Processing Childcare Costs Matrix

Some sponsored awards allow childcare fellowships on their awards (sometimes child care payments may also be called dependent care). These types of payments are considered nonqualified (taxable) payments to individuals (employees or nonemployee stipendees) and must be processed properly in order to comply with tax and reporting requirements. In discussion with the Office of the Controller, Tax Office, and University Compensation Office, the below processes and earnings codes should be used when charging childcare fellowships. While infrequent, the same process would be followed using non-sponsored awards. Please note that this information is subject to change and will be updated as needed. Some unions (e.g., HUCTW or HGSU – HAW), may offer additional support for childcare or health expenses. Members should refer to their appropriate contract and local HR office for guidance. See NRSA Child Care Costs if using NRSA funds).

Individual Type	Example – Object Code	Process	Object Code Used for Child Care Fellowship	Tax Implications	Notes
Harvard Employee Pay Groups: MIP MFC PON/POU	MIP - Employee Post Docs (Internal Post Docs) – 6150 MFC - Employee Fellows – 6030 PON/POU - Employee Researchers – 6050, 6070, 6152	Process as additional compensation using earnings code **NPA** – Nonpensionable Additional Compensation Will appear on next scheduled check.	Object Code: 6200 Fringe: 6321 – 8%	Taxed at the supplemental tax rate	Does not appear in effort certification. Schools will see earnings code NPA and a unique subactivity for NRSA fellowships for reporting purposes. NOTE: Schools should be aware that, while unlikely, other expenses may also appear on the NPA earnings code. The completed NRSA childcare form and related documents must be kept in GMAS.
Harvard Employee Pay Group: MTF	MTF – Student Researchers – 6140	Process as additional compensation using earnings code **BEX** – Bonus Expected Will appear on next scheduled check.	Object Code: generally 6200/6201 Fringe: 6321 – 8%	Taxed at the supplemental tax rate	Does not appear in effort certification. Schools will see earnings code BEX and a unique subactivity for NRSA fellowships for reporting purposes. NOTE: Schools should be aware that, while unlikely, other expenses may also appear on the BEX earnings code. The completed NRSA or other childcare form(s) and related documents must be kept in GMAS.
Harvard Employee Pay Group: WTM	WTM Harvard Student – 6110 Other Temporary – Temporary Academic/Staff/Intern (e.g., Non-Harvard Student) - 6120	One-time payments or payments to Harvard Students on the weekly payroll may be processed through B2P as a fellowship/grant to the individual.	Object Code: Harvard Students – 6460 Nonstudents - 6455	Follows same tax withholding and reporting requirements as standard fellowship appointments or fellowship/grant payments	Expenses will show on a unique subactivity assigned for NRSA award. Be sure Financial Aid Office is aware of transaction and makes any necessary adjustments to the cost of attendance/aid. Schools may wish to note in the business purpose these are nonqualified child care expenses for easier reference in HART. The completed NRSA or other childcare forms and related documents must be kept in B2P.
Nonemployee Pay Groups: MEP	External Post Doc (elig. extended benefits) – 6450	Process as additional fellowship payment in	Object Code:	Follows same tax withholding and reporting	Payment will show as a fellowship/stipend payment. Schools can identify childcare fellowships by amount paid and account string

Individual Type	Example – Object Code	Process	Object Code Used for Child Care Fellowship	Tax Implications	Notes
MEP	External Post Doc (inelig. Benefits) – 6452	PeopleSoft using earnings code **FEL/FNR**. Will be paid on next scheduled check.	6450 or 6452 based on stipend appointment type. Fringe: 6261 for 6450. Rate varies by year.	requirements as standard fellowship appointments or fellowship/grant payments.	charged (e.g., unique subactivity is required for NRSA Fellowships). The completed NRSA or other childcare form and related documents must be kept in GMAS.
Nonemployee Pay Group: MST	Harvard Student – Monthly Stipend - 6440	If payment is linked to a current MST appointment, process as additional MST upload through school's student financial aid office. Paid as **STR/STN** and paid on next scheduled check.	Object Code: Harvard Students - 6440	Follows same tax withholding and reporting requirements as standard fellowship appointments or fellowship/grant payments.	Payment will show as a fellowship/stipend payment. Schools can identify childcare fellowships by amount paid and account string charged (e.g., unique subactivity is required for NRSA Fellowships). Be sure Financial Aid Office is aware of transaction and makes any necessary adjustments to the cost of attendance/aid. The completed NRSA or other childcare form and related documents must be kept in GMAS.
Nonpaid Appointments	Some individuals may hold unpaid appointments at Harvard with Harvard covering one-time fellowships to cover insurance, childcare, etc.	Process payment to individual in B2P as a fellowship/grant. Do not pay childcare agency or insurer directly.	Object Code: Harvard Students – 6460 Nonstudents – 6455	Follows same tax withholding and reporting requirements as standard fellowship/grant payments.	Expenses will show on a unique subactivity assigned for NRSA awards. Schools may wish to note in the business purpose these are nonqualified child care expenses for easier reference in HART. The completed NRSA or other childcare form and related documents must be kept in B2P.