Use of Harvard Funds for Business

Policy Statement
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. All staff are responsible to use Harvard funds judiciously and proactively seek cost savings alternates when making business decisions.

Who Must Comply
All staff who are procuring goods and services that benefit Harvard which are either directly paid for or reimbursed by the University.

Guidelines and Procedures
There are some general guidelines and procedures when purchasing goods or services on behalf of the University.

- Staff should familiarize themselves with the HUIT Procurement Policy.
- In all cases management approval is required prior to the expense being incurred.
- Vendor contracts have additional procedures that staff must follow before signing the agreement. HUIT’s Vendor Contract policy provides the steps to be completed.
- Reimbursement for all out of pocket expenses must be submitted within 60 days from the date of expenditure.
- Federal and university policies prohibit some expense types. See the full list here.
- Harvard is an exempt organization and in general should not pay taxes on purchases.
- Harvard does not pay for late fees, fines, or penalties.

Most Common Types of Business Expenses
The following sections list some of the most incurred business expenses within HUIT. Please refer to the University’s online policy website 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 Shopper (see link for list of Shoppers, under Workspace Supply Management Section) in each building orders and manages a standardized inventory of supplies purchased from University preferred vendors. Buy-2-Pay (B2P) is the procurement system that must be used for the purchase of all HUIT departmental supplies.

Below are guidelines that should be followed when ordering and using supplies.
- Buy in bulk when appropriate or combine orders to achieve volume discounts and/or economies of scale.
- Choose generic brands
- No exceptions for unique “high-end” products
- Identify best price when placing order, as prices may fluctuate
- Use preferred vendors
- Review vendors periodically for cost, support, and service
- Recycle and reuse supply items whenever possible
- Print documents double-sided and in black ink
- 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 always, 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.

Parking Expense Exclusions
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. See Harvard Parking office for more information.

HUIT will reimburse parking expense within the Harvard Square area if the employee is delivering equipment or is responding to an emergency outage.

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 nonemployees 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 (Non-Travel Related)
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

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 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.

Non-reimbursable Meals Expenses
There are several scenarios where meals will not be paid for by the University. Any costs incurred are the responsibility of the employee.
- 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.
- 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.
- 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.
- Meal costs for social occasions, such as employee birthdays and baby showers
- Meals reimbursement for one day travel, including for training, is not allowed by the IRS

Entertainment Expenses
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. HUIT Employee Gifts and Celebratory Expenses policy provides information on reimbursable entertainment expenses.

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, on rare occasion, at a business meal outside of the normal workday).

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. The individual must submit a non-employee expense reimbursement form, a W-9 form so that Harvard Accounts Payable can set them up in the procurement system. These forms with original receipts must be sent to Ahmed Ahmed in HUIT Finance Operations.

Relocation expenses for new or existing employees will not be reimbursed.

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 through the Harvard Training Portal as well as externally (third-party classes, seminars, conferences, certifications) so long as the training:

- 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
- Approved by the manager prior to signing up for the course

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

- Pursue online options for training and conferences
- Select internal Harvard 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 to their manager and receive approval before incurring expenses. Out of pocket expenses associated with the above should also be submitted with management approval for reimbursement.

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

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

Social or country club memberships are prohibited.

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
The IRS allows for nontaxable clothing purchases/reimbursements only in very limited situations:
1. the employee must wear the clothes as a condition of employment. It is not enough that the employee wears distinctive clothing to perform their work. Harvard must specifically require the employee to wear the clothing; AND
2. the clothes are not suitable for everyday wear in any situation. It is not enough that the employee does not, in fact, wear the work clothes away from work (e.g., an employee who never wears a business suit on the weekend). The clothing must not be suitable for taking the place of regular clothing in any context.

HUIT does recognize that employees are deployed to different departmental buildings to provide IT services and/or technical support, which requires interaction with various other employees and non-employees. From a security perspective, it can be helpful in identifying HUIT employees by having clothing with a HUIT logo, such as a shirt. In these situations, the clothing does not qualify as an automatic nontaxable purchase. These could be purchased under the employee gift policy which requires that the total amount for each person is $100 or less. The shirts must also be purchased infrequently (e.g. once a year) to be considered qualified (nontaxable) expenses.

Any request for business logo clothing must be pre-approved by HUIT Finance (Christine Oteri or Stephanie Gumble).

Furniture and Space Renovation
Staff should direct requests for furniture (e.g. work stations, chairs, small renovations, minor remodeling and fixtures) to HUIT Administrative Services, which will search HUIT inventory or else procure items from a University preferred vendor. Please consider recycled and refurbished furniture options.

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, there are other costs which Harvard University considers personal expenses, and therefore not reimbursable. These include:
• Clothing or toiletry items
• Babysitting fees
Employee Gifts and Celebratory Expenses
HUIT follows the University guidelines and procedures for employee gifts and celebratory events. These types of expenses include employee recognition, milestone events and sympathy gifts. See the HUIT Gifts and Celebratory Policy for more information.

Where to Code Expenses
Allowable Expenses
Once you have determined an expense is valid or reimbursable under the University guidelines, and have obtained the appropriate management approval, please refer to the most commonly used object codes for HUIT’s allowable expenses. This is only a short list of the most commonly used object codes, therefore ask your Financial Partner for guidance on additional expense codes if needed.

Unallowable Expenses
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
- Flowers
- Fines and penalties
- Gifts and awards (both monetary and non-monetary)
- Alcohol, including alcohol purchased with a meal

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
- Corporate Card (except gift certificates)
- PCard (except gift certificates)
- B2P (procurement of goods and services)

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.