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

Introduction
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 during regular business hours or outside of normal working hours. Examples of wireless devices are cell phones and personal digital assistants (PDA).

The determination of whether an employee is required to be available (on call) while away from campus or to use a wireless device while performing assigned duties resides with the Vice President of the division in which the employee works. The Vice President and employee are required to 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 recognizes that in today’s world the majority of employees carry cell phones and other wireless devices to conduct personal business. 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). While most service plans allow for unlimited use of the device, if the required occasional business use results in a cost to the employee, that cost with the appropriate invoice documentation from the service provider and with department approval may be eligible for reimbursement.

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)(general).

Two Options for CSU Stanislaus Employees
For those employees who by the nature of their position or work duties are required to be available by phone during or outside of normal business hours, the university allows two options. The decision regarding which option to use will be determined by the employee and his/her Vice President. The Vice President 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 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.
• The device (phone/PDA) will be provided by Property control and may or may not be pre-owned. Released phones will be returned to Property Control for reassignment at a later date.

**Option Two: Personally-Owned Device**

• The University will provide expense allowances for/toward service fees only. The amount of the allowance varies and is determined by the Vice President, based on level of the employee and nature of wireless service warranted (e.g., phone or phone/PDA) to perform their function.

<table>
<thead>
<tr>
<th>Employee Level/Work Need</th>
<th>Level of Service Expected</th>
<th>Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deans, Vice Presidents</td>
<td>Full phone and data service</td>
<td>$1,200 or campus phone</td>
</tr>
<tr>
<td>Middle Management, Directors</td>
<td>Phone service – Frequent on-call</td>
<td>$600 or campus phone</td>
</tr>
<tr>
<td>Middle Management, Directors, Others</td>
<td>Limited on-call, occasional use</td>
<td>$300 or campus phone</td>
</tr>
</tbody>
</table>

The Vice President may not use this expense allowance as a salary supplement for employees. If the employee disagrees with the amount, the Vice President 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 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 devices and plans, as those discounts may be significant.

• **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. Between October 15 and December 31 of any calendar year a pro-rated stipend will be paid 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. Under this arrangement, the employee need not provide documentation of business vs. personal use.

• **Exceptions:** A Vice President 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 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 to the employee.

• Cost of changes in phones or 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 the Vice President of his/her division. 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:
Employee Name:
Position/title:
Campus Telephone Number (extension):
CSU Stanislaus Department:
Account: Fund: Dept: Program: Class
Vice President 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 send to Financial Services.
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:
Vice President Signature: Date:

Option II: Personally-Owned Device ☐ (Complete items below)
Personal device acquisition and use:

Annual Service plan allowance ☐ $360.00 ☐ $600.00 ☐ $1,200.00

Sign and send to Financial Services.

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. I understand that if I separate before the end of the year for which payment was received, I will be required to return the unused portion of the stipend and the W-2 for the calendar year of the refund will reflect the reduced amount.

Employee Signature: Date:
Vice President Signature: Date:

Office use only
Wireless number:
Provider: