

UNIVERSITY OF WYOMING

Date: May 5, 2008

To: Deans, Directors & Department Heads

From: Janet S. Lowe, Associate Vice President for Fiscal Administration

RE: Mobile Communication Device (MCD) Policy

Effective immediately, the Vice President for Administration has issued a **new policy on the use of mobile communication devices** (cell phones, blackberries, and other hand-held devices) for university business purposes. The MCD Policy will:

- Encourage use of personally owned MCDs
- Compensate employees for business use
- Minimize record-keeping requirements
- Comply with Internal Revenue Service regulations
- Allow the University of Wyoming to meet its fiduciary responsibility with respect to university-owned property

The Internal Revenue Service designates certain types of business property as “listed” property. Listed property items are generally used for both business and personal purposes (automobiles and cell phones are common examples). The IRS specifies that detailed records must be kept in order for the use of university-owned MCDs to qualify as business use. Personal use of listed property is deemed to be taxable wages to the user. Although there is legislation pending that may change the definition of listed property, it is inappropriate to use any university-owned property for personal use. The MCD Policy allows employees to be compensated for business use of their own MCD and ensures that the university meets its fiduciary responsibility with respect to university-owned property.

With department head approval, employees may apply for a monthly taxable allowance that will compensate them for the business use of their personal MCD. A one-time allowance is available for a portion of the purchase price of the MCD as well. These allowances are considered wages and will be paid through the Payroll Office. They are subject to federal income tax withholding and FICA tax. Keep in mind that employees are relieved from detailed record-keeping requirements under this arrangement. Once the allowance is in place, employees need only apply annually and provide evidence that they still have a cell phone or data service contract with a service provider.

In circumstances where an allowance is not justified – i.e. infrequent business use of a personal MCD - employees can still be reimbursed under the university’s accountable business expense plan with no tax consequences to the employee.

For **new employees that need the MCD** to conduct university business, and for **current employees whose job responsibilities have changed** (due to transfer or promotion), the MCD Policy specifies that a device should be purchased and a service contract set up personally by the employee. UW's Information Technology Telecommunications Services will consult with employees regarding the best device and contract to meet their needs. Please contact Telecommunications at (307) 766-4357 (766-HELP), option 2 to obtain this advice.

Employees who are currently using their personal MCD for business purposes may apply for the allowance immediately.

Transition procedures for employees that currently have a university-owned MCD and service contract:

- UW Telecommunications Services will provide department billing coordinators with a spreadsheet containing cell phone numbers for their department and other relevant information such as the contract end date. This spreadsheet will allow billing coordinators to identify the individuals who will convert to personal contracts. **Spreadsheets are due back to Telecommunications by May 21st.**
- There are no cancellation fees for conversion of the contract and Telecommunications will facilitate an orderly conversion within a short timeframe.
- Ownership of the device will transfer to the employee upon contract conversion and the existing phone number will not change.

All employees must apply for the allowance and obtain department head approval for monthly and one-time allowances. Submit the **UW Mobile Communication Device Allowance Authorization Form** to the Payroll Office together with a copy of the employee's personal service contract (or most recent billing statement) and a receipt for the purchase of the MCD, if applicable. The Authorization Form may be submitted any time during the year and must be updated annually by January 15th of each year (include a copy of the current contract or the most recent billing statement).

Standard monthly allowance amounts are found in Appendix A of the MCD Policy and only these allowance amounts will be approved. **The MCD Policy, an Executive Summary, and the Allowance Authorization Form can be found on the Administration – Fiscal Operations website** (see Policy Related Documents) at <http://uwadmnweb.uwyo.edu/adminfiscal/policy%20related%20docs.asp>.

Certain departments (Intercollegiate Athletics and Physical Plant, for example) and some research labs have special communication needs and will be allowed to maintain a pool of university-owned MCDs; however, detailed records must be maintained for each telephone call and department heads must review monthly statements to identify personal use. Employees must avoid personal use except in emergency situations and reimburse the university for any non-essential personal calls (see Exceptions to the Allowance Method and the definition of essential personal calls contained in the MCD Policy).

Please read the Mobile Communication Device (MCD) Policy in its entirety to familiarize yourself with its provisions. Any remaining questions may be directed to Megan Hanneman at 766-4391 or Janet Lowe at 766-3307.