

Guidelines for Business Expenses Associated with Remote Work

During the COVID-19 pandemic, it is important for schools and departments to determine what expenses are *necessary* for employees to work remotely and continue operations. This document outlines best practices for business expenses associated with remote work in general terms. This document is not intended to cover every possible situation. More restrictive policies may be set at the department or school level. However, it is the responsibility of the department or school to document, communicate, and enforce any restrictions they impose.

Under the Internal Revenue Code, expense reimbursements must, at minimum, require:

1. That expenses must be incurred expressly for university business.
2. That expenses must be properly accounted for to the employer within a reasonable period of time. In accordance with the WU Travel and Business Expense Policy, expense reimbursements must be supported by receipts and submitted within 15 days of occurrence.
3. That disallowed expenses incurred by the employer must be repaid within a reasonable period of time. In the event that a school or department incurs an expense or reimburses an employee for an expense that is deemed unallowable under these rules, the amount must be repaid by the employee or be reported to payroll within 90 days of the disallowance.

Types of expenses:

Wherever possible and practicable, employees should make arrangements to bring equipment and supplies necessary to complete their work home from the office. Any university-owned property removed from campus for home use must be approved by the employee's supervisor.

Schools and departments should evaluate on a case-by-case basis where additional purchases or reimbursement is necessary for employees with specific needs not already met with existing resources. Any additional remote work costs incurred must be consistent with the employee's work requirements. The employee and their supervisor shall determine the minimum equipment and supplies necessary for remote work.

The following remote work expenses should not be incurred or reimbursed:

- Private worksite or employee home expenses such as electricity, insurance, home maintenance, home modification for office purposes and other similar personal expenses.
- Purchase costs or maintenance expenses associated with employee-owned items, such as home offices, or related services.

The following supplies for remote work employees should, whenever possible, be purchased through University vendors:

- Office supplies.
- Computers, laptops, or other necessary equipment including computer accessories and peripherals, such as monitors, docking stations, printers, and scanners. Such equipment will be considered property of the university. Its location and use should be tracked or monitored by the school or department.

The following remote work expenses incurred by employees may be reimbursed provided that the business purpose for the expense is documented, supported by itemized receipts, and the school or department agrees with and approves the expense:

- Internet speeds above normal consumer levels, when required for job duties.*
- Incremental mobile/cellular phone charges necessary for performing job duties.*
- Only business-related minor equipment or office furniture that can be returned to the office at the end of the remote work arrangement should be reimbursed.
 - Note that special equipment required to accommodate a disability must follow the University's ADA Accommodation Process guidelines. See [HR website](#) for additional information.
- Other necessary or emergency expenses, when approved in writing by a business manager, department head, Dean or Vice Chancellor.

*Alternately, at its discretion and cost, a school/department may provide a technology allowance for employees that are required to upgrade home internet capability or who must rely on significant personal cell phone usage to perform their job duties. Such allowances are taxable income and must be paid through payroll. As a general guideline, a technology allowance of \$25 - \$50 is reasonable.

Compliance:

Reimbursable expenses must conform to university policy, federal and state law, if applicable, and the restrictions placed upon sponsored awards.

If under review by the university's Tax Department, expenses incurred or reimbursed are not deemed to have sufficient business connection, such expenses may be treated as taxable income to the recipient. Taxable reimbursements will be reported to payroll and included on the employee's Form W-2. Taxable reimbursements made to non-employees may be reported on the IRS Form 1099-MISC.

When utilizing sponsored funds to pay for remote work expenses, there are many issues to consider in addition to the guidelines provided here. Please contact Sponsored Projects Accounting for guidance.