



California University of Pennsylvania

POLICY: BUSINESS USE OF WIRELESS COMMUNICATION DEVICES

A. Purpose & Scope:

In order to ensure compliance with Internal Revenue Service (IRS) regulations regarding taxability of wireless communication devices (WCDs), it is necessary for California University of Pennsylvania (CalU) to change our procedure for employees' use of such devices.

The purpose of this policy and subsequent procedures is to simplify the means by which the University can benefit from employee access to wireless services while allowing a qualified employee to use the same device for both personal and University-related business. In addition, this policy will enable the University to comply with IRS regulations to: a) achieve maximum productivity and cost-effectiveness while employing WCDs as a business solution; and b) appropriately and effectively manage the payment/reimbursement of costs associated with the business use of WCDs.

B. Definition(s):

- 1. Wireless Communication Device (WCD):** A device that transmits and receives voice, data, and/or text communications without being physically connected to the CalU network. This includes, but is not limited to, the following:
 1. Cellular telephones
 2. Pagers
 3. Wireless Internet service
 4. Wireless data service
 5. Cellular telephone/two-way devices
- 2. Stipend:** A monthly allowance processed through Payroll, representing reasonable payment to an employee for the business use of his or her personally-owned WCD.

C. Policy:

Under IRS regulations, if a WCD is personally-owned by the employee, the employee may be compensated for business use through an allowance or stipend, which is taxable income. California University, through a procedure authorized by the President, will provide

specifically designated employees with a **taxable** stipend that it deems sufficient to pay for the cost of their personal WCD for University-related business purposes.

D. Procedure(s):

1. Factors in Determining Eligibility for Cellular Stipend Program

Employees who apply to enroll in the cell stipend program will be deemed eligible based on the University's business need for them to have the services involved; **no employee** should assume that he or she is entitled to a WCD stipend to pay for business use of a personal WCD device or service because of their position or responsibilities at the University.

Eligibility Criteria: Employees who meet one or more of the following criteria may be eligible for the WCD Stipend Program.

- Employee is considered **essential personnel** for emergency or safety reasons.
- Employee supports or is responsible for programs, services, or systems that necessitate **frequent** and **immediate** communications throughout the day, after hours, or while away from the office.
- Employee **is required** to monitor essential systems, which may include receiving text messages from such systems upon outages or conditions outside of operating standards.
- Employee **must be available** immediately for service calls or troubleshooting during the work day.
- Employee **does not have access** to other communication devices while on the job because the employee has no assigned office and/or primary work location.
- Employee **is required** to travel on a frequent basis and must maintain regular communication while in travel status.
- Employee **performs the majority of his or her job duties in the field** where business either cannot be conducted by a landline telephone or it would be inefficient to use a landline telephone.

2. Expectations of the University and of the Employee in the Program

Under this policy, the employee who qualifies for the stipend, based on recommendation from the area Vice President, will be expected to obtain his or her own WCD and service contract with the provider of his or her own choosing. The service would be a personal contract between the employee and the service provider. Employees may be eligible for discounted rates with certain vendors through PASSHE or Cal U. The employee is expected to provide to Cal U any cellular telephone number to which he or she is applying the stipend so that the number may be used in conducting University business. Annually, the University will determine the amount of the stipend based on a schedule submitted by the Vice President for Administration and Finance to the President's Cabinet for review and approval.

3. How the Program Works

Step 1: Department Chair requests a **Wireless Communication Device Stipend Request Form** (see attachment “A”) from the Office of Payroll.

Step 2: Department Chair completes form and submits to area Vice President for review and approval. If area Vice President approves request, it is forwarded to Vice President for Administration and Finance for final approval and processing through the Office of Payroll.

If the request is denied, the Vice President updates the WCD Stipend Request Form with denial reason and returns the form to the submitting Department Chair.

Step 3: The approved WCD Stipend Request Form is sent to the Office of Payroll for processing. The monthly stipend amount is calculated based on the stipend approval amount approved on the WCD Stipend Request Form.

It is the responsibility of the area Vice President to periodically review the allowance level and the business need for their employees receiving a WCD stipend. In those situations where a revision is requested, a new WCD Stipend Request Form must be completed and submitted to the Vice President for Administration and Finance for review and processing.

4. Stipend

The stipend allowance rates are set forth in Attachment “B” and may be revised on an annual basis by the University President and approved by Cabinet.

A University department may set individual rates that are less than the maximum amount based on the amount of incoming and outgoing communication of department business. The taxable stipend is intended to cover the business share of the employee’s monthly service charges. Monthly stipends are taxable to the employee, but require no tracing or recordkeeping of personal usage. The employee will receive the monthly stipend as taxable compensation.

5. Cancellation of Stipend

By accepting the stipend, the employee agrees to respond to communications on his or her WCD. A supervisor may decide to discontinue the stipend for employees who consistently fail to respond to University communications, such as e-mail, text, or voice.

If an employee is no longer eligible for a stipend, the employee’s department must submit a timely notice to the Vice President for Administration and Finance to discontinue the stipend. Qualifying events include change in job/position where the new role does not require the use of a WCD, employee termination, or management decision.

6. Exceptions

In order to take advantage of priority designation in emergencies, the University will continue to purchase and assign cell phones or other WCDs to specifically identified University personnel, such as University Police, Health and Safety staff, and Facility Management staff. These WCDs are the sole property of the University. However, as technology advances, the University will evaluate each year on whether to continue, upgrade or discontinue University-owned WCD.

Due to rapidly changing technology, this policy will be reviewed periodically.

E. Effective date:

Approved by:	Effective Date: <u>April 15, 2013</u>
Replaces:	President's Cabinet on <u>April 23, 2013</u>
	Policy Dated July 2, 2009

“Attachment A”

WIRELESS COMMUNICATION DEVICE STIPEND REQUEST FORM

DATE: _____
EMPLOYEE NAME: _____
COST CENTER: _____
EMPLOYEE TITLE/FUNCTION: _____

REASON FOR REQUEST:
New Request: Yes _____ No _____
Revision/Change: Yes _____ No _____

Check one:
_____ Facilities Management Nextel \$50 mo.
_____ Phone only \$100 mo.
_____ Phone/Text/Internet \$160 mo.
(President’s authorization only)

I supervise the above employee and concede that the work he/she performs requires immediate and/or frequent communication through cellular communications. The following factors support a cellular communication stipend for the employee:

Key personnel:

_____ The employee is designated among key personnel for executive management, (i.e., members of Cabinet, academic deans), emergency or safety purposes.

_____ The employee supports or is responsible for programs, services or systems that necessitate frequent and immediate communications throughout the day, after-hours or while away from the office

No better communication source:

_____ The employee is required to travel on a frequent basis and must maintain regular communication while in travel status.

_____ The employee performs the majority of his/her job duties in the field where business either cannot be conducted by a landline telephone or it would be inefficient to use a landline telephone.

_____ Employee does not have access to other communication devices while on the job because the employee has no assigned office and/or primary work location.

Technical monitoring:

_____ The employee is required to monitor essential systems, which may include receiving text messages from such systems upon outages or conditions outside of operating standards.

_____ The employee must be available immediately for service calls or trouble-shooting during the work day.

SUPERVISOR APPROVAL

Date

Department Chair: _____

VICE PRESIDENT APPROVAL

Approved

Date

Area Vice President: _____

Yes _____ No _____

VP for Administration/Finance: _____

Yes _____ No _____

Reason for Denial:

Office of Payroll Use ONLY:

Payroll will send a completed copy to the area Vice President,
Department Chair and employee.

“Attachment B”

**Business Use of Wireless Communication Devices
FUNCTIONALITY/ALLOWANCE SCHEDULE**

Effective April 15, 2013

Level	Description	Monthly Stipend (Taxable)
1	Phone only	\$100
2	Phone/Text/Internet*	\$160

***Presidential approval is required for Level 2 stipends.**