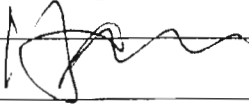


Subject: Wireless Devices Policy	Department Name: Business & Finance	Effective Date: July 1, 2007 Issue Date:
	<input checked="" type="checkbox"/> New Policy	Approval: 

**CALIFORNIA STATE UNIVERSITY, STANISLAUS POLICY REGARDING THE
WIRELESS DEVICES FOR BUSINESS USE**

Introduction

This policy is to comply with IRS regulations regarding employee use of state-owned property for personal use. The policy applies to all employees who have been required by the University to carry a wireless device so as to be available to the University while away from campus and/or to use a wireless device as an integral, non-optional tool in performing their assigned duties. Examples of wireless devices are cell phones and personal digital assistants.

The decision of whether an employee is required to be available while away from campus or to use a wireless device while performing assigned duties is entirely up to his/her MPP administrator. The administrator and employee will complete a mandatory authorization form (*California State University, Stanislaus Wireless Devices Authorization Form*) that provides specific information concerning the required device type and usage.

The policy does **not** apply to employees who may occasionally use personal wireless devices for work-related uses (e.g., use of personal cell phone for a work related call). If the occasional use has a cost, and the employee is able to support that cost with the appropriate invoice documentation from the service provider, with department approval the employee may submit a claim for reimbursement for that particular and specific use of the employee's personal equipment.

Compliance with Tax Law

The IRS tax code characterizes wireless devices as "listed property" which imposes stringent detailed recordkeeping requirements particularly if there are components of business and personal use. *Under the tax regulations, deductions for expenses attributable to the business use of wireless devices are disallowed unless it can be substantiated by adequate records.* In addition, this substantiation rule does not permit an employer to adopt "de minimis" personal use policies. Relevant tax codes are: Internal Revenue Code (IRC) §280F(d)(4)(A)(v), IRC §274(d)(4), Treasury Reg. §162.2, Treasury Reg. §1.274-5T(e)(general), Treasury Reg. §1.274-5T, IRC §274(d), Treasury Reg. §1274-6T(a)(2) and 1.274-6T(a)(3)(general).

Two Options for CSU Stanislaus Employees

For those employees who have been assigned to carry such a device, the university offers two options. The decision regarding which option to use will be determined by the employee and his/her administrator. The administrator and employee will indicate which option is chosen by annually completing the *California State University Wireless Device Authorization Form*. However, if an agreement cannot be reached, the default option will be the University-owned device (Option One) which prohibits personal use (IRS Policy).

Option One: University-Owned Device

- The University department has or will establish contracts with the service provider(s), or use an existing University contract, for each device type.
- The use of the device is for business use only. **Personal use is prohibited.** Personal use will result in cancellation of the service and the employee must immediately return the device and pay for past personal usage.
- Employees will be required to certify on each monthly bill that there was no personal use.

Option Two: Personally-Owned Device

- The university will provide expense allowances for/toward (a) acquisition of the initial device and (b) for/toward service fees. The amounts are determined by the administrator, based on his/her judgment of the type of wireless device warranted (e.g., phone or phone/PDA). The administrator may not use this expense allowance as a salary supplement. If the employee disagrees with the amount, the administrator will requisition a university-owned device, as detailed in Option One.
- In accordance with IRS regulations, the expense allowance will be reportable as taxable W-2 income, and is not repayable to the university, unless the employment relationship is severed.
- As long as the provider's plan supports and is compatible with the business-related use by the university, the employee may choose the device and the service plan he/she wishes to use. The arrangement is between the employee and the provider; the university is not involved in the contract with the provider. However, the employee may elect to consult with Procurement to determine discounts available to individuals from service providers of University-owned devices and plans, as those discounts may be significant.
- Device: An expense allowance toward the cost of acquiring the initial device will be paid to the employee. The maximum expense allowance will be determined annually on the *California State University, Stanislaus Wireless Devices Authorization Form*. The replacement of a device for which an allowance has been provided will be the decision of the employee's MPP administrator. The employee may upgrade the device at his/her own cost.
- Monthly Service Charges: The expense allowance for/toward service fees will be paid on an annual basis and will be reported as income on the employee's W-2 each year. No stipends will be paid between October 15 and December 31 of any calendar year due to W-2 reporting requirements. If an employee separates before the end of the year for which payment was received, the employee will return the unused portion of the stipend and the W-2 for the calendar year of the refund will reflect the reduced amount. The employee need not provide documentation of business vs. personal use. The amount for monthly service charges will be determined annually on the *California State University, Stanislaus Wireless Devices Authorization Form*.
- Exceptions: An administrator may request an exception to the above limits, if an exception is necessary to support unusual usage. These requests must be supported by plan and cost documentation and approved by the division's vice president and by the University CFO (or designee).
- Because this arrangement is consistent with the absence of a requirement to report business vs. personal use, no further expense allowances or reimbursements pertaining to wireless devices will be made.
- Cost of changes in phone numbers are the employee's responsibility, unless required by action of the University.

CSU, STANISLAUS WIRELESS DEVICES AUTHORIZATION FORM

This Wireless Device Usage Policy applies to employees who have been required by the University to carry a wireless device so as to be available to the University while away from campus and/or to use a wireless device as an integral, non-optional tool in performing their assigned duties. The decision of whether an employee is required to be available while away from campus or to use a wireless device while performing assigned duties is entirely up to his/her MPP administrator. Completion of this form is required annually. Stipends will be issued once per year upon submission and approval of this form.

UNIVERSITY EMPLOYEE INFORMATION:

Date of Request: _____ Calendar Year: _____
Employee Name: _____ Employee ID #: _____
Position/title: _____
Campus Telephone Number (extension): _____
CSU Stanislaus Department: _____ and Chart Field String (fill in below)
Account: _____ Fund: _____ Dept: _____ Program: _____ Class: _____
Administrator Name: _____

Wireless Device/Usage Justification: *Provide specifics about the particular responsibilities that can only be accomplished with this wireless device. "Used for business purposes" is insufficient justification.*

Option I: University-Owned Device *Sign below and attach this form to purchase documents. I have read, understood, and agreed to "CSU Stanislaus Policy Regarding Wireless Devices for Business Use." I understand that the device is used SOLELY for business purposes. No personal use of the device is permitted. I will certify each month's bill attesting that no personal use has been made of the device.*

Employee Signature: _____ Date: _____

Administrator Signature: _____ Date: _____

Attach a copy of the service provider contract.

Option II: Personally-Owned Device (Complete items below)

Personal device acquisition and use:

Device Allowance: Phone _____ (up to \$100) Phone/PDA _____ (up to \$300)

Annual Service plan allowance (domestic only) Phone _____ (up to \$480/year)

Phone/PDA _____ (up to \$840/year)

Sign and attach this form to Direct Pay form for reimbursement.

Terms: *I have read, understood, and agreed to "CSU Stanislaus Policy Regarding Wireless Devices for Business Use." I understand that the device acquisition reimbursement and service plan expense stipend will be paid yearly in advance and be reported as taxable W-2 income.*

Employee Signature: _____ Date: _____

Administrator Signature: _____ Date: _____

Office use only
Wireless number: _____
Provider: _____