

## **University of Dayton Policy on Employer-Provided Mobile Communication Devices and Associated Services**

### **PURPOSE:**

This document details the University of Dayton's policy on the procurement of and payment for mobile communication devices and associated services for employees. Within this policy, a mobile communication device generally refers to a cell phone (voice/text only) or a smartphone (voice/text/data).

### **SCOPE:**

This policy applies to all employees who require a mobile communication device and associated services to effectively conduct the business of the University of Dayton. Mobile communication devices should not be issued to student workers, contract employees, part-time personnel, adjunct faculty, or other temporary employees.

### **POLICY:**

Many University of Dayton employees require a mobile communication device and associated services to adequately fulfill their daily business duties. In general, a **cell phone** may be assigned to employees for whom the nature of their work requires both wide mobility and access to the public telephone system. A request for a cell phone must have the approval of the responsible budget authority. A **smartphone** may be assigned to C-Level employees or higher who require access to the University data network. A request for a smartphone and associated services must have the approval of the responsible budget authority and the Dean or VP of that unit.

Mobile communication devices and associated services are a significant cost to the University and pose the risk of data breach if lost or stolen; therefore, use of these devices should ensure appropriate stewardship of University resources and be in compliance with Internal Revenue Service regulations. All employees must follow university guidelines for requesting and maintaining a mobile communication device and services as outlined in Appendix A.

Federal tax law states that personal use of an employer-provided mobile device is a taxable fringe benefit. The University has established methods to address this issue as outlined in Appendix B.

Employees who occasionally use their personal mobile communication devices for business-related purposes may be reimbursed for the actual costs incurred. Refer to Appendix C.

### **ENFORCEMENT:**

Parties found to have violated this policy may be subject to disciplinary action.

### **REVISION HISTORY:**

Original: August 2009

Revised: April 2011

Responsible Office: Finance & Administrative Services

## **Appendix A Procurement of a Mobile Communication Device**

University faculty and staff who require a mobile communication device and services must submit a Mobile Communication Device Request form to UDiT. The form is available from UD's IT Policies and Forms website at <http://community.udayton.edu/provost/it/policies/index.php>, by emailing [helpdesk@udayton.edu](mailto:helpdesk@udayton.edu), or by calling the computer help desk at (937) 229-3888.

The University negotiates pricing on devices and services with several mobile service providers based on the best overall benefit to the University. UDiT, in cooperation with the Comptroller and Purchasing, will process all mobile telephone acquisitions using established purchasing procedures based on the approved service providers, equipment, and service plans.

All costs associated with the mobile communication device will be borne by the department ordering the equipment. Such costs include, but are not limited to: equipment acquisition, service initiation, monthly fees for mobile service, per-minute cost of usage in excess of the service plan allocation, maintenance and repair of equipment, and replacement of lost or stolen equipment.

Security of the mobile communication device is the shared responsibility of the University and the employee. It is the responsibility of the employee to ensure he/she does not circumvent installed security solutions and adheres with all applicable IT policies published at <http://community.udayton.edu/provost/it/policies/index.php>. Lost or stolen devices should be reported to the UD Help Desk at (937) 229-3888 no later than the next business day so that service can be temporarily suspended.

In the event the device holds personally identifying or business sensitive information\*, loss or theft should be reported immediately to the UD Help Desk at (937) 229-3888 so help desk staff can engage the University's IT incident handling process. After hours, if the UD Help Desk is not available, the employee should contact Public Safety (937) 229-2121, who will then contact on-call IT staff.

To ensure compliance with IRS regulations, no department is permitted to pay for an employee's mobile communication device independently (e.g., via Pcard). Monthly billing for mobile services will be processed centrally. The detailed usage statements should be reviewed and authorized by the user's department director. Any discrepancies should be communicated to UDiT for service provider follow-up.

*\* Reference Appendix A of the [University of Dayton Policy on Electronic Use of Confidential Data](#) for the current definition of personally identifying or business sensitive information.*

## **Appendix B**

### **Taxable fringe benefit calculations**

Federal tax law states that personal use of an employer-provided mobile device is a taxable fringe benefit.

The University has elected to use safe harbor substantiation guidelines to address the taxable fringe benefit issue. A set percentage of each employee's use of their University-provided mobile communication device will be treated as business usage. The remaining percentage is deemed for personal purposes and will be included in the employee's taxable income. The guidelines recommend that business use be set at 75% and personal use at 25%. The University will follow IRS guidelines with respect to setting the percentages of use.

The University has identified the fair market value of the mobile communication device services to be the monthly cost of the selected service plan for that employee. The University will calculate the fair market value of the device twice per year, and will include 25% of that value as taxable income to the employee in the May 10<sup>th</sup> and November 10<sup>th</sup> payrolls each year.

For example: An employee has a cell phone plan with a \$50 monthly service fee.

Semi-Annual FMV:  $\$50 \times 6 \text{ months} = \$300$

Additional taxable income reported to Payroll for that period:  $\$300 \times 25\% = \$75$

The fair market value of the mobile communication device services will be adjusted as service plan pricing is renegotiated with the University's mobile service providers or when an employee changes plans. Changes will be communicated to the employee and the payroll office.

## **Appendix C**

### **Reimbursement for business-related usage on a personal mobile communication device**

Employees may occasionally use their personal mobile communication devices for university-related business purposes. These employees may be reimbursed for the actual costs incurred if the employee accounts to their employer with sufficient records to establish the business-related usage. Sufficient records must include the following:

1. Original bill from the mobile plan carrier, showing the employee's name and address.
2. Amount of each expenditure on an appropriate measure (i.e., time used) and the amount of total use of the mobile communication device for the period.
3. The date of the expenditure or use of the device.
4. The business purpose of the expenditure or use of the device.

Requests for reimbursement should be processed on a check request.

NOTE: Per UD's policies on the Electronic Use of Confidential Data (see <http://community.udayton.edu/provost/it/policies/index.php>), confidential data should NOT be hosted on personally owned devices.