



Mobile Communication Devices (MCDs) Administrative Procedures

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Related Policies	Accounts Payable's Procedures Manual, http://www.wfu.edu/fas/ap/policies.html Travel and Entertainment Procedures (Accounts Payable), http://finance.wfu.edu/files/travel_meals_entertainment_policy.pdf Business Expense Policy (Accounts Payable), http://finance.wfu.edu/files/business_expense_policy.pdf Policy on Responsible and Ethical Use of Computing Resources, http://infosec.wfu.edu/files/2016/01/Policy-on-Responsible-and-Ethical-Use-of-Computing-Resources.pdf Wake Forest University Security Standards for Mobile Devices, http://infosec.wfu.edu/files/2013/02/mobile_security.pdf

Policy Statement

The University accommodates employees, within strict guidelines, who need mobile communication devices in the course of their job requirements in an IRS approved manner which may include one of three methods: granting supplemental communication allowances (nontaxable allowances/stipends paid through payroll for non-compensatory business use), issuance of University (department)-owned pooled devices (assignment through a corporate account to the department and not an individual), or reimbursement of business costs for infrequent users. When choosing a method for each employee, the approval authority should consider the business needs of the department. Substantiation is required for regulatory compliance when seeking reimbursement.

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Related Policies

Accounts Payable’s Procedures Manual, <http://www.wfu.edu/fas/ap/policies.html>

Travel and Entertainment Procedures (Accounts Payable),

<http://www.wfu.edu/fas/ap/index.html>

Business Expense Policy (Accounts Payable),

<http://www.wfu.edu/fas/policies/index.html>

Policy on Responsible and Ethical Use of Computing Resources,

<http://infosec.wfu.edu/files/2016/01/Policy-on-Responsible-and-Ethical-Use-of-Computing-Resources.pdf>

University Information Security web page, <http://infosec.wfu.edu/>

Information Security Standards, <http://infosec.wfu.edu/standards/>

Related Documents

MCD Justification Form

Discontinuance Notice, Mobile Communication Device Stipend Form

Revision Highlights

7/1/2016: The Reynolda Cabinet authority has delegated Approval Authority for non-exempt staff to the Financial/Business Manager. For almost all cases, the Financial/Business Manager is the respective representative within the Senior Business Administrator Group. (approved by Hof Milam, EVP, 7/1/2016)

Procedures

Funding

A University department may allocate funds to support mobile communication devices and plans when an employee's job duties require the use of such a resource. Only the designated approval authority may authorize the use of University funds for MCDs, provided the authorization is obtained in writing and funding is based on a documented business need that benefits the University.

Approval/Authorization

The majority of faculty and staff will not be eligible for an MCD stipend. For those employees meeting eligibility requirements, based on position responsibilities, there is an approval process that must be followed. Designated approval authority resides within certain senior level positions. Faculty must obtain the approval of the Reynolda Cabinet authority, exempt staff must obtain the approval of the Head of the Administrative Division or Academic Dean, and non-exempt staff must obtain the approval of the Financial/Business Manager for their area (as delegated by the Reynolda Cabinet authority – in almost all cases, this is the representative on the Senior Business Administrator Group).

The employee's supervisor determines whether the employee should seek authorization for a stipend. An MCD Justification Form must be completed to prove eligibility and approval by the appropriate approval authority. (i.e. Head of the Administrative Division or Academic Dean for exempt staff positions, Cabinet-level authority for faculty, and Financial/Business Manager (i.e. Senior Business Administrator) for non-exempt staff positions). Approved authorizations are reviewed and updated on an annual basis, or with the change of the employee's primary job. Support by the University, regardless of the payment method used, can be discontinued at any time.

Discontinuance of Stipend

When the employee is no longer eligible or the position no longer qualifies for an MCD stipend, the Approval Authority must complete and sign a Discontinuance Notice and submit it to Payroll to end the stipend so that it is no longer included in the employee's pay check.

Federal Grants, Contract, or Sponsored Projects

Generally, MCD equipment and service plan expenses cannot be paid by federal grants, contracts or sponsored projects. Due to the unique characteristics of each sponsored project, the Office of Research and Sponsored Projects staff and the Manager of Grants Accounting must review the merits of each expense proposal on a case-by-case basis, should you want to pursue a charge to a sponsored project. This will ensure consistent and equitable campus-wide treatment as well as adherence to policy and regulations that maintain the current high level of institutional integrity by preventing subsequent cost disallowance by federal auditors and other external sponsors.

Tax impact

When an audit reveals a lack of business purpose and/or authorization, the University will request reimbursement of the entire amount of MCD stipend paid by the University for the period called into question. If reimbursement is not received, the full value will be imputed and reported on the employee's Form W-2.

Safety and Security of Data

All employees are responsible for protecting data in accordance to University data security and standards, policies, and procedures.

Eligibility Criteria for MCD Stipend

The issuance of a non-compensatory MCD stipend to an employee or a department pooled device must be for the benefit of the University in the furtherance of its mission, rather than the convenience of the employee. The employee's position and responsibilities are integral components when evaluating one's eligibility for an MCD stipend. An MCD will be provided only to an employee when deemed necessary by the respective supervisor and approval authority (i.e. Senior Business Administrator, Head of the Administrative Division, Academic Dean, or Cabinet-level authority). An employee may not self-determine that a device is required. MCDs should be considered when they are the least expensive and practicable means of communication. For eligibility, an employee must meet all of the listed criteria.

Criteria necessary to determine eligibility for MCDs include:

1. University employee, full- or part-time,
 2. Follows the procedures as outlined in this procedure document, and
 3. Has a valid business need for a mobile communication device and must meet a valid business need, based on the employee's position and responsibilities.
- **Valid Business Need** (as illustrated by, but not limited to, the following examples):
 - Frequent travel, out of office, working at a remote location, or without access to a regular land line on a routine basis.
 - Types of business usage on a mobile basis (e.g. data, calendar, e-mail, text, voice).
 - Need to receive or initiate emergency communication for decision making.
 - Be accessible and available during non-business hours.

An employee who is to be provided an MCD for such purposes must, prior to receipt of such , sign an MCD Justification Form acknowledging that the purpose of the MCD stipend will be for official non-compensatory University business.

Wake Forest is not responsible for terminating an employee's personal MCD plan nor will the university pay any early termination fee of an employee's personal MCD contract.

Safety is paramount. The employee is expected to avoid using an MCD under any circumstances where such use might create or appear to create a hazard. It is illegal in many States to use a cell phone and/or text while operating a motor vehicle. Employees must comply with federal, state, or municipal laws regarding the use of MCDs while driving or operating any motor vehicle.

MDC Payment Methods and Highlights:

The business needs of the department and the responsibilities of the employee's position determine the eligibility and method of payment for an MCD. The following methods can provide an employee an MCD.

- A. Non-compensatory (non-taxable) Stipend
 - Dependent upon satisfying eligibility criterion for an MCD.
 - Amount of the stipend is determined by the department's business needs for data, texting, and other services when deemed financially prudent and appropriate for the related position's responsibilities. (Refer to the *Guidelines for Tiered Plans*.)
 - Must be specifically approved by the approval authority and reviewed at least annually.
- B. Reimbursement
 - Episodic and substantiated business need.
 - Must complete and submit an approved expenditure voucher.
- C. University (Department) Pooled Device and Service Plan
 - Procurement Services will set up appropriate plans to be managed by the departments.
 - Devices assigned to a department and are owned by the University.
 - Ownership and assignment does not transfer to the individual.
 - Rotated among several employees within the department.

MCD Plan	Payment Method	Substantiation	Approvals	Frequency of Approvals	Retention (by dept.)
A. Non-compensatory Stipend	Monthly Payroll Non-Taxable Allowance	Additional Compensation (to authorize MCD non-taxable stipend); periodic review to support continued stipend	Approval Authority (Head of Administrative Division or Academic Dean for exempt staff; Reynolda Cabinet member for faculty; and Senior Business Administrator for non-exempt staff)	At least annually, by approval authority, or with any change in position or responsibilities	Payroll retains the MCD Justification form for four (4) years
B. Reimbursement	AP Expenditure Voucher or AP Travel and Expenditure Voucher Request when traveling with business purpose	Time and date of each use Business purpose of each use Explanation of business relationship with all participating parties on each use Amount of the expense, including copy of detailed service plan invoice or contemporaneous record keeping Proof of payment	Approval Authority	Upon receipt of request for reimbursement	Voucher retained by AP for seven (7) years
C. University (Department) Pooled Device and Service Plan	AP Direct Pay from provider voucher or University pCard	All use considered for business purpose; MCD is property of the University and is not permanently assigned to an individual	Approval Authority	Monthly	Voucher or pCard documentation is retained by AP for seven (7) years

A. Non-compensatory (non-taxable) Stipend

A non-compensatory stipend subsidizes a portion of an employee’s personal service plan in order to compensate for required and anticipated business use; however, the dollar amount of the stipend should support the lowest cost plan to cover the employee’s projected business-related expenses.

MCD Stipends are tax free to the recipient and the department. Non-compensatory stipends are considered Additional Compensation and as such are not included in one’s base pay for merit or annual pay adjustments, nor included in any percentage calculations for an increase to base pay; however must be recognized during the budget process each fiscal year. The stipend is not included when calculating employer provided benefits such as life insurance, disability, defined contribution and tax deferred annuity plan, or any other similar benefit. Stipends are paid through Payroll and added to the normal paycheck, equally divided among the pay periods, and designated on the pay stub separately from regular compensation.

What is provided by the non-taxable stipend

Monthly stipend covers:

- Voice, data, and text that is related to MCD.

The carrier, plan, and equipment are selected by the employee at the employee's discretion.

In extenuating circumstances and when an appropriate business need deems, approval authorities may approve reimbursement of costs in excess of the stipend allowance for unusual and limited higher business usage to fulfill position responsibilities. Cabinet-level authority is required for any reimbursement of hardware purchases, as the circumstances for such should be limited and extremely rare.

Requirements and expectations

- Recipient must safeguard the University data and adhere to University data security standards, policies, and procedures.
- Employee assumes all financial responsibility of the contract, termination fees, payment, and any charges incurred in excess of the amount required for business use.
- Stipend recipient must maintain an active MCD service plan as defined in the stipend justification.
- Recipient must let the approval authority know when the business use of the MCD and stipend received become unsynchronized.
- No IRS documentation (for substantiation) is required.
- No need to distinguish between business and personal calls; though the expectation is for the business use to justify the value of the stipend. When business fails to consistently justify the value of the stipend, the stipend will be amended and potentially discontinued.
- The MCD stipend is not meant to pay the full cost of ownership and use, and as such, it does not provide funding for personal use.
- The employee must provide the MCD phone number to his or her department and customers as needed and keep the MCD charged, turned on, and available for business calls during his or her work hours and expected times for contact.
- An employee receiving the stipend will not be reimbursed for business or personal phone calls while in travel status (as outlined in the Accounts Payable Travel and Entertainment Procedures); unless the business travel requires add on functionality such as international calling capability.
- MCD phone number must be provided for University emergency notification (but may remain unpublished).

Payroll related

- Stipends are tied to the employee's primary job; recertification and unit authorization is required when an employee changes his or her primary job or responsibilities.
- Stipend values are evaluated, renewed or updated, annually.

Guideline for Tiered Plans

Departments should select the most cost-effective MCD stipend that meets the anticipated business use. The department should determine a reasonable number of plan minutes per month that is needed to conduct business, and then select the corresponding stipend value to accommodate the business need. Stipend levels must be evaluated at least annually to ensure they are adequate. Adjust stipend, when necessary and as approved by the approval authority, to better reflect projected and actual business use. The matrix in the appendix is a table of the allowable tiers for non-taxable stipend for non-compensatory business use of an MCD. All rates are subject to change.

B. Reimbursement

Business voice and data access reimbursements continue to be available for the majority of employees who do not receive a MCD stipend but receive or make a business call, a text message, or accesses business-related data on a personal MCD on an episodic basis with their managers' approval. Reimbursement charges are limited to the total amount that is traceable to the business use and is in excess of plan limitations. For the reimbursement to be tax-free, the employee must submit documentation of business use along with substantiation or proof that the business use causes the excess or overage charges. Under no circumstances will the University pay for or reimburse a family member's MCD or usage on a tax-free basis. The University will not make a payment directly to a service provider of an employee's personal service plan.

In order to be eligible for reimbursement, an employee must adhere to the following requirements.

- IRS and Wake Forest substantiation requires that, for each use, the employee must document in detail, using Travel and Entertainment Voucher or Expenditure Voucher form:
 - Time and date of each use.
 - Business purpose of each use.
 - Explanation of business relationship with all participating parties on each use.
 - Amount of the expense, including copy of detailed service plan invoice or contemporaneous record keeping.
 - Proof of payment, e.g. payment receipt from carrier or canceled check with copy of voucher marked with business usage.
- Must not be receiving a non-compensatory stipend for MCD.
- Reimbursement requests must be submitted to Accounts Payable within thirty (30) days from the invoice date or the date of your payment, whichever is later.
- Incomplete reimbursement requests or those without sufficient documentation will be returned to the requestor and not processed by Accounts Payable until complete and accurate.
- The employee purchases and maintains his or her own MCD.
- Costs associated with personal MCD use are not allowable costs for reimbursement by the University.
- Travel reimbursement is available for cell phone usage and/or wireless access while in travel status according the Wake Forest Accounts Payable Travel and Entertainment Procedures document.

- The University is not responsible for any fees assessed by the service plan carrier, including late fees.

C. University (Department) Pooled Device and Service Plan

In specific areas, departments procure devices that are shared among individuals in a department and not assigned to any one individual, i.e. pooled. The University selects the carrier and purchases a service plan for these devices. The device is for substantially all business use. University-owned devices are assigned to an employee for his or her work shift and returned to the department pool at the end of the work shift, unless assigned to an individual who is “on call” overnight or during nonstandard work hours, i.e. outside the University’s normal business hours of 8:30 AM to 5:00 PM. Examples of such personnel include Shuttle Driver and Residence Hall Advisors. Substantially all business use, meaning at least 95% is business use (with no more than 5% de minimis personal use allowed).

- An administrator within the department issues the MCD and collects the MCD on an established rotational basis, reviews the MCD provider invoice and confirms business usage and resolves any noncompliant usage (i.e. personal usage). Resolution of personal use may involve reimbursement by the employee or other appropriate action.
- The department administrator must maintain a record of MCDs assigned by device to each area (e.g. Shuttle driver 1).
- The University controls the purchase of the MCD, and service plan, based upon the department’s needs. Invoices for payment are sent to Wake Forest University, approved by the departmental approval authority, forwarded to Accounts Payable for payment directly to the service provider.
- Employees with University owned MCDs must return the devices to the department supervisor upon termination or change of duty status. Any device not returned is considered stolen, and the theft of university property will be noted in the employee’s personnel record. The fair market value will be added to the employee’s taxable income as non-cash compensation and included on the Form W-2.

Definitions

Approval Authority: for purposes of the MCD stipend, designated approval authority resides within certain senior level positions. Faculty must obtain the approval of the Reynolda Cabinet authority, exempt staff must obtain the approval of the Head of the Administrative Division or Academic Dean, and non-exempt staff must obtain the approval of the Financial/Business Manager for their area (as delegated by the Reynolda Cabinet authority – in almost all cases, this is the representative on the Senior Business Administrator Group).

Business Use: use of an MCD in a manner that is consistent with and furthers the mission and operations of the University.

Cabinet: Senior administrative leadership of the University, known as the Reynolda Cabinet or the President’s Cabinet.

Confidential Information: applied broadly to information for which disclosure or access may be assigned some degree of sensitivity, and therefore, for which some degree of

protection or restricted access may be identified. Unauthorized access to or disclosure of information in this category could seriously or adversely affect the University and cause financial loss, damage to the University's reputation, loss of confidence or public standing, adversely affect a partner (e.g., a business or agency working with the University), or compromise the identity of an individual.

De minimis: lacking significance or importance; so minor as to merit disregard; any property or service the value of which is (after taking into account the frequency with which similar fringes are provided by the employer to the employer's employees) so small as to make accounting for it unreasonable or administratively impracticable. The University's expectation is that an MCD is used for business purposes and the employee signs an MCD User Agreement accordingly.

Local Call: a call within the local calling area for which no additional fee is charged.

Long-Distance Call: a call that incurs an additional fee for being outside the "local calling area" of an applicable telecommunications service plan.

Mobile Communication Device (MCD): including but not limited to cellular ("cell" or "mobile") telephone (including those with two-way communication capability), Nextel, Blackberry, Smartphone, PDA, pager, wireless card, and any other mobile communication devices and/or service plan.

Personal Use or Personal Call: use of an MCD that does not qualify as a "business call." Personal calls are acceptable provided that they are reasonable in both duration and frequency, comply with other applicable restrictions of this procedure, and do not interfere with the employee's performance of work responsibilities (except in the case of a personal emergency), and are reimbursed to the University where applicable under this procedure.

Unit: an academic college or an administrative department.

Contact(s)

For approval and discussion of exceptions to the MCD policy and procedure, contact your designated approval authority:

- Reynolda Cabinet authority for Faculty,
- Head of the Administrative Division or Academic Dean for exempt staff, and the
- Financial/Business Manager for their area for non-exempt staff (as delegated by the Reynolda Cabinet authority – in almost all cases, this is the representative on the Senior Business Administrator Group).

For questions concerning service providers and discounts that are available for Wake Forest employees, contact: procure@wfu.edu or 336-758-8289.

For additional conversation or reporting of noncompliance, contact:

- Your immediate supervisor,
- Head of the Administrative Division or Academic Dean,
- Director of Compliance, or
- WFU Compliance Hot Line at 1-877-880-7888.

Web Address for Policy

<http://finance.wfu.edu/policies-and-procedures>

Appendix and Forms

Procedures

Accounts Payable Policy and Administrative Procedures

Forms

MCD Justification Form-- employee agreement concerning the eligibility and approval for an MCD stipend

Discontinuance Notice, Mobile Communication Device Stipend – Approval Authority completes and submits form to Payroll with the employee or position no longer qualifies or is eligible for the stipend

Quick Guides – MCD Administrative Procedure

FAQ (Frequently asked questions.)

Q1. How do I qualify for a MCD?

A1. Discuss your business needs with your supervisor. Establishing your eligibility based upon legitimate business need coupled with availability of departmental funds are factors considered during the approval process. The final decision maker is the Approval Authority.

Q2. What do I do if I need to change my service plan, due to a change in my business use or position requirements?

A2. Discuss any changes with your immediate supervisor, whether or not the change requires an increase or decrease of business use. Changes, within departmental budget guidelines, may be approved by your Approval Authority. Any changes to the MCD stipend will be communicated to Payroll by the Approval Authority via the MCD Justification Form. You will coordinate any changes with your carrier.

Q3. The University has been paying my personal service plan directly to my provider. Why must this process change?

A3. The University should only reimburse employees for personal service plans that are used for business purposes. Employee reimbursement should be infrequent and occasional. The University has been paying the provider directly, on your behalf, rather than reimbursing you after receiving a reimbursement request with your proof of payment. (Personal service plans have personal liability and not university liability.) Wake Forest should only pay providers directly for University corporate “owned” accounts and should never pay when the liability is not the University’s account (as is the case with a personal plan). The University has adopted a non-taxable stipend for non-compensatory business use to ease administrative burden, provide flexibility for the employee (to select and contract with carrier and plans to meet both business and personal use), and cost containment.

Q4. How is the device selected, and is it purchased with University funds (i.e. how do I get a new device or an upgrade)?

A4. The amount provided for the purchase or upgrade of the MCD hardware is not included in the cash stipend. The stipend is determined based upon the approved business requirements of your position as approved by your Approval Authority or designee and compensates for service plan expenditures. However, there may be extremely rare circumstances when a Reynolda Cabinet-level authority exercises authority to reimburse hardware purchases or upgrades. As a standard, only department pooled devices are selected and paid with University funds.

Q5. Is Procurement Services negotiating discounts for employees of the University?

A5. Yes. The Procurement Services negotiates with carriers and explores participation in Group Purchasing Organizations to secure the best pricing and option for University employees.

Q6. Will the University pay or reimburse late fees or early termination fees?

A6. No.

Q7. I receive a stipend, how do I self-report personal use?

A7. There is no need for you to track personal use. When an MCD is provided to an employee for non-compensatory business purposes, the MCD is not considered part of the employee's compensation, but intended to facilitate work outside the office or office hours. Both the business and personal use of the device will be nontaxable and no substantiation will be required.

Q8. I am traveling for the University overseas. How do I arrange international service?

A8. Contact your carrier and have international service added to your plan for the period of your travel. Upon return, seek reimbursement through Accounts Payable for the service charges that are applicable to the international travel event. Be certain to follow the guidelines set by Accounts Payable for the reimbursement. On rare occasions when the MCD hardware cannot support the international capability, the carrier may have a temporary device for your use, or contact Procurement Services for assistance.

Q9. I am an Approval Authority with a new employee who does not have credit or financial resources to purchase an initial MCD device. How can the employee, who is otherwise eligible and approved for the MCD stipend, secure a device?

A9. Some carriers offer no contract cell phone options, prepaid cell phones, pay as you use, set fee per month plans, or pay-by-day accounts that do not require a credit check. Additionally, Reynolda Cabinet-level authority for the department may choose to reimburse the employee for the purchase of the initial device.

Q10. What is the process when an employee's device is lost, stolen, or broken?
A10. The employee must purchase the replacement device. Employees may choose to add insurance to the personal plans to manage this risk.

Q11. As we transition from a corporate plan to a personal plan with cash stipend, an employee who carries two devices (one strictly for business use and the other strictly for personal use) wants to consolidate to one device, the former personal device. How can we mitigate the additional cost borne by the employee, i.e. the severance cost charged by the carrier to consolidate to the personal device?

A11. If it is agreeable with the department, the Approval Authority may agree to pay the severance cost. Procurement Services has negotiated a maximum severance cost of \$175 with AT&T and Verizon that is prorated based on the time remaining on the contract. In this case, the department must collect the device and either turn it into Procurement Services or sell it to eCycle. Procurement Services can assist the department through this process. Proceeds of any sale of the device will be credited back to the department's budget.

Q12. My department has purchased a selection of iPads. Can carrier service for these iPads be set up as "pooled devices?"

A12. When the department rotates the iPads and does not assign them as individual accounts, then the department may contract with a carrier for a department administered and paid account. Procurement Services is available to assist the department with this process. It is important that the devices be identified generically, such as Dept. X iPad 1, Dept. X iPad 2, etc. (and not in the name of the individual). When the iPads are contracted as individual accounts, then they must be treated as personal accounts with the employee receiving a stipend for a data plan.

Q13. I check my email after normal business hours or the weekend; does that qualify me for a stipend?

A13. Not necessarily, unless your approval authority agrees that your position responsibilities require you to actively monitor email after normal business hours.

Training/communication plan

Presentation to the Business Administrators Forum

Posting in the Policy and Procedures section of the Finance web page

Implementation plan

Procurement Services will work with departments, as needed, to facilitate the transition of plans and devices from corporate accounts to personal accounts. Individual carrier plans will no longer be processed for payment by the University.

Appendix A: Guideline for Tiered Plans

Designated Approval Authorities (i.e. Reynolda Cabinet for Faculty, Head of Administration Divisions or Academic Dean for exempt staff, and Senior Business Administrator for non-exempt staff) should select the most cost-effective MCD stipend that meets the anticipated business use, based on the position and its responsibilities. The approver should determine the appropriate tier based on expected usage to satisfy position responsibilities. Stipend levels must be evaluated at least annually, and with each change in position, by the approval authority. The following examples in the matrix may be used as a guideline when determining the non-taxable stipend tier for non-compensatory business use of an MCD. *All rates are subject to change.*

Tier	Allowable Stipend
1	\$ 35
2	\$ 60
3	\$ 90