
California Fully Remote Employee Expense Reimbursement Policy Addendum

Applicability: All Employees approved to work Fully Remote in California

Purpose:

This addendum outlines the reimbursement policy for work-related expenses (excluding travel and entertainment) incurred by Lehigh University employees approved to work fully remotely in California.

Scope:

Lehigh University reimburses employees during the period they are employed for certain reasonable and documented expenses incurred while working for Lehigh on a fully remote basis in California, in accordance with this policy's guidelines and procedures. Remote work must be approved in accordance with Lehigh's policies and procedures to be eligible for reimbursement. Amounts paid under this plan are excluded from the employee's gross income, are not reported on Form W-2, and are excluded from income and employment tax withholding.

Remote Work Setup and Communication:

- Basic office supplies should be obtained through the employees' department to leverage preferred vendor pricing and volume discounts.
- University-owned technology devices (printers, monitors) must be acquired through the employee's department and formally assigned. This ensures consistent practice and proper asset management. Exceptions to this standard procedure must be approved by the employee's respective STEM's Vice President or Dean
- Employees are required to follow the [LTS Standards for Flexplace Work Arrangements](#).

Reimbursable Expenses:

Lehigh University reimburses only those expenses that meet the substantiation requirements of this policy.

Reimbursable expenses under this policy are:

- A reasonable percentage of home internet service costs based on business usage.
- A reasonable percentage of electricity costs based on business usage.
- A prorated portion of technology devices (non-University provided) necessary for business.
- A prorated portion of repair costs for equipment used for work-related purposes, when repairs are not covered by University-provided technical support.
- Other pre-approved business expenses (e.g., postage, office supplies, software subscriptions).

The University reserves the right to determine the reasonableness and eligibility of any expense.

Expenses not specifically addressed in this policy are either not covered or may be covered under other University policies, such as the [Business and Travel Expenses: Policy](#).

Monthly Stipend:

A monthly stipend may be agreed upon to replace itemizing individual expenses, and this agreement will be documented in the Fully Remote Work Agreement.

Timely submission of expenses

To ensure timely processing, Lehigh requests that expense reimbursements be submitted within 30 days of the expense. Please submit your request for reimbursement through your One Card reconciliation. If you do not have a One Card, please work with your supervisor to submit the required documentation for processing.

Documentation

Your expense documentation must clearly explain the business purpose and demonstrate compliance with this policy. Please include the following:

- A description of the business purpose.
- A receipt showing the date, vendor, amount, and description of the expense.

The documentation should be clear enough that the approver can easily understand the specific nature of the expense and its justification and connection to Lehigh's business activities.

Reimbursement Disputes:

Employees who believe they have not been fully reimbursed should notify their supervisor and Human Resources.

Expense Reimbursement Payment

Lehigh will reimburse you for approved expenses promptly after you submit a detailed itemization of expenses, along with all required approvals and receipts, in accordance with this policy. This reimbursement policy is designed to comply with tax law Section 409A of the Internal Revenue Code. This law is in place to prevent certain types of deferred compensation arrangements.

- Reimbursements in one year do not affect reimbursements in any other year.
- Reimbursements cannot be exchanged for other benefits, such as cash or extra vacation time.
- Lehigh University is not liable for taxes or penalties imposed under Section 409A. Employees are advised to consult a tax advisor.

Return of Excess Reimbursements

If an employee receives an excess reimbursement, the employee must report and return any excess amounts to the University within 120 days.

Policy Compliance

Any employee who abuses this policy, for example by submitting fraudulent expense reimbursement requests, will be subject to disciplinary action, up to and including termination of employment.

Sponsoring Organization

The Office of Human Resources is responsible for oversight and implementation of this Policy.

Keywords: Fully Remote, California, Reimbursement