



Policy FA025: Mobile Device Guidelines

Recommended for Approval by:

A handwritten signature in black ink, appearing to read "Fawn R. Petrosky".

Fawn Petrosky, Vice President for Finance

Approved by:

A handwritten signature in black ink, appearing to read "Dr. Dale-Elizabeth Pehrsson".

Dr. Dale-Elizabeth Pehrsson, President

Effective Date: 01/09/2023

A. Intent

The intent of this policy is to ensure compliance with Internal Revenue Service (IRS) regulations regarding taxability of wireless communication devices (WCDs).

The purpose of this policy and subsequent procedures is to simplify the means by which Pennsylvania Western University (PennWest) can benefit from employee access to wireless services while allowing a qualified employee to use the same device for both personal and University-related business.

In addition, this policy will enable the University to comply with IRS regulations to:

- a) achieve maximum productivity and cost-effectiveness while employing WCDs as a business solution; and
- b) appropriately and effectively manage the payment/reimbursement of costs associated with the business use of WCDs.

B. Definition(s)

- 1. Wireless Communication Device (WCD):** A device that transmits and receives voice, data, and/or text communications without being physically connected to the PennWest network. This includes, but is not limited to, the following:
 - Cellular telephones
 - Wireless Internet service
- 2. Stipend:** A monthly allowance processed through Payroll, representing reasonable payment to an employee for the business use of his or her personally-owned WCD.

C. Policy

Under IRS regulations, if a WCD is personally-owned by the employee, the employee may be compensated for business use through an allowance or stipend, which is taxable income. PennWest University, through a procedure authorized by the President, will provide specifically designated employees with a **taxable** stipend that it deems sufficient to pay for the cost of their personal WCD for University-related business purposes.

D. Procedure(s)

1. Factors in Determining Eligibility for Cellular Stipend Program

Employees who apply to enroll in the cell stipend program will be deemed eligible based on the University's business need for them to have the services involved; **no employee** should assume that he or she is entitled to a WCD stipend to pay for business use of a personal WCD device or service because of their position or responsibilities at the University.

Eligibility Criteria: Employees who meet one or more of the following criteria may be eligible for the WCD Stipend Program.

Key Personnel

- Employee is considered **essential personnel** for emergency or safety reasons.
- Employee supports or is responsible for programs, services, or systems that necessitate **frequent** and **immediate** communications throughout the day, after hours, or while away from the office.

Technical Monitoring

Employee **is required** to monitor essential systems, which may include receiving text messages from such systems upon outages or conditions outside of operating standards.

- Employee **must be available** immediately for service calls or troubleshooting during the work day.

No Better Communication Source

- Employee **does not have access** to other communication devices while on the job because the employee has no assigned office and/or primary work location.
- Employee **is required** to travel on a frequent basis and must maintain regular communication while in travel status.
- Employee **performs the majority of his or her job duties in the field** where business either cannot be conducted by a landline telephone or it would be inefficient to use a landline telephone.

2. Expectations of the University and of the Employee in the Program

Under this policy, the employee who qualifies for the stipend, based on recommendation from the area Vice President, will be expected to obtain his or her own WCD and service contract with the provider of his or her own choosing. The service would be a personal contract between the employee and the service provider. Employees may be eligible for

discounted rates with certain vendors through PASSHE or PennWest. The employee is expected to provide to PennWest any cellular telephone number to which he or she is applying the stipend so that the number may be used in conducting University business.

3. How the Program Works

Step 1: Department Chair or Supervisor completes a **Wireless Communication Device Stipend Request Form** (see attachment "A").

Step 2: Department Chair or Supervisor completes form and submits to area Vice President for review and approval. If area Vice President approves request, it is forwarded to the Vice President for Finance for final approval and processing through the Office of Payroll.

If the request is denied, the Vice President updates the WCD Stipend Request Form with denial reason and returns the form to the submitting Department Chair or Supervisor.

Step 3: The approved WCD Stipend Request Form is sent to the Office of Payroll for processing. The monthly stipend amount is a base amount of \$60 per month.

It is the responsibility of the area Vice President to periodically review (at least annually) the individuals approved to receive a WCD stipend. In those situations where an individual no longer meets one or more of the Eligibility Criteria, the area Vice President should notify the Vice President for Finance to discontinue the stipend.

4. Stipend

The stipend allowance rate is set at a base amount of \$60 per month, or \$27.69 per biweekly pays, and may be revised on an annual basis by ELT and approved by the University President.

The taxable stipend is intended to compensate the employee for the business use of their cell phone. Monthly stipends are taxable to the employee, but require no tracing or recordkeeping of personal usage. The employee will receive the monthly stipend as taxable compensation.

5. Cancellation of Stipend

By accepting the stipend, the employee agrees to respond to communications on his or her WCD. A supervisor may decide to discontinue the stipend for employees who consistently fail to respond to University communications, such as e-mail, text, or voice.

If an employee is no longer eligible for a stipend, the employee's department must submit a timely notice to the Vice President for Finance to discontinue the stipend. Qualifying events include change in job/position where the new role does not require the use of a WCD, employee termination, or management decision.

6. Exceptions

In order to take advantage of priority designation in emergencies, the University will continue to purchase and assign cell phones or other WCDs to specifically identified University personnel, such as University Police, Safety & Risk Management staff, and Facility Management staff. These WCDs are the sole property of the University. However, as technology advances, the University will evaluate each year on whether to continue, upgrade or discontinue University-owned WCD.

E. Contact Information

Office of Finance

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F. Policy Review Schedule

All policies will be reviewed every two years or on an as needed basis if a change in BOG, PASSHE or Pennsylvania law would create the need for an immediate change.