

Electronic Device and Service Policy - Frequently Asked Questions

Q: What is Purdue's Electronic Device and Service Policy V.4.2?

A: The Electronic Device and Service Policy V.4.2 is located at <http://www.purdue.edu/policies/>. The policy establishes technology allowance payments as the primary method for staff to use electronic devices and services. Payments offset the cost of personally owned electronic devices and service for documented business needs.

Q: Why is the policy necessary?

A: Electronic devices are designated as Listed Property under the Internal Revenue Code, with special tax requirements for personal vs. business use. For example, the IRS requires that business and personal use of University owned cellular phones and other mobile devices be documented in a very detailed manner. <http://www.irs.gov/govt/fslg/article/0,,id=167154,00.html>. The IRS considers undocumented use as personal and taxable; even if the calls were mostly business calls, occurred during “free” calling periods or under the monthly plan minute minimum. Receiving taxable compensation for a personally owned device removes this detailed documentation requirement and potential tax uncertainty. As a side benefit, the employee will have the convenience of carrying one electronic device for business and personal use.

Q: What communication devices are covered by the new policy?

A: The policy and procedures apply to cellular phones, integrated cell phones, email devices, and other electronic access devices (not including pagers and two-way radios) that can be used for both University and personal business. The IRS views the mobility of these devices outside of the normal work hours and environment as increasing the potential for personal use, which is why they are treated differently than desk phones located on the employer’s premises.

Based upon past IRS activity and the substantiation requirements for cellular devices, the University’s initial focus is on cellular phones, PDA’s and Blackberry devices. In the future, we plan on reviewing other types of IRS Listed Property, which will include computers and laptops; and how other colleges and universities have addressed personal and business use - to determine if procedures are needed for additional types of property.

Q: Does everyone get compensation for a personally owned electronic device?

A: No. Employees will only receive compensation if their specific job duties require they carry a mobile device and then only an amount necessary to cover anticipated business calls. A University business purpose for having an electronic device is one where:

- The employee is responsible in emergency matters where they must be available 100% of the identified business period.
- The employee does not have access to a landline or other communication device when doing a substantial portion of his or her job (defined as 75% of the identified business period).

- The use of other less expensive communication devices does not serve as a viable alternative to the business purpose.
- The employee's job effectiveness will show a significant increase through the use of a cell phone or electronic access/device.
- A group of employees has the need for group or shared devices for purposes such as rotating on-call contact.

Q: Will all University equipment be converted to personally owned devices or services?

A: The policy still allows VP's/Department Heads the discretion to provide University-owned electronic devices or services in limited situations for short-term events, emergencies, sponsored research or multiple staff needing to share a single device with the understanding that areas are required to monitor and document business vs. personal use to meet IRS reporting requirements at the employee level to avoid calculating and recognizing imputed income. The process for departments to order University owned equipment is at <https://www.itap.purdue.edu/telephone/services/staff/cellular.cfm>.

Q: What are the employee and supervisor reporting responsibilities for using University owned equipment?

A: Employees assigned University owned equipment are required to complete an *Employee Agreement for University Owned Electronic Device and Services* and to document individual call detail from their monthly usage report as personal or business. The equipment is to be used primarily for official University business, and any personal use of the equipment will be incidental in nature (i.e., less than 10 minutes per month). Employees' records are then submitted to the department to maintain these records to support the exclusion of the phone use from the employees' wages. All monthly usage reports are the property of the University and subject to disclosure.

Q: What are the employee and supervisor responsibilities for reporting business use of University owned equipment and personal devices by non-exempt staff during non-working hours?

A: Employees may perform job duties using a variety of electronic communications depending on the nature of the work and responsibilities involved. Some of the required communication mediums might include cellular/mobile telephones, text messaging devices, computers and handheld computers such as Personal Digital Assistants (PDA) or Blackberries.

As with other types of unauthorized work, all time spent by nonexempt employees utilizing electronic communications for work purposes will be considered hours worked, is compensable and will count toward overtime eligibility as required by law. See University policy [*Wage Administration Policies for Clerical/Service Staff and Operations/Technical Assistants \(IV.5.8\)*](#). In order to avoid incurring unnecessary expenses, electronic communications should not be used outside of regularly scheduled work hours unless required by management. This includes all types of work-related communication.

Some key points to remember:

- Do not check for, read, send or respond to work-related e-mails outside of your normal work schedule unless specifically authorized based on your job duties or you have been directed by management to do so.
- Employees using electronic communications for work-related correspondence during unauthorized times may be subject to discipline for violating this policy.

Q: How will I receive my monthly usage report to document business use?

A: IT Telecommunications will electronically distribute individual cellular information to @purdue.edu email addresses of owner on record and optionally to their supervisor, when a supervisor is provided and the additional reporting option is selected. If changes need to be made to the device owner, please notify your department business office in order to complete a revised [Employee Agreement for University Owned Electronic Device and Services](#) form.

Q: How will monthly usage reports for pooled/shared devices be distributed?

A: Departments are required to designate a primary owner for each pooled/shared device. This individual is responsible for the administrative process approved by the Department Head to comply with the University policy and required documentation.

Q: How is personal usage greater than 10 minutes per month reimbursed?

A: Minutes in excess of 10 minutes per month should be reimbursed at cost of \$.20/minute plus any incremental costs. Contact your department business office to make reimbursement.

Q: What are the security requirements for personally owned devices?

A: When using a personal electronic device for Purdue University official business, users are reminded that they are subject to all University policies. In particular, users should be mindful of the University's Data Handling Classifications and Guidelines, as well as other policies and procedures regarding the secure use and transmission of University data. See <http://www.purdue.edu/securepurdue/bestPractices/>, including Mobile Device Security.

Q: How is the technology allowance amount determined?

A: Departments are responsible for determining and approving the appropriate compensation amount for an employee based on the responsibilities of the employee's position. IT Telecommunications has provided a recommended process to calculate technology allowance payments and technology allowance rates at <http://www.purdue.edu/telephone/policy>.

Q: What if my actual business usage exceeds the amount of compensation that I receive?

A: The monthly compensation amount is based upon estimated average monthly usage. The amount may be adjusted with Department approval based upon actual personal documentation submitted by the employee. Documentation must demonstrate increased usage over multiple months. Personal calls should be marked out to ensure privacy.

Additional charges for business usage while traveling may be reimbursed as part of the existing University's travel reimbursement process.

<http://www.purdue.edu/travel/Transportation/trip.html>

Q: How will I receive compensation for my electronic device and service?

A: Employees approved by their department to receive a technology allowance will receive payment as part of their normal pay distribution after an *Electronic Device and Services Technology Allowance Agreement* is completed, approved and processed. The allowance amount approved by the department is adjusted by the employee's tax withholding rates at the time of payment. Net allowances on the Technology Allowance agreement the employee signs are currently grossed up a fixed 25% for federal withholding and by the Indiana state & county tax tables based upon individual exemptions on their WH-4. <http://www.purdue.edu/taxes/xls/intaxstate.xls> Contact the University Tax office for additional information.

NOTE: For FY 08-09 technology allowances will be extended from 7/1/08-6/30/09 to 7/1/08-9/30/09 with department and comptroller/SPS approvals. Annual allowances will then be approved from 10/1/YY-9/30/YY each year. Reviews will be performed at least annually by the department to affirm continued business need and renewal, as appropriate.

Q: Is the compensation I receive for my technology allowance taxable?

A: Yes. The compensation amount is taxable income. If an employee maintains appropriate records on the use of an electronic device for which the payment of a technology allowance is made, the expense attributable to the business use of the electronic device might be claimed as an itemized deduction of the employee's Federal income tax return. Please consult a tax advisor for further information.

Q: Do I get retirement contributions or other benefits if I receive taxable compensation for my electronic device?

A: No. The compensation is not part of the employee's base salary – it is a taxable reimbursement not included when determining benefits.

Q: May electronic devices and services be charged to sponsored research accounts?

A: Not as a technology allowance. Telecommunication expenditures are normally treated as indirect costs, but may be charged as direct costs depending on the purpose of the activity or the circumstance involved. University owned equipment and services may be charged directly to federally sponsored projects when unlike circumstances can be documented. See

https://www.purdue.edu/costing/BPM/CAS_Guidelines/cost4.html#circum for examples of unlike circumstances that apply to the University and have been disseminated as part of the decision criteria for determining when costs that are normally indirect may be charged directly to federal projects.

Q: Will I have to pass a credit check when I take financial responsibility for my cellular account?

A: All of the cellular vendors currently require a credit check, if you are setting up a service contract for a new number.

Q: Will I be able to keep my current University phone number and electronic device?

A: Yes. As part of the transition from University owned equipment to personally owned contracts, if the department decides that the equipment and University number should remain with the employee, the employee will become solely responsible for the equipment and contract.

Change of responsibility for University numbers and/or equipment must be released through IT Telecommunications before contacting the vendor. Efforts to convert a University Blackberry device or activating a personal Blackberry device without instructions from IT Telecommunications may result in a temporary loss of existing voice and data services.

Q: Will I be able to switch my current University phone number to another cellular carrier?

A: Yes, Employees may port their current University phone number over to another cellular carrier. IT Telecommunications will work with the employee during the contract change of responsibility process. Your phone number needs to be transferred by IT Telecommunications to the new provider before you can convert this number to a personal device.

Q: Will I be reimbursed if I need a new electronic device?

A: Most cell phone contracts provide a basic device at no cost to the individual. If the employee's job duties require advanced device and service capabilities, such as a camera phone, email, calendar integration or other PDA functions, the employee's department may include an amount in the allowance calculation for equipment replacement with an itemized original receipt. In general, departments should only pay for new or improved equipment every 24 months.

Q: May employees purchase personal phones or accessories from IT Telecommunications?

A: No. IT Telecommunications does not provide personal sales. University employees are eligible for discounts from service providers through the Purdue Employee Discount Program http://www.purdue.edu/cssac/Employee_Discounts and <http://www.itap.purdue.edu/shopping/att/>.

Q: Will IT Telecommunications offer a service to assist in equipment repairs or billing questions under the allowance method?

A: No. As personal owned devices and contracts, the vendor and employee are responsible for handling repairs and billing questions. However, IT staff will continue to provide technical support with same level of service as employees have today to provide

functionality for their business need and to confirm need for hardware repair and/or replacement.

IT Telecommunications will have temporary devices available until equipment is repaired to minimize business impact:

http://www.itap.purdue.edu/telephone/services/staff/rates/Short_Term_Rental_Options.pdf In these cases individuals will still need to document business/personal use and reimburse for personal use, as required for University equipment by the new policy.

Q: What happens if the employee needs to end a personal contract early?

A: If the cancellation is not related to a personal decision, employee misconduct or misuse, the University may reimburse the employee for any contract termination fees. This could be the employee's continued home department (change in responsibilities) or another department (department transfer). Once the initial contract expiration date is passed, the contract renews on a month-to-month basis and termination fees can not be charged. For early cancellations, most providers will charge a flat termination fee (approximately \$200).

Q: What happens to technology allowance payments, if the employee is put on unpaid leave?

A: SAP is not configured to make technology allowance payments when an employee is on unpaid leave. Allowances are suspended until the employee returns from leave – at which time back payments will be added to the next regular pay. Contact Pam Schweitzer, Shared Service Center (46776 or pks@purdue.edu) for additional information.

Q: How will the University support personally owned Blackberry devices?

A: If an employee's job duties require access to email, calendaring or other PDA functions, the employee's department may approve a technology allowance for a Blackberry device. ONLY employees approved by their department for SELECT personally owned Blackberries will receive Blackberry technical support and @purdue.edu electronic messages on University owned servers. In addition to the technology allowance paid to the employee, University departments will be recharged for Blackberry support through the existing rate process. Use of OTHER vendor devices or personally owned devices that are NOT approved by the department as required by specific job duties are entirely the vendor/user responsibility. See <http://www.itap.purdue.edu/telephone/services/staff/cellular.cfm> for specific Blackberry devices supported by each service provider and/or consult your departmental IT staff.

Q: Can departments replace Blackberry functionality with Mobile 5.0+ devices?

A: Mobile 5.0 data devices do not require a dedicated server or licensing and may be configured by the user for electronic messaging. Instructions to connect a Mobile 5.0 device to the ITaP Exchange Environment are provided at - [How do I connect a Windows Mobile 5.0 or 6.0 device to the Exchange server?](#) Note: University IT staff recently tested various vendor Mobile 5.0 devices. The consensus of the group is that for users with low volume electronic messaging and attachment needs, Mobile 5.0 devices will

meet their requirements. However, in order to meet the equivalent to the current level of service for high volume users, the Blackberry will continue to be an option as long as the department approves the business need for an allowance and agrees to pay the associated support fees. Please consult departmental IT staff for further information and future updates.

Q: How will the University support personally owned iPhone devices?

A: If an employee's job duties require the use of an iPhone, the employee's department may approve a technology allowance. If requested, ITaP DCS (Desktop Computing Services) Group offers support for the Apple wireless handheld device running Apple iPhone 2.0 software or greater for an annual fee. In addition to the technology allowance paid to the employee, University departments will be recharged for iPhone support through the existing rate process.

<http://www.itap.purdue.edu/help/support/desktop/iPhone.cfm>

Q: Will the University publish my personal cell phone number?

A: Departments may communicate personal cell phone numbers consistent with the employees' required business use for their specific job duties; for example, to perform on call responsibilities.

Q: What is Purdue's policy on the use of cellular phones while driving?

A: Use of electronic devices while driving University vehicles is strongly discouraged. Drivers should pull off the road to a safe location while using.