This policy is effective as of January 1, 2013, and supersedes all previous policies, guidelines, and practices for college payment for or reimbursement of communication and technology devices and services covered under this policy.

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Why this policy is needed
The intent of this policy is to provide an effective and regulatory-compliant process for faculty and staff members to cover the cost of self-purchased communications and technology devices and associated services when the appropriate president’s cabinet member or delegate has determined that a faculty member or staff member requires the devices and services to enable effective support of Puget Sound’s mission.

When business purpose is documented and approved, current IRS regulations allow for the nontaxable reimbursement of expenses associated with personal communication devices and services such as cell phones and smart phones (mobile devices) and treat both business and personal use of employer-provided devices as excludable from an employee’s wages. To treat the value of a device and related service plan as nontaxable, the IRS requires the employer to substantiate that the device is provided for non-compensatory business reasons. If the IRS determines that an employer is providing a device as a compensatory benefit or reimbursing for unusual or excessive expenses, it can ignore any business use of the phone and treat the entire value of the cell phone benefit as additional taxable wages.

This campus-wide Allowance Policy for Communication and Technology Devices and Services serves to:

- establish guidelines to identify faculty or staff positions for which a nontaxable allowance for communication and technology devices and services is appropriate and necessary;
- ensure compatibility of devices with Puget Sound’s network and software systems;
- create an effective and manageable support and record-keeping structure for both individuals and the college; and
- ensure compliance with laws and regulations.

Policy statement
Puget Sound provides a nontaxable allowance for communications and technology devices and associated services when the appropriate president’s cabinet member or delegate has determined that a faculty or staff member requires such devices and services to support Puget Sound’s mission effectively.

Allowances will only be approved where there is a substantiated business purpose for the device and/or related service. Allowances will not be provided as a means to increase a faculty or staff member’s compensation.

Except for shared department devices described later in this policy, Puget Sound does not purchase devices covered by this policy or pay vendors directly for related monthly service.
Infrequent reimbursements:
Faculty or staff may be reimbursed for out-of-pocket costs associated with personal responsibility plans when all of the following are true:
   1) a personal device was used for approved college business;
   2) the faculty or staff member’s out-of-pocket costs are in excess of the regular monthly cost of his/her personal responsibility plan;
   3) reimbursement requests are documented in accordance with Puget Sound’s reimbursement and credit card documentation policy; and
   4) reimbursement requests are infrequent in nature (in other words this is not a regular, ongoing expense, in which case an allowance would be applicable and would need to be authorized).

Devices and services covered by this policy
Communications and technology devices and services for which a nontaxable allowance may be provided include:
   1) cellular telephones and associated service (cell phones);
   2) smart phone devices and associated service (mobile devices);
   3) DSL or cable broadband modems or broadband access (air) cards and associated service, including home internet access (broadband access).

Guidelines for determining when an allowance is appropriate and necessary
Within their areas of responsibility president’s cabinet members or their delegates may authorize one or more of the approved nontaxable allowances identified on the allowance form for an individual who meets one or both of the following criteria.

   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.)

The president’s cabinet member (or delegate) approving the allowance will use his/her knowledge of the essential functions of the position, budget considerations, and good judgment to determine the necessity and appropriateness of the allowance to be provided to each authorized faculty or staff member. All allowances will be charged to an appropriate department budget. Department heads are responsible for confirming that faculty or staff members in their department have obtained and maintain the device(s) and service(s) for which they receive an allowance.
Approved allowance types and amounts
The allowance form identifies the current approved allowance amounts. To simplify administration, allowance amounts will not be applied retroactively. Allowances will begin on the first day of the pay period after the completed and approved request form is received by the Payroll Office.

Puget Sound reserves the right to adjust allowance amounts to coincide with market trends in monthly service fees for cellular, mobile, and broadband communications. Sufficiency of allowance amounts is to be reviewed as part of the periodic review of this policy. Recommendations to change allowance amounts will be made to the vice president for finance & administration.

Allowance process
Starting an allowance
To start an allowance, a completed allowance form signed by the faculty or staff member, department head, and the responsible president’s cabinet member or delegate should be submitted to the Payroll Office. Forms received by the 1st of the month will begin with the payroll on the 15th. Forms received after the 1st and before the 15th will begin with the last payroll of the month.

Stopping an allowance
Allowances will continue until the faculty or staff member leaves Puget Sound employment or moves to a different position within the college, at which time the allowance will automatically end, with a prorated payment occurring in the period of separation or change in position. A department head or responsible president’s cabinet member or delegate may also stop an allowance by sending an e-mail message to the Payroll Office at payroll@listhost.pugetsound.edu.

Allowances While on Leave
Allowances will be discontinued when a faculty or staff member is away from his or her position on leave without pay or receiving worker’s compensation payments for an entire pay period. The allowance will automatically resume when the faculty or staff member returns to work.

Annual review of allowances
Prior to the start of each fiscal year, the Payroll Office will provide president’s cabinet members or delegates with an opportunity to review allowances for their areas of responsibility.

Reviewers will be asked to certify via e-mail reply to the Payroll Office no later than July 1 each year that allowances are still reasonable and substantiated by business necessity. The Payroll Office will also confirm with individual allowance recipients that their allowance amount does not exceed their monthly service cost plus periodic device replacement. This confirmation may be performed on a sampling basis.
Reviewers should complete new allowance request forms for all changes to existing allowances.

Discontinuation of allowances may be submitted to the Payroll Office by sending an e-mail message to payroll@listhost.pugetsound.edu.

Account charged for allowances
Allowances will be charged to operating expense account number 63015 (mobile devices and services) in the speed chart (fund/dept or project) approved by the president’s cabinet member or delegate.

One allowance per faculty or staff member
Each faculty or staff member who is authorized to have a device or service for work purposes is to purchase his or her own device and/or service. In other words, Supervisor A cannot enter into a cell phone contract for both himself/herself and Staff Member B. If Staff Member B is authorized to have an allowance, Staff Member B should enter into his/her own contract with a vendor.

Direct payments by Puget Sound to a vendor for devices or services
With the exception of the shared department cell phones described in the next section, the college:
  • will not provide direct payments to a vendor for the purchase of devices or services covered under this policy for any individual; and
  • will not enter into contracts with vendors for faculty or staff use of devices or services covered under this policy.

The faculty or staff member will be the direct holder of a contract with the service provider and responsible for all contractual payments including cancelation or late payment fees.

Shared department cell phones or pagers
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.

Exceptions
Exceptions to this policy must be pre-approved in writing by the vice president for finance and administration or delegate.
Use of devices while driving  
In the interest of the safety of faculty and staff members and other drivers, University of Puget Sound requires faculty and staff to comply with all applicable laws while driving.

Other college policies that may be applicable  
When using personally-owned devices that are connected to college networks, or when using college-provided devices or resources all individuals are expected to comply with college-wide privacy and appropriate use of resources, information use and security, and e-mail, voice mail, and network access policies.

Responsibilities for approving and maintaining this policy  
The vice president for finance and administration, in consultation with the president’s cabinet, is responsible for approving modifications to this policy.

The associate vice president with responsibility for payroll should initiate a periodic review of this policy (typically on an annual basis) that includes the sufficiency of allowance amounts. The following individuals (and/or delegates) should be included in the review:

- chief technology officer;
- associate vice president for human resources;
- associate vice president for accounting & budget services;
- director of financial systems and disbursements; and
- appropriate representation from divisions or departments with faculty or staff with allowances covered by this policy.

Questions about this policy? Please contact:
- assistant director of financial systems and disbursements;
- director of financial systems and disbursements; or
- associate vice president for accounting and budget services.