The following guidance is offered to assist decision makers with approving appropriate and necessary allowance levels under Puget Sound’s Allowance Policy for Communication and Technology Devices and Services. It is recommended that the policy document and allowance request form be reviewed first.

What are the requirements for a faculty or staff member to receive an allowance for a cellular phone, mobile device, or broadband services?
The faculty or staff member must meet one or both of the following criteria to receive an allowance from the university:

A. The faculty or staff member is required to spend a considerable amount of time outside of his/her assigned office or work area during normal working hours and is required to have regular access to telephone and/or internet connections.

B. The faculty or staff member is required to be accessible outside of normal working hours. (This is not intended to include occasional, incidental, or emergency access.)

May an allowance be granted to a faculty or staff member when there is not a substantial business purpose for the expense?
• No. The university will only grant allowances to those faculty and staff members with a substantiated business need for the device.

Should an allowance be used to increase a faculty or staff member’s salary or benefits?
• No. An allowance for cell phones, mobile devices, or broadband access should not be granted as a perquisite.

Are allowances taxable?
• Because a substantiated business purpose is required and the faculty or staff member must certify the allowance does not exceed his/her monthly service costs and periodic device replacement, the allowance is not taxable.

Do allowances expire or need to be renewed?
• No. An allowance will remain active until a faculty or staff member leaves Puget Sound or changes positions.
• Allowances will be suspended if a faculty or staff member is on leave without pay or receives worker’s compensation payments for an entire pay period. The allowance will automatically be reinstated upon return to work.
• The responsible president’s cabinet member or delegate must certify at the beginning of each fiscal year that allowances currently in place are still necessary and appropriate for each faculty or staff member.

How are allowances paid?
• Allowances are included on a faculty or staff member’s semi-monthly payroll payment.

Is an allowance through payroll the only way to provide the device or allowance to a faculty or staff member?
• Yes, if the need for a device/service is routine and ongoing.
• There are generally two instances where a device/service may be provided by means other than a payroll allowance:
  o If a faculty/staff member uses a personal device for approved university business on an infrequent basis and the faculty/staff member’s out-of-pocket costs are in excess of the regular monthly cost of the personal responsibility plan, he/she may seek
reimbursement provided the request is documented according to Puget Sound’s reimbursement and credit card documentation policy.

- With approval from both the responsible president’s cabinet member and a college financial officer, a college department may maintain a shared cell phone, pager, or broadband access card in a college-owned laptop and associated services. The department head is responsible for maintaining a system to safeguard and ensure appropriate use of devices and service, including communicating Puget Sound’s policy of no personal use and confirming that there is no personal use.

What factors should be considered in choosing an appropriate and necessary allowance type and amount?

- Begin with the lowest “appropriate and necessary” level. It is generally easier to increase an allowance level than to decrease one.
- Essential functions of a position should determine the necessity of an allowance.
- Sufficient funding/operating budget should be available before an allowance is approved. If this is not the case, president’s cabinet members should include this in their next Budget Task Force (BTF) request. Please discuss exceptions to the BTF process with the Vice President for Finance and Administration (before approving).

What factors should be considered in deciding between a cell phone and mobile device allowance?

- When telephone (but not e-mail) access outside of a college-provided office telephone is required a cell phone allowance is typically appropriate.
- When both telephone and e-mail access are required (beyond a college-provided office telephone and desktop or laptop computer) a mobile device allowance is typically appropriate.
- Additional considerations:
  - In deciding between a cell phone and mobile device allowance, the approver may want to consider the requirements of comparable positions, both those at Puget Sound and those at other colleges. Are there positions in other departments here at Puget Sound that have similar essential functions? What is the standard or requirement for comparable positions at other colleges? Is there an accepted best practice or standard among colleges that are similar to Puget Sound?
  - In the case of a mobile device, faculty/staff members in the same department with comparable essential functions should each be required to have a mobile device. If faculty/staff members are allowed a choice between a cell phone and a mobile device, a mobile device allowance would generally not be “appropriate and necessary.”

What factors should be considered in selecting an appropriate and necessary allowance level (dollar amount)?

- The three levels for each type of device (cell phone or mobile device) can be described in general terms as:
  - partial (minimum);
  - frequent (middle amount);
  - full (maximum).
- A partial or frequent allowance is appropriate if the individual is routinely required to be accessible outside of normal working hours (keeping in mind that this is not intended to include occasional, incidental, or emergency access). This might include an individual who is frequently on call as an essential function of his/her position. A full allowance would typically not be “appropriate and necessary” in this circumstance. This is because most plans provide unlimited evening and weekend minutes and this is the time period when individuals are typically on call (outside of normal working hours). In deciding between a partial or frequent
allowance, give consideration to the frequency and duration an individual is required to be accessible (keeping in mind this does not include occasional, incidental, or emergency access).

- **A frequent or full** allowance is appropriate if the individual spends a considerable amount of time outside of his/her assigned office or work area during normal working hours and is required to be accessible by phone (or phone and e-mail). Examples might include:
  - An individual who travels frequently as part of the essential functions of his/her position; and/or
  - An individual who spends a considerable amount of his/her regular work day outside of an assigned office or work area.

- In deciding between a partial, frequent, or full allowance, also consider the following:
  - Frequency/duration an individual is required to travel or to be away from their assigned office or work area; and
  - the call and/or data plan level that an individual needs to fulfill the essential functions of his/her position.

- It is possible for a partial-level allowance to be appropriate in some circumstances for an individual who travels (is away from the office) as part of his/her position. An example might include if an individual travels 25% of the time so 25% of a full cell phone allowance (which equates to a partial level) is appropriate and necessary.

- Mobile device monthly (ongoing) amounts cover both monthly service costs and periodic replacement. A prorated, ongoing device replacement amount is included in the ongoing, monthly allowance amounts. The replacement cycle standard is three years.

- In no case should an allowance amount exceed the faculty or staff member's actual monthly service cost plus periodic replacement as this is considered to be excessive reimbursement by the IRS and may lead the full amount of the allowance to be taxable.

**What factors should be considered in selecting an appropriate and necessary one-time mobile device allowance amount?**

- It is appropriate to provide an individual with a one-time mobile device allowance if s/he does not already have a compatible mobile device and needs to acquire one as an expectation or requirement of his/her position.

- The one-time allowance amount should be determined based on the actual cost of the device, up to (not to exceed) $300.00.

- A receipt does not need to be submitted to the Payroll Office. At their discretion, a supervisor or president’s cabinet member (or delegate) may ask that a receipt be submitted to them.

- **Note:** monthly (ongoing) mobile device amounts cover both monthly service cost and periodic replacement. A prorated, ongoing device replacement amount is included in the ongoing, monthly allowance amounts. The replacement cycle standard is typically three years.