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I. Introduction

- A. Effective October 1, 2017, employees earning \$52,500 or more are not eligible for a wireless phone allowance, regardless of funding source (state funds, grant funds, Foundation funds, etc.). The maximum earnings for wireless phone allowance eligibility will be reviewed annually and may be adjusted. Employees currently eligible for a wireless phone allowance may become ineligible in the future. The university will no longer reimburse any employee for costs related to the purchase of a wireless phone.
- B. On September 14, 2011, the IRS released notice 2011-72 which states “the IRS will treat the employee’s use of employer-provided cell phones for reasons related to the employer’s trade or business as a working condition fringe benefit, the value of which is excludable from the employee’s income if certain conditions are met as indicated below.” Effective November 1, 2011, a cell phone stipend will no longer be taxable for those who meet IRS conditions.
- C. Employees who are not eligible for a wireless phone allowance may be reimbursed for business calls on their personal wireless phones

II. Wireless Phone Allowance

A. Eligibility for Wireless Phone Allowance

1. In compliance with IRS conditions, the University will be considered to have provided an employee with a cell phone primarily for noncompensatory business purposes if there are substantial reasons relating to the employer’s business, other than providing compensation to the employee, for providing the employee with a cell phone. For example, the University’s need to contact the employee at all time for work-related emergencies, the job requires the employee to immediately accessible to receive and/or make frequent business calls outside of working hours, or job duties away from the office may expose the employee or others to immediate harm or danger (e.g. visits to homes of patients or clients) are possible substantial noncompensatory business related reasons. Clerical support is not justified unless required to be on call such as Physical Plant or OIT. A cell phone provided to promote the morale or good will of an employee, to attract a prospective employee, or as a means of furnishing additional compensation to an employee is not provided primarily for noncompensatory business purposes.
2. The allowance will be charged to an account specified by the employee’s department chair/head, who must ensure availability of funding. Thus, departmental eligibility criteria can be more (but not less) restrictive than the University criteria stated above.
3. The wireless phone allowance must be approved by the department chair/head, dean/director, and Vice President.

B. Wireless Phone Allowance Amount

1. The wireless phone allowance will be in accordance with Attachment A. Rates will be adjusted each January 1st based on average basic local plan costs. The wireless phone allowance is excludable from the employee's income.
2. The allowance is not an entitlement—the amount can be changed or withdrawn without notice at any time.
3. The wireless phone allowance is not part of base pay for calculating percentage salary increases or calculating equity adjustments.
4. Effective July 22, 2013, the University will not authorize expenditures for new cell phones for individuals through state or Foundation funds.

C. Employee and University Responsibilities

1. The employee must complete and sign the Wireless Phone Allowance Request Form, thereby certifying that he/she will provide the phone number within five days of activation and will be available for calls (in possession of the phone and have it turned on) during those times specified by management.
2. The employee may select any wireless carrier whose service meets the requirements of the job responsibilities as determined by the department chair/head. (For example, computer technicians may sometimes work in the basements of campus buildings where the wireless phones of only certain carriers get a signal.) A fiscal officer may also restrict the allowance of his/her employees to the same carrier in order to reduce cell-to-cell costs. In most cases, however, the employee may select the wireless carrier and plan features of his/her choice (e.g., number of anytime minutes, local vs. nationwide, individual vs. family plan, etc.)
3. The employee must complete and sign the Wireless Phone Allowance Request Form on an annual basis. The Wireless Allowance Request Form is to be received in Payroll by December 15th each year. If the form is not received in Payroll by December 15th, the allowance will be discontinued beginning January 1st of the following year. A copy of the monthly bill or contract must be attached to the request to verify the cell phone number and ensure the allowance requested does not exceed the cell phone charges.
4. The Wireless Phone Allowance Request Form for new employees must be received in Payroll by the 10th of the month to be included in that month's pay.
5. The Payroll Department will keep approved Request Forms on file and available for internal or external audit.
6. The employee must inform the University to discontinue the allowance when the eligibility criteria are no longer met or when the wireless service is cancelled. Any employee who receives a pay increase or promotion which results in earnings over the maximum earnings for eligibility will automatically have their allowance removed through Payroll.
7. The employee is responsible for all charges on his/her personal wireless plan, including Early Termination Fees. If the employee leaves the position, he/she continues to be responsible for the contractual obligations of his/her wireless plan.
8. It is the employee's responsibility to comply with state and municipal laws regarding the use of wireless phones while driving.
9. Wireless transmissions are not secure and employees should use discretion in relaying confidential information over wireless devices.

III. Employees Not Eligible for a Wireless Phone Allowance

A. Employees not eligible for a wireless phone allowance may be reimbursed for necessary business calls made with their personal wireless phone with appropriate documentation. Reimbursement will be available only to the extent that the plan's anytime minutes are exceeded. Reimbursement will be computed using average cost per minute:

1. Divide the total monthly bill less long distance and roaming charges by the total number of minutes used that month to derive a per-minute charge.

2. Multiply the per-minute charge by the number of necessary business minutes that month to the extent that they exceed the plans anytime minutes.
 3. If applicable, add specific long distance and roaming charges attributable to the business calls.
 4. Attach the calculations and a copy of the wireless phone bill highlighting the business calls. Indicate the business purpose of those calls. Send to Accounts Payable.
- B. Most wireless carriers offer a discount to state employees. This discount is available to all employees, including those who are not eligible for a wireless phone allowance. Contact carriers for more information.

IV. University-Provided Phones

A. With the approval of a Vice President, the University may pay for wireless phone service in certain limited circumstances—e.g., phones that rotate maintenance supervisors. No personal calls are allowed on University-provided phones. University provided cell phones should generally not be assigned to a specific individual or taken home on a regular basis.

B. Departments must submit a request to the Vice President for Finance and Administration approved by the dean/director and Vice President detailing the need for a University provided phone.

C. Department Chairs/Heads must review the monthly bills of University-provided phones to ensure that no personal calls were made.

V. Special Rules for Grant Accounts

A. Effective July 22, 2013, any requests for cell phone allowances must comply with university policy as stated in section I.A. above. Additionally, all requests for wireless phone allowance or requests for University Provided Phones must be required by the terms of the grant contract and approved through Grant Accounting.

VI. Miscellaneous

A. Extraordinary business use of an employee's personal wireless phone in excess of the monthly allowance can be reimbursed with appropriate documentation.

B. Employees cannot circumvent this policy by obtaining a Foundation-provided wireless phone plan or allowance.

C. The Vice President for Finance and Administration can approve exceptions to this policy.

Links to Exhibits and Forms

[Attachment A - Cell Phone Allowance Equipment Reimbursement Rates](#)