

Communication Technology Allowance and Reimbursement Procedures

The university provides communication technology, such as cellular voice/text messaging and/or cellular ISP data service, as associated with devices such as smart phones, PDAs, and cell modem, to **eligible** (See definition in Communication Technology Allowance Policy) employees by two methods described below. **Non-eligible** employees must be reimbursed in accordance with the paragraph at the end of this section.

1. University-owned communication devices and/or service plans purchased through one of the university's contracts -

o **When is this option the best choice?**

When an employee or department needs a significant number of minutes for business use, the most cost effective way to provide devices/services is through the university's special contract rates. University plans allow units to better manage their communication costs. Units can either assign devices to specific individuals or rotate devices among employees and can use this option for either intermittent/temporary use or long-term continuous use. Where employees are covered under a collective bargaining agreement the terms of the agreement must be followed.

This is the best option for employees who need a device assigned specifically to them, need a significant number of minutes, have the need for a device with special features due to business use, and use their devices almost exclusively for university business. Business use of devices/services is to be monitored by the funding department and records retained by the university. Cell phones acquired through university contracts are not the appropriate choice for employees who intend to make/receive significant personal calls.

o **What is the process for obtaining university-owned communication?**

University negotiated contracts can be found on the Purchasing Contracts website:

<http://www.public.iastate.edu/~purchasing/contracts.htm>

Contact information for both Purchasing and the vendors is listed.

2. Monthly payroll allowance for communication technology services

o **When is this option the best choice?**

This is the best option for an employee who wants to carry only one device and has a consistent and on-going need to make/receive significant personal calls. In addition to meeting eligibility requirements, business use on the employee's personal cell device must be ongoing and generally consistent from month to month, otherwise reimbursement might be a more cost effective option.

This option might also be a good choice for employees who want to carry devices with more features than needed for university business. Business use of services is monitored on a periodic basis to ensure the monthly payroll allowance amount is appropriate; however, records are retained by the employee.

As an additional cost effective option to prevent requests for duplicate cellular data services, it is important to note that most smart phones not only have ISP data service capability but also have the capability to operate with a laptop as a cellular wireless modem.

o **What is the process for obtaining a payroll allowance for communication technology services?**

The supervisor must first determine whether an employee meets the university's eligibility requirements and, if so, determine an appropriate and reasonable allowance amount based on managerial discretion, knowledge of the employee's duties as they relate to the policy eligibility criteria, and budget considerations. Review of the employee's monthly cellular billing statement(s) must be used as a guide for determining a reasonable allowance amount. Supervisors have the right to request usage records for more than just the current billing period to substantiate consistent usage.

A completed Communication Technology Allowance Request Form, along with a copy of the employee's cellular billing statement(s) must be submitted to the employing supervisor for review and approval. After the supervisor determines the payroll allowance amount and approves the form, it is submitted to the appropriate departmental or unit chair for review and approval.

The allowance is processed by the employing department using a payroll personnel action (EPA) that codes the allowance as additional compensation. Allowances are considered taxable and must be paid on a monthly basis. Employing units are responsible for initiating EPAs for approved allowances that begin in one fiscal year and cross over into a new fiscal year.

EPAs for allowances may not go back more than 60 days from the date the payroll action is initiated. Communication technology allowance request forms must be completed and approved at least annually by the funding department.

The following types of allowances and limits shall apply:

Communication Technology Allowance Type	Allowance Amounts
1. Cellular device voice/text messaging service	≥ \$10 to \$40 per month
2. Cellular device ISP (internet service provider) data service associated with devices such as smart phones and PDA's	Up to \$30 per month
3. Cellular wireless modem service associated with devices such as laptop computers	Up to \$30 per month

These rates will be reviewed annually and adjusted based upon a review of typical plans used by university staff and guidelines of federal and state agencies.

In all cases, the employee assumes ownership and is responsible for all maintenance, damage/loss, or replacement of cellular or data devices in order to continue eligibility for a service allowance. Payment for devices is the sole responsibility of the employee. The employee agrees to notify

his/her department **within 30 days** if he/she fails to meet eligibility requirements, fails to replace non-working, damaged or lost devices, selects a lower cost plan, or fails to maintain a service plan.

o **How are the allowance amounts determined?**

The allowance amount for cellular phone voice/text services will be determined as follows:

$$\frac{\text{\# of minutes used for university business}}{\text{Total \# of minutes in personal plan}} = \% \text{ of plan used for university business}$$

Calculate the cost for the base plan--Include in the cost add-ons such as text messaging and prorated share of taxes but exclude additional charges for additional phones, data service packages and any other add-ons.

The calculated allowance is the cost of the base plan multiplied by the percentage of plan minutes used for university business. The allowance will be the lower of the calculated number or the \$40 maximum for cellular voice/text messaging. If the calculated number is less than \$10, no allowance will be approved.

For example:

Employee A has a Sprint plan with 1500 minutes and four phones with a monthly base plan price of \$99.99 plus taxes of \$17.99 for a total of \$117.98. The base plan price includes up to two phones but does not include the additional cost of lines 3 and 4. The number of minutes used for ISU business purposes over the last three months has been 1000 minutes total. Of this 1000 minutes of talk time, 200 minutes were Night and Weekend Minutes and did not use any of the 1500 base plan minutes. Actual plan minutes used were 800 over the last three months or an average of 266 minutes/month for university business purposes.

Calculated university cost:

$$\frac{266}{1500} = 17.7\% \text{ of plan used for university business purposes}$$

$$17.7\% \text{ times } \$117.98 \text{ equal allowance of } \$20.88/\text{month}$$

The allowance for cellular phone ISP data service or cellular wireless modem service would be computed as follows:

The monthly allowance amounts for cellular phone ISP data service and cellular wireless modems are more difficult to accurately calculate and should be based on both the employee's and the supervisor's most reasonable estimate of percentage of time spent using the data service for university business versus personal use.

Where the personal base plan also includes data service, the value of the data service package should be determined by comparing the base plan against other base plans available without the data service

package. In the example above, a family plan with 1500 minutes that includes the data service package would be \$129.99 plus tax instead of \$99.99 plus tax.

For example:

Employee A has the above Sprint plan with cellular phone ISP data service for a smart phone and the cost of the data service is \$30.00 per month. The employee and supervisor estimate the university's data service usage to be approximately 50%. Therefore, the cost to the university for data service should be $50\% \times \$30.00 = \15 .

Employee A would receive \$20.88 for cellular voice service plus \$15 for cellular phone ISP data service or a total Allowance of \$35.88 per month.

Employee Reimbursement for Communication Technology Costs:

For employees who do not meet Communication Technology Policy eligibility requirements, the university will reimburse employees for the actual cost of necessary business calls made on an infrequent basis on an employee's personal cellular device if:

- Each business call is identified and justified in writing, **AND**,
- The business cellular voice use causes the personal plan to incur additional costs due to
 - roaming charges and/or
 - minute overage charges if ISU business calls caused the contract voice minutes to be exceeded in a given billing cycle.
 - International or temporary access to other services when on temporary assignment or travel status (may be reimbursed based upon documentation and supervisory approval).

Departments, colleges and administrative offices have the right to review, question, limit, and refuse reimbursement requests of employees' cell phone bills. University employees are encouraged to obtain approval prior to using personal cellular voice services for university business purposes if the usage could result in costs to ISU.

Other Technology Costs:

Infrequent business use of text messaging and ISP data services:

The university will not reimburse for infrequent business use of text messaging and ISP data service unless there is documentation of the actual university business usage. With departmental approval, employees in extended travel status may request and receive reimbursement for data access when it is the most cost effective option for obtaining these services.

Home Internet reimbursement:

The university will not reimburse employees for incidental use of home Internet/data access as it is assumed employees already have internet access and are incurring no additional cost due to university business use.

There may be special circumstances where an employee's primary workspace is not located in university owned or rented space and where such costs may be considered allowable. Such workplace arrangements must be documented and approved by the employing unit prior to costs being incurred.

References:

Communication Technology Allowance Policy –

<http://policy.iastate.edu/policy/communicationtech.htm>

Communication Technology Allowance Request Form –

<http://www.controller.iastate.edu/controller.ctaform.pdf>

Communication Technology Allowance Policy Frequently Asked Questions and Answers –

<http://www.controller.iastate.edu/controller/ctaqa.pdf>

Contact: Controller's Department