

LOCK HAVEN UNIVERSITY

POLICY ON BUSINESS USE OF WIRELESS COMMUNICATION DEVICES

Effective Date: September 1, 2014

I. Introduction

Lock Haven University has established a policy for employees' use of wireless communication devices (WCDs) such as cellular phones and smart phones (e.g., iPhones, Androids, Galaxy etc.). The policy complies with Internal Revenue Services (IRS) regulations regarding the taxability of such devices to employees. The IRS has determined that a wireless communication allowance is non-taxable provided it is not a substitute for a portion of the employee's regular wages.

- A. PURPOSE:** To establish a policy for the business use of a wireless communication device (WCD) to accomplish the following objectives:
1. Enable Lock Haven University to comply with IRS rules.
 2. Assist Lock Haven University in achieving maximum productivity and cost-effectiveness while employing WCDs as a business solution.
 3. Appropriately and effectively manage the payment/reimbursement of costs associated with the business use of WCDs.
- B. SCOPE:** This policy applies to all employees of Lock Haven University.

II. Definition

- A. Wireless Communication Device (WCD):** A device that transmits and receives voice, data and/or text communication without being physically connected to the Lock Haven University network. This includes, but is not limited to, the following:
1. Cellular telephones.
 2. Pagers.
 3. Wireless Internet services.
 4. Wireless data devices.
 5. Cellular telephone/two-way devices.
- B. Wireless Communication Allowances:** A monthly allowance processed through the Payroll Department, representing reimbursement to an employee for the business use of his/her personally owned WCD. Such allowance is excludable from employee's income as a *de minimis* fringe benefit and therefore, Federal, State, Social Security, Medicare (FICA) and Pennsylvania Unemployment Compensation taxes will not be withheld. The allowance is not included in base pay and will be reported on employee pay statements as Non-Taxable WCD Allowance.

III. Policy

Lock Haven University will provide employees three (3) options for reimbursement for business related costs incurred using a WCD:

1. Business-use only device
2. Cost reimbursement
3. Monthly allowance

The division Vice President shall determine the most appropriate option for each eligible employee in the division.

- A. Business-Use Only:** Lock Haven University may provide a business-use only WCD for an employee whose position and responsibility justify the usage of the WCD. The guiding principle for eligibility for the device is that the WCD is used regularly and extensively to conduct Lock Haven University business and the use of the WCD by an employee is for the benefit of the University rather than the convenience of the employee. The employee's Department Head/Dean, with approval of the respective Vice President, will determine whether individual employees are eligible to receive a WCD. Employees who receive a business-use only device may not use the device to make personal calls except in emergencies. Employees who are issued a business-use only WCD are responsible for reviewing their monthly statements and verifying that all calls are business-related by signing the statement and returning it to their supervisor. Any calls of a personal nature must be noted.
- B. Cost Reimbursement:** When an employee's position does not require a business-use only WCD or an allowance, and in the event that an employee is occasionally required by their supervisor to use a WCD to conduct PASSHE business, the employee will be reimbursed for associated out-of-pocket costs incurred for use of a personal device.
- C. Monthly Allowance:** Employees who meet the guidelines of eligibility for a WCD, but wish to maintain one device for both personal and business related calls, may receive a monthly allowance. Employees who receive a monthly allowance shall not be eligible for a business-use only device and will not be permitted to submit reimbursement requests above the monthly allowance. There will be no allowance for acquisition of a device. Employees may receive a higher allowance by the approval of the President to meet extenuating circumstances. Any WCD that is used by an employee (personal or University resources) for business related purposes is subject to discovery
- D. Determination of Eligibility for Device:** Employees with job responsibilities requiring frequent and recurring use of a WCD may be eligible to receive an allowance with approval from the Department Head/Dean and Vice President. The Department Head/Dean and Vice President will determine the business need and type of plan for the WCD based upon the duties of the position. Eligibility for business need is outlined in Attachment A.
- E. Reimbursement for Business Related Use of an Employee-Owned WCD:** With appropriate authorization, an employee who does not receive an allowance may receive reimbursement for additional out-of-pocket expenses related to the business use of a personally owned WCD upon submission of detailed documentation of business use. The request for reimbursement should be provided to Accounting within ten (10) days of receipt of the invoice. The submitted documentation must include the detailed monthly invoice with each business call highlighted and noted as to the specific business purpose, and be approved by the Department Head/Dean. Personal call/activity detail may be redacted but must show the date and minutes of all activity.

The employee will incur no additional taxable income provided appropriate documentation of business use is submitted.

Business related activity will be reimbursed only when use of the WCD was required and the employee can demonstrate that an additional cost was incurred; e.g., when required University business calls caused the minutes covered under the employee's monthly service plan to be exceeded. If business calls required to conduct University business cause the minutes covered under the service plan to be exceeded, but the invoice does not clearly show the cost of the business calls, the employee's request for reimbursement must include a calculation of the out-of-pocket costs, taking into account free (in-network/promotional) business minutes. Accounting must approve this calculation and may ask for additional documentation for any activity for which the business necessity is not clear.

- F. Employee Requirements and Appropriate Use of WCDs:** The following conditions apply to the usage of WCDs for employees approved to receive a WCD allowance:
1. Employees must immediately notify the Payroll Department in the event the wireless service is cancelled.
 2. All employees will be expected to make available their phone number as indicated by their department and required by their position duties. The employee may also be required to provide WCD call histories to comply with discovery or Right-to-Know requests. In the rare event of a discovery situation where use of a WCD is an issue, the employee may need to surrender the device as outlined in a court order.
 3. Employees are personally responsible for complying with international, federal, state and municipal laws governing the use of WCDs and are also expected to abide by the Lock Haven University acceptable use of technology procedures.
- G.** Management may periodically request that an employee provide a copy of the pages of the phone bill that show plan features and cost 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 annually when the stipend is renewed.
- H.** 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.
- I.** The employee should use discretion in relaying confidential business related information over any wireless devices since wireless transmissions are not secure.
- J.** Exceptions to WCD Procedures: All exceptions to these procedures, including exceptions for employees who require specific advanced equipment or technology to perform job functions, must be approved by the President.

PROCESS FLOW

STEP	RESPONSIBILITY	PROCEDURE
1	Department Head/Dean	Based on historical use (or anticipated use for new position) determines if an employee is eligible and required to conduct University business using a WCD. Completes the Wireless Communication Device (WCD) Approval Form, and forwards form to employee. If a device or allowance is not warranted, notifies employee of the procedures to submit request for reimbursement for business-use.
2	Employee	Agrees to requirements in Lock Haven University WCD Procedure and signs Wireless Communication Device (WCD) Approval Form.
3	Department Head/Dean	Signs Wireless Communication Device (WCD) Approval Form and forwards recommendation, along with supporting documentation, to area Vice Presidents.
4	Vice President	Reviews Wireless Communication Device (WCD) Approval Form; returns disapproved forms to Department Head; and forwards approved forms, along with supporting documentation, to Human Resources.
5	Human Resources	Reviews request and supporting documentation for appropriateness and implements within payroll system.
6	Human Resources	Conducts a WCD audit once a year to determine employee eligibility status.
7	Supervisor	Reviews monthly statements of employees who are issued business-use only WCD's for policy compliance.

Attachment A

Lock Haven University

Wireless Communication Device (WCD) Approval Form

Justification (to be completed by Department Head)

Employee Name _____ Title _____

Department _____

New Request _____ Change _____ Terminate Agreement _____

Check all appropriate:

Responsible for emergency or safety incident response or decision making

Responsible for critical infrastructure or operational support and must be immediately accessible.

Responsible for or supports programs, services or systems requiring frequent and immediate communications/availability during the work day, during non-work hours or while in travel status.

Responsible for communicating with Senior Management with immediate accessibility

Responsible for performing a substantial portion of job duties away from the office or away from other available communication technology

IT "Power User" (Employee with evening and weekend responsibilities to monitor servers, software, etc.)

Responsible for key executive decisions and identified by the President as critical to the office mission

Other (explain):

Department Recommendation (to be completed by Department Head)

Usage Category: Business Use only Combined Business/Personal Use (Monthly Allowance)

Type of Service: Basic Cell Phone Smartphone

_____ has read and understands Lock Haven University's Wireless
(Employee Print Name)

Communication Device Procedure and agrees to comply with the procedures.

Employee Signature _____ Date _____

Supervisor Signature _____ Date _____

Vice President Signature _____ Date _____

Attachment B

Lock Haven University

Allowance Amount

BASIC PHONE ALLOWANCE

The current allowance amount is \$24.00 per month.

This allowance is based on 60% of the average carrier cost of a basic cell phone plan that has 700 voice minutes.

SMARTPHONE ALLOWANCE

The current allowance amount is \$54.00 per month.

This number is based on 60% of the average carrier cost of a cell phone plan that has unlimited voice minutes and 1 GB data service.