



OBJECTIVE

- To ensure the proper treatment of business-related cell phone expenses.
- To ensure compliance with Internal Revenue Service requirements for business expenses emanating from using cell phones for University business given the increasing difficulty to distinguish between business and personal usage.
- To eliminate the significant administrative burden and transaction costs associated with the payment of cell phone expenses.

GUIDELINES

Applies to: Any College of Food, Agricultural and Environmental Sciences (CFAES) employee who uses a cell phone, internet or other data connectivity tool to conduct University business.

Issued: 05/15/2013

I. Overview

- A. CFAES will not provide allowances or expense reimbursements to or payments on behalf of faculty and staff for cell phones, other equipment with cellular connectivity, service plans or internet access services that are used in the course of performing University job-related business.
- B. A very few number of exceptions could be granted for business use in special situations as described below.

II. Definitions

- A. For the purposes of this document **Device and Service** will encompass the following:
 - i. **Cell Phones** refer to any portable phone used to place calls but do not have internet connectivity or other similar data services (Apps).
 - ii. **Smart Phones** refer to portable phones that also have data services including but not limited to internet access, application services, remote email access, etc. Examples include iPhones or Blackberrys among others.
 - iii. **WiFi Devices** refer to devices that provide internet connectivity in a remote location. Examples include MiFi or HotSpots among others.
 - iv. **Service Plan** refers to charges provided by the vendor for usage of any device named above.
 - v. **Internet Connectivity** refers to service provided at home to connect to the internet. This should not be confused with connectivity provided in the office.



III. Transition to the new guidelines

- A. For faculty and staff that are currently receiving a taxable reimbursement for any device and service, these reimbursements will end on August 31, 2013.
- B. For any faculty and staff members who have direct payments made on their behalf related to a contract for cell phones or mobile hotspots, payments will end on August 31, 2013.
- C. In lieu of device and service allowances, a one-time salary adjustment will be made to the current FY13 salaries for those who are receiving allowances or are having the bill paid directly by the University as of May 15th 2013. This one-time adjustment will be effective September 1, 2013 and will use the amounts already entered in the HR and Financial PeopleSoft systems.

IV. Exceptions

- A. Specific scenarios allow for University funds to pay for devices and service:
 - i. Research - Where cell phone expenses are allowed and approved in conjunction with a specific grant. All expenses must be charged to the grant in accordance with sponsor requirement and University policies governing sponsored projects.
 - ii. International Expenses - Units may reimburse employees for incremental expenses incurred when international cell phone or data plan usage is required for official business, and the employee's existing cell or data contract does not cover international calling. Units cannot reimburse employees when an employee's standard cell phone plan includes international communications.
 - iii. Shared Devices and Service - Where a device and/or service is purchased and shared among several people. As an example, if a wireless card is purchased for an outlying office that would otherwise not have internet connectivity, and the card is used among a number of different individuals, an exception would be granted. If the card is purchased for one individual and is always in their possession, payment or reimbursement for the card and/or service is unallowable. Smart phones cannot be shared devices.
 - iv. University Owned Cell Phones – The Office of the Chief Information Office (OCIO) provides cellular phones and service for business use. For individuals that document an appropriate business purpose for a phone, these devices and service can be requested. Smart Phones are not allowed, and personal usage of an OCIO phone is prohibited.
- B. Use the Procedures listed below for processing these exceptions.



PROCEDURE

- I. Transition to the new guidelines
 - A. For any faculty and staff members who have direct payments made on their behalf related to a contract for device and service, these contracts should be converted to a personal account in the name of the individual rather than the University by September 1, 2013.
 - i. Assistance with converting University paid device and service accounts to personal accounts is available by the service centers.
 - B. One-time salary adjustments will be determined by the college office and processed by the appropriate Human Resources Professionals according to HR procedures.
- II. Exceptions
 - A. Research
 - i. Contact Sponsored Program Officer (SPO) for compliance review. Device and service must be allowable on contract.
 - ii. Complete eRequest according to SPO guidance.
 - B. International Expenses
 - i. Reimbursement for these expenses should be initiated in the eTravel system.
 - ii. Itemized receipts showing the specific charges must be provided.
 - iii. Specific business purpose for call charges or internet access must be provided in accordance with Travel policy.
 - C. Shared Devices and Service
 - i. Contact the OCIO help line and/or browse their website for procedures on purchasing a device and service. Smart phones are prohibited.
 - ii. The device must be added to the department's non-capitalized equipment log according to Asset Management policy.
 - iii. Usage of device and service must be tracked using a log that includes a detailed business purpose for use. Log must be made available for audit when requested.
 - iv. Personal use is prohibited.



D. University Owned Cell Phones

- i. Contact the OCIO help line and/or browse their website for procedures on purchasing a device and service. Smart phones are prohibited.
- ii. The device must be added to the department's non-capitalized equipment log according to Asset Management policy.
- iii. Personal use is prohibited.

RESOURCES

CFAES Fiscal and HR Office, CFAES_FiscalHR@osu.edu

OCIO, ocio.osu.edu, 614-688-HELP

Office of Sponsored Programs (OSP), <http://osp.osu.edu/>

Travel Office, <http://controller.osu.edu/travel/travel-home.shtm>, 614-292-9290

Asset Management, <http://controller.osu.edu/am/am-home.shtm>, 614-292-6048