (See section on Gift Certificates below for further instructions).

Please refer to the University’s online policy on the taxability of gifts to employees and individuals affiliated with Harvard.

Cash Gifts
All cash gifts issued to employees are processed directly through payroll utilizing the Extra Compensation Form. Please contact the HUIT HR Department at 617-495-5314 to provide the information required to complete the form (including a brief explanation of why the gift will be issued). HUIT HR will complete the form and forward to Harvard University Payroll for processing. The amount will be added to the employee’s next paycheck with the appropriate taxes withheld.

Gift Cards
All gift card/certificates received by employees are taxable and must be reported as income, regardless of the dollar amount issued. The gift card/certificates expense must be charged to object code 8450.
Use of Departmental Funds Policy

To purchase a gift card/certificate for a staff member please contact the HUIT HR Department at 617-495-5314. HR will purchase the gift and the manager will need to provide all information required for completing the Extra Compensation Form (including a brief explanation of why the gift will be issued), HUIT HR will complete the form and forward to HU Payroll for processing. Payroll will add the gift amount to the recipient’s next business check.

For more information, please refer to the University’s online policies on Work Related Achievements and Gifts that are Taxable to Employees.

Celebratory Events

Department-Wide Events
HUIT acknowledges that departments should pay for expenses associated with certain holidays, employee recognition events, morale-building events, and retirement functions. Department-wide events held during the year must have VP approval and may include:

- Holiday party and/or summer barbeque
- Annual meeting
- Town hall meetings

Local Events

Retiring Employees
Managers may elect to hold local events to recognize employees who are retiring or leaving the department. Such an event may include conference or rented room gatherings and may also be catered. In lieu of a larger gathering, managers may elect to have a smaller get-together (e.g. at a local restaurant) for employees who worked very closely with the honoree.

Please contact your Financial Partner for the appropriate cost/spending threshold for a specific event to be held.

Employee Morale-Building Events
Employee morale-building events are excellent opportunities for local departments to provide opportunities for staff to network and share experiences with their colleagues. Examples of these events include:

- Completion of a significant project
- Achieving a project milestone
- Quarterly “break time” morale and networking gatherings
- A luncheon, dinner, or party in connection with a department or local activity (e.g. year-end or fall rush) or an established University-wide holiday

For more information, please refer to the University’s online policy on Holidays or Employee Morale-Building Events.

Student Meals & Group Functions
Occasionally, HUIT staff host a function specifically for students to celebrate an event/achievement or to reward their efforts and hard work. Allowable student functions include:

- A meal during a training period at the beginning of the semester before classes start
- A party at term-end to celebrate efforts of all students or
- A holiday party.

When planning a student event, keep in mind that Harvard University is non-profit business, and funds should be managed conservatively. Work with your Financial Partner to develop a budget and strive to ensure you event stays within that budget. Harvard University currently allows a maximum of $10-$15 per person for student functions, but budget constraints may vary by business group. As a reminder, alcohol should never be served at any student function.
Student Employee Awards/Rewards
Awards and rewards are designed to formally recognize the achievements of an individual in association with a HUIT approved program. Similar to gifts, awards/rewards can be in the form of cash or a tangible item. Before distributing an award/reward, you must submit an award/reward consideration in writing to your group director and Financial Partner and have them sign off on it. Determinations and assessments for award/rewards must be based on a measurable standard and promote equity by including all employees or students within a given group.

Where to Code Allowable Expenses
Once you have determined an expense is valid and reimbursable under the University guidelines and obtained the appropriate management approval, please refer to the HUIT Chart of Accounts publication or ask your Financial Partner for guidance on where to code the expense. The following table lists examples of some of the most commonly used object codes for HUIT allowable expenses.

<table>
<thead>
<tr>
<th>Common HUIT Expense Object Codes:</th>
<th></th>
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<tbody>
<tr>
<td>• Food+Nonalcoholic Beverages, GENERAL</td>
<td>6570</td>
</tr>
<tr>
<td>• Nonlibrary Books+Reprints+Subscriptions, GENERAL</td>
<td>6630</td>
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<tr>
<td>• Office Supplies+Materials, GENERAL</td>
<td>6640</td>
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<td>• Domestic Travel, GENERAL</td>
<td>7650</td>
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<tr>
<td>• Hardware, Software+Network Fees, Repairs, Maint. Svs, GENERAL</td>
<td>8090</td>
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<td>• Parking~Other Svs</td>
<td>8267</td>
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<tr>
<td>• Expenses Ineligible for Fed Reimbursement, GENERAL</td>
<td>8450</td>
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<td>• Telephone+Telecommunications, GENERAL</td>
<td>8510</td>
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<tr>
<td>• Printing+Publishing, GENERAL</td>
<td>8550</td>
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<td>• Training, GENERAL</td>
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<tr>
<td>• Dues+Memberships, GENERAL</td>
<td>8680</td>
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<tr>
<td>• Vehicle Operations, GENERAL</td>
<td>8710</td>
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When to Use Object 8450 and 8454
Federal cost accounting standards require the University to properly classify and account for expenses. These standards apply to all Harvard funds, both sponsored and non-sponsored, and identify categories of expenses that are ineligible for federal reimbursement. The University has established cost accounting policies to ensure compliance with these standards. The following are some common expenses that are ineligible for federal reimbursement and should be charged to the object code 8450:

- Charitable contributions (use 8454)
- Appropriate employee celebratory events (e.g. department-wide luncheon, dinner, or party to mark achievement of a major department goal, or to mark the end of the fiscal year)
- Flowers
- Fines and penalties
- Gifts and awards (both monetary and non-monetary)
- Alcohol, including alcohol purchased with a meal
- General advertising costs to promote a name or organization (not for a specific purpose)

Please refer to the University's comprehensive list of Expenses Ineligible for Federal Reimbursement.

How to Process
Direct payment or reimbursement for approved business expenses can be processed through one or more of the following methods:

- Concur for out of pocket expenses
Use of Departmental Funds Policy

- Corporate Card (except gift certificates)
- PCard (except gift certificates)

Please refer to the individual policy related to the above items for information on how to process these transactions.

**Who to Contact If You Still Have Questions**
If you have questions regarding whether an expense is valid and reimbursable and/or how to process, you should contact your Financial Partner.