**Steps for Completing a Third Party Reimbursement or Payment**

The following steps are required when processing a payment or reimbursement where another non-Harvard employee party involved needs to be included in the transaction for tax reporting purposes.

**Third Party Reimbursement/Payment:**

Example - A faculty member pays an individual or a company for rent. Harvard has a responsibility to report the income for this person or company via 1099 or 1042s. In order to capture this information, the reimbursement must be processed as a third party payment.

Example – You have paid a travel agency for the fellowship travel of a foreign individual that needs to be recorded for a 1042s:

1. Set up the vendor that has already been paid by the faculty member or fellow as a vendor. They will need to be set up in the vendor database ….(W9, FNIF, ax id or SS#, perm. legal address. etc.), if they’re not already in the system. **This is the Permanent Legal Address.**
2. Add a new site to the vendor in step 1 consisting of the faculty member’s/fellow’s information. **This is the Remit Address.**  **Make sure to choose this site when creating the reimbursement.**
   1. The first line of the address should read “OR PROFESSOR’S/FELLOWS NAME” and then the 3rd party’s (Professor’s/Fellow’s) address. The word “OR” is important, because it allows the 3rd party to cash the check.
3. Use HCOM Payment Request to process the reimbursement/payment using the new vendor site.