

 <p>Category: Financial</p> <p>Policy applicable for: Faculty/Staff</p>	<p><i>Policy Title:</i></p> <p>Wireless Communication Stipend</p> <p>Effective Date: 9/1/2011</p> <p>Prior Effective Date: 9/1/2008</p> <p>Enabling Act(s) IRS rule</p>	<p><i>Policy Number:</i></p> <p>2.1.7</p> <p>Policy Owner: Sr. VP for Administration and Finance</p> <p>Responsible Office(s): Controller Payroll UCit</p>
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Background

Federal tax law dictates that the personal use of university-provided wireless devices is a taxable fringe benefit. IRS rules mandate that the employee keep a log documenting each incoming and outgoing business call, including the business purpose of the call, and that the university include the value of personal calls in the employee's taxable income. If the log is not kept, the IRS can declare that the entire cost of the wireless device plan is taxable income to the employee, even if most of the calls were business-related.

This policy allows the University of Cincinnati to manage its business needs for wireless communication devices (cell phones and personal digital assistants [PDAs] with cellular capability) in a fiscally responsible manner while complying with federal regulations.

Policy

The University of Cincinnati may provide a wireless communication stipend to an employee who has a documented official university business need for a communication device and continues to meet eligibility requirements as outlined under the Eligibility Requirements section below.

The wireless communication stipend is intended to reimburse the employee for the business use of the device. The stipend is not intended to fund the cost of the device nor pay for the entire monthly bill. The assumption is that most employees also use their wireless communication devices for personal calls.

Cell phones and other wireless devices should not be selected as an alternative to other means of communication, such as land lines, pagers and radio phones, when such alternatives would provide adequate but less costly service to the university.

As of the effective date of this policy, university departments shall no longer reimburse, purchase, or own wireless communication devices, nor renew or extend existing cell phone contracts, except as noted below in the section regarding university-owned devices.

Stipend Eligibility Requirements

To qualify for the wireless communication stipend, the employee must have a business need, defined and approved by the supervisor, that includes one or more of the following:

- The employee's job requires that they work regularly in the field and need to be immediately accessible.
- The employee's job requires that they need to be immediately accessible outside of normal business hours.
- The employee is responsible for critical infrastructure and needs to be immediately accessible at all times.
- The employee travels and needs to be accessible or have access to information technology systems while traveling.
- Access via voice and/or access to information technology systems via a mobile communications device would, in the judgment of the supervisor, render the employee more productive and/or the service the employee provides more effective, and the cost of mobile communications service is therefore warranted.

This access may be limited to voice communications or also require access to information technology systems—e.g., e-mail, calendar, Web, UC portal, etc.

Wireless Communication Stipends

The wireless communication stipend does not constitute an increase to base pay, nor will it be included in the calculation of percentage increases to base pay due to raises, job upgrades, retirement or other compensation increases. The stipend will be itemized on pay stubs, reported on employees' W-2s and subject to withholding taxes.

The monthly maximum stipend amount is established by the Office of the Controller and approved by the Vice President of Finance. See the Variant Expense Rate Table for allowable stipend amounts.

The determination of the stipend amount covers the employee's projected business-related expenses only.

Responsibilities of Employees Receiving Stipend

When a wireless communication stipend has been approved and provided to an employee for the conduct of official business, the employee must comply with the following:

- The employee will provide the phone number within five days of activation and will be available for calls (in possession of the wireless communication device and have it turned on) during those times specified by management.

- The employee may select any wireless carrier whose service meets the requirements of the job responsibilities as determined by the supervisor or organizational unit head.
- The employee must inform the university when the eligibility criteria are no longer met or when the wireless service has been cancelled.
- Management may periodically request that the employee provide a copy of the first page of the phone bill in order to verify that he/she has an active wireless phone plan. Management may also periodically request documentation of substantial business use. At minimum, documentation is required when initially applying for the stipend and each time the stipend is renewed.
- 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.
- The employee is personally responsible for complying with international, federal, state, and municipal laws regarding the use of wireless phones and other communication devices while driving. Under no circumstances will the University of Cincinnati be liable for non-compliance.
- The employee should use discretion in relaying confidential information over wireless devices since wireless transmissions are not secure. See more on security for wireless communication devices below.

The employee does not need to maintain a log for business and personal phone calls if receiving a wireless stipend.

Security

The university reserves the right to require any mobile device accessing the university's infrastructure to be subject to future mobile device security policies and guidelines as established by the university's Information Security office and IT governance structure. This applies to both university and personally-owned devices.

Security policies may include device requirements for mobile anti-virus/spyware, mobile firewall, secure communications, encrypted file folders including storage cards, strong passwords, two-factor authentication, and/or destruction and disabling in the event of a lost or stolen device. Costs for any mobile security measures will become the financial responsibility of the organizational unit and/or the individual owner of the device at the time such requirements become university policy.

Wireless Communication Stipends on Sponsored Projects

Contact your grants administrator for guidelines and restrictions for charging wireless communication stipends on sponsored projects.

University-Owned Wireless Communication Devices

With the approval of the president, a senior vice president or a vice president, the university may purchase a wireless communication device with its associated plan in certain limited circumstances—e.g., phones or devices that rotate among student affairs, facilities or maintenance personnel. No personal calls are allowed on university-owned wireless communication devices. They should generally not be assigned to a specific individual nor taken home on a regular basis.

Upon approval of the president, a senior vice president or a vice president, the organizational unit may purchase a wireless communication device with its associated plan from any provider meeting the security requirements of the policy.

Business officers in the organizational unit must review the monthly bills of university-owned wireless communication devices to ensure that no personal calls were made. Inadvertent or emergency personal calls must be reimbursed to the university at the rate of \$10 plus costs.

Miscellaneous

Extraordinary business use of an employee's personal wireless device in excess of the monthly stipend can be reimbursed with appropriate documentation and approval.

Exceptions to this policy require approval from the president, a senior vice president or a vice president.

Misuse or fraudulent receipt of a wireless communication stipend may result in progressive administrative and/or disciplinary action up to and including termination of employment and criminal prosecution.

Procedure

UC Flex GL Account	535604 (Communications Stipend)
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To initiate the electronic workflow process for a wireless communication stipend, the employee must submit a request through UCit's GETit Web site. Once the GETit request is approved by the unit, the employee must electronically accept the terms of the wireless communication stipend agreement. Once the agreement is accepted by the employee, the process for a Personnel Compensation Request (PCR) begins.

All wireless communication stipends are deactivated at the end of the fiscal year. A wireless communication stipend must be renewed annually via the renewal process in GETit. This renewal process allows the employee and the department the opportunity to review the continued business need for the stipend and update any stipend amounts.

The employee must provide documentation of plan coverage and business use at annual renewal time.

Organizational units may institute policies more, but not less, restrictive than this policy (2.1.7) if desired.

Related links:

[Cell Phone Usage Log](#)
[GetIT](#)
[IRS Guidelines](#)
[Policy Exception Form](#)
[Variant Expense Rate Table](#)

Phone Contacts:

Controller	556-0658
Grants Administrator	
Payroll Operations	556-2451
UCit Network & Telecommunications Services	556-4357
Unit Business Administrator	