

HARVARD
ALUMNI ASSOCIATION



COLLEGE ALUMNI PROGRAMS

Partnered Class Treasury Administration Program Handbook

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Overview

In order to minimize tax issues for class treasurers responsible for class treasuries held in bank accounts, the Harvard Alumni Association (HAA) partners with classes to provide HAA administration of class treasuries.

This handbook outlines the rules, roles and responsibilities involved in partnering with the HAA to administer class treasuries. Please review the information carefully before electing to participate in the Partnered Class Treasury Administration Program.

Classes participating in the Partnered Class Treasury Administration Program agree to the following:

Required Minimum Balance

While there are no specific balance benchmarks required to establish a partnered treasury, under no circumstances may a class incur a deficit.

Authority & Fiduciary Responsibility

All class funds are paid and received by Harvard and subject to Harvard’s control. Class treasurers remain responsible for budgeting and setting dues and fees on behalf of the class, with the HAA advising as needed or requested. Treasurers submit requests for specific transactions, and these are routinely approved, but Harvard reserves the right to approve or deny specific requests and ultimate control over the use of the funds. The treasurer must convey all requests regarding the class account to HAA staff in writing or via email to HAA_CollegeAlumniPrograms@harvard.edu.

Contracts

Contracts must be reviewed and approved by HAA staff before being executed by the treasurer on behalf of the class.

Reunion Budgeting and Accounting

All classes are held to standard Reunion budgeting and accounting practices, regardless of where their treasuries are held. The HAA reunion manager develops and maintains the reunion budget and communicates reunion budgeting guidelines throughout the reunion planning process; final reunion budgets are approved by the treasurer and reunion chairs prior to the opening of reunion registration. All reunion-related expenses will be processed by reunion staff, and committee members are discouraged from making any purchases on behalf of the reunion. Classes remain responsible for reunion deficits and retain reunion surpluses regardless of where their treasuries are held.

Reunion line items are not included in annual or ad hoc treasury reports; rather, the reunion budget is maintained separately, reunion surpluses or deficits are credited or debited, respectively, and a separate report is provided once the reunion budget has been reconciled.

Class Reports Accounting

As of 2016, College Class Reports (AKA "Red Books") are financially managed independently of the reunion budget. Voluntary contributions toward the Reports are tax-deductible, eligible for class credit and added to Classes' reunion gifts. Classes no longer assume responsibility for any Class Report deficits or surpluses, regardless of where their treasuries are held.

Eligible Expenses

Harvard will review each class's requests to ensure that they fall within University guidelines. All invoices must be submitted to the HAA via email (HAA_CollegeAlumniPrograms@harvard.edu) or direct mail for payment within five business days of receipt and are subject to Harvard's payment policies, including "net 30" terms. Classes may choose to have vendors submit invoices directly to the HAA and are responsible for ensuring their timely delivery.

Reimbursements

In virtually all cases, class expenses can be paid directly by the HAA via invoice or credit card with proper planning. Reimbursements should be avoided when possible to save time and hassle for classmates.

In some cases, the treasurer and other class volunteers may be reimbursed for out-of-pocket expenses as allowed by University policies. Only classmates are eligible for reimbursement from a class treasury; expenses should be planned accordingly.

It is the treasurer's responsibility to ensure that all class volunteers know:

1. That all expenses must have an approved class business purpose. Reimbursement for expenses incurred for social meetings between volunteers is not permitted.
2. What are allowable expenses (e.g. will the class pick up the cost of meals and drinks when officers meet or when officers meet with classmates on class business?);
3. In which, if any, cases will the class reimburse volunteers for travel expenses or out of pocket expenses related to class events or communications?
4. Is there a dollar limit for these reimbursements?

Requests by the treasurer for reimbursement of anticipated out-of-pocket expenses must be made in writing or via email and acknowledged by the HAA before expenses are submitted. The person receiving the reimbursement will then need to set up a profile in Harvard's Buy2Pay portal, and original receipts for all approved expenses should be submitted within 30 days from the date the expense is incurred. After the expenses have been approved, the HAA will send a completed form to the reimbursee to sign and return before the payment can be issued. This process may take up to two months.

As an exception, a [Missing Receipt Affidavit](#) (MRA) can be used in lieu of original receipts. The MRA must be complete and include proof of payment (e.g., a credit card statement) and the signatures of both the reimbursee and the class treasurer.

Most classes do not specify travel expenses as allowable. Any approved travel must be arranged by HAA staff via approved vendors. Travel requests, including travel dates, reason for travel, budget limit and any other relevant details must be submitted to the HAA at least 30 days prior to travel.

Tax Exemption

HAA's purpose in offering a structure under which class transactions and funds are placed under Harvard control is to move the associated tax consequences, if any, to Harvard, and to minimize the risk of tax liability and compliance issues for class treasurers and class entities.

Credit Card Payments

Participating classes may accept credit card payments via the HAA's payment processing service and are not subject to processing fees.

Reporting

Classes will receive annual reports of account transactions from the HAA. Annual reports cover the University's fiscal year (July – June) and are issued in December. The treasurer must review the annual statement for accuracy and should understand all income and expense entries.

Between annual reports, treasurers may request ad hoc reports by emailing HAA_CollegeAlumniPrograms@harvard.edu.

Reunion line items are not included in annual or ad hoc treasury reports; rather, the reunion budget is maintained separately, reunion surpluses or deficits are credited or debited, respectively, and a separate report is provided once the reunion budget has been reconciled.

Interest and Fees

Classes do not earn interest from Partnered Class Treasuries; nor does Harvard charge classes any fees for managing their accounts.

Establishing an Account

Class treasurers may establish an HAA-administered account by:

- completing [this form](#);
- conveying the full contents of the class treasury via check payable to Harvard University with “Class of YYYY Treasury” noted in the memo field (Note: all funds must be liquidated in order to transfer them to Harvard); and
- closing the class bank account.

Roles and Responsibilities

Responsibility	Class Treasurer	Harvard Alumni Association
Non-reunion Budgeting	<ul style="list-style-type: none"> • Responsible for establishing class budgets and requesting payments. 	<ul style="list-style-type: none"> • Upon request, make budgeting recommendations based on experience and historical information. • Approve or deny payment requests according to University policy.
Setting Fees and Dues	<ul style="list-style-type: none"> • Determine registration fees. • Determine dues. 	<ul style="list-style-type: none"> • Upon request, make recommendations based on experience and historical information.
Collecting Registration Fees and Dues	<ul style="list-style-type: none"> • No role. 	<ul style="list-style-type: none"> • Receive all funds (credit card payments, checks and cash). • Manage merchant account for credit card transactions.
Soliciting Dues	<ul style="list-style-type: none"> • Work with Secretary and Class Committee to solicit dues, if any. 	<ul style="list-style-type: none"> • No role.
Paying Vendors	<ul style="list-style-type: none"> • Submit vendor contracts to HAA for review and approval prior to execution. • Execute approved contracts on behalf of the class. • Communicate Harvard University payment policies and procedures to vendors and confirm agreement. • Obtain & submit new vendor W9s to HAA. • Request payments. 	<ul style="list-style-type: none"> • Review and approve vendor contracts prior to execution. • Approve or deny payment requests to approved vendors/expenses when invoiced on a timeline consistent with Harvard University policy. • Pay approved invoices, deducting expenses from the class treasury.
Paying Vendors Requiring Credit Card on File	<ul style="list-style-type: none"> • Communicate Harvard University payment policies and procedures to vendors and confirm agreement. 	<ul style="list-style-type: none"> • Provide credit card for payment, deducting expenses from the class treasury. Certain restrictions apply.
Reimburse Classmates for Class Expenses	<ul style="list-style-type: none"> • Communicate Harvard University payment processes, policies and procedures to classmates and confirm agreement prior to incursion of expense. • Coordinate submission of approved expense documentation to the HAA. 	<ul style="list-style-type: none"> • Process paperwork and provide approved reimbursements from the class treasury on a timeline consistent with Harvard University policy.
Provide Refunds (i.e. cancelled event registration)	<ul style="list-style-type: none"> • Determine refund policy prior to registration launch with HAA approval. Extenuating circumstances (e.g. illness, accident) to be taken into account. • Coordinate publication of refund policy on the event information and registration page(s) of class website. 	<ul style="list-style-type: none"> • Make refund policy recommendations based on experience/historical information. • Process approved credit card refunds. • Request additional information as needed to refund approved cash and checks; issue refunds upon receipt.
Financial Reporting	<ul style="list-style-type: none"> • Review financial reports and incorporate information into budgeting decisions. • Report to Class Committee as needed. 	<ul style="list-style-type: none"> • Provide class treasury financial reports annually; interim reports may be available by request.

Frequently Asked Questions

1. Why is this program offered?

The program is intended to minimize tax issues for class treasurers and any legal entities they may form for class purposes. Some treasurers have been concerned that their class's income, whether it comes from dues, event receipts above expenses, or bank account interest, may represent taxable income to them personally or to their class entity. To the extent a class entity qualifies for 501c3 or 501c7 status under the Internal Revenue Code, the entity is generally exempt from income tax, but such status may require annual filings with the IRS. The Partnered Treasury Program also protects the class funds in the case of the treasurer's passing.

2. Do treasurers and classes have a choice?

Yes, each alumni class has two options:

- Continue to operate as you have been with checking and merchant accounts in the name of the treasurer / Class DBA or a 501c legal entity. Personal income tax exposure is an issue if these transactions are conducted in the treasurer's name. If conducted through a 501c legal entity, ongoing compliance with IRS rules is required.
- Move the class treasury into the Partnered Class Treasury Administration Program. In this scenario, class funds are paid and received by Harvard and subject to Harvard's control. Class treasurers may submit requests for specific transactions, and these will be routinely approved, but Harvard reserves the right to approve or deny specific requests and ultimate control over the use of the funds.

Option	Pros	Cons
Continue to operate as you have been, with accounts maintained by the treasurer personally or as a 501c legal entity.	<ul style="list-style-type: none"> • No action needed. • Maintain full control of funds. 	<ul style="list-style-type: none"> • Tax and general liability issues exist. • 501c requires time and expense of setup and annual filings.
Move into the Partnered Class Treasury Administration Program.	<ul style="list-style-type: none"> • Deals with tax and general liability issues. • Takes individuals and classes out of transaction business. • Less work for treasurers. • Avails class of Harvard services including fee-free credit card processing and event registration support. 	<ul style="list-style-type: none"> • Some loss of autonomy in processing transactions and direct control over funds.

3. What happens when my class is in a reunion period?

All classes are held to standard Reunion budgeting and accounting practices, regardless of where their treasuries are held. The HAA reunion manager develops and maintains the reunion budget and communicates reunion budgeting guidelines throughout the reunion planning process; final reunion budgets are approved by the treasurer and reunion chairs prior to the opening of reunion registration. All reunion-related expenses will be processed by reunion staff, and committee members are discouraged from making any purchases on behalf of the reunion. Classes remain responsible for reunion deficits and retain reunion surpluses regardless of where their treasuries are held.

Reunion line items are not included in annual or ad hoc treasury reports; rather, the reunion budget is maintained separately, reunion surpluses or deficits are credited or debited, respectively, and a separate report is provided once the reunion budget has been reconciled.

4. Do classes in the Partnered Class Treasury Administration Program still need treasurers?

Yes. The class treasurer remains a key stakeholder in event and reunion planning, budget setting, and financial decisions for the class. Please see the Roles and Responsibilities chart to better understand the treasurer's responsibilities under these arrangements.

5. How do I pay bills if the HAA is holding our treasury?

All invoices should be in the name of the class and should be sent to the College Alumni Programs office at the HAA, where staff reviews all transaction requests and, upon approval, process all payments, alumni reimbursements, and alumni refunds with the appropriate paperwork in place.

6. Do treasurers of classes in the Partnered Class Treasury Administration Program have a checkbook from which they can write checks as requested or needed?

Treasurers of classes in the Partnered Class Treasury Administration Program do not have a class checkbook. The HAA handles paying vendors, reimbursing and refunding alumni, etc.

7. Are treasurers of classes in the Partnered Class Treasury Administration Program issued class credit cards? Why or why not?

No. The HAA makes arrangements for vendors requiring a card on file, within guidelines. Any expense that cannot be paid via invoice or by the HAA directly must be submitted for reimbursement with prior approval by the Class Treasurer and the HAA.

8. Under the Partnered Class Treasury Administration Program, where are registration fees, class dues, and other income routed?

HAA collects, holds and tracks all class revenue internally.

9. Does our partnered treasury earn interest payable to our class?

No.

10. Can a class independently manage some of their treasury but still participate in Partnered Class Treasury Administration Program?

No. The HAA cannot support hybrid arrangements.

11. Can classes access their money as needed?

Yes, in general. Though Harvard will control the funds, the treasurer is responsible for initiating requests for payment, which are routinely approved provided the class treasury has sufficient funds to cover the proposed expense and the expenditure is permissible and consistent with HAA policies. Please reference this handbook and [University policies](#).

12. If we move into the Partnered Class Treasury Administration Program will I, as class treasurer, or my class entity be subject to income tax liability?

HAA's purpose in offering a structure under which class transactions and funds are placed under Harvard control is to move the associated tax consequences, if any, to Harvard, and to minimize the risk of tax liability and compliance issues for class treasurers and class entities.

13. How do we move our funds into the Partnered Class Treasury Administration Program?

Classes wishing to move their treasuries into the Partnered Class Treasury Administration Program should fill out [this form](#). Upon HAA acknowledgment of your submission, convey the full contents of the class treasury via check payable to Harvard University with "Class of YYYY Treasury" noted in the memo field and close the class bank account. All funds must be liquidated in order to transfer them to Harvard.

14. What is the nature of the transfer if we move our class treasury into the Partnered Class Treasury Administration Program? Is it considered a donation? If so, will I receive a receipt?

The transfer of the treasury is not a donation because the funds will be applied directly to your class expenses. You will not receive a gift receipt.

15. Our class is partnering with others on an event. Can we reimburse alumni from other classes for expenses?

No. Only members of classes participating in the Partnered Class Treasury Administration Program are eligible for reimbursement from participating class treasuries, and expense planning should reflect this restriction. It's preferred that reimbursements be avoided altogether to avoid paperwork and wait time for classmates. With proper planning, virtually all expenses can be paid directly by Harvard via invoice or credit card.

16. Can HAA reject a vendor our class wants to use?

In rare cases, HAA may decline to approve a vendor with cause.

17. How and when will any remaining treasury funds be dispersed?

After the last reunion or when there are only five known surviving members of the class, all remaining class funds shall be directed to Harvard College as unrestricted funds for the purposes of the College exclusively.

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