Frequently Asked Questions:
ELECTRONIC DEVICE AND SERVICE POLICY

Q: What is Purdue's Electronic Device and Service Policy V.4.2?
A: The Electronic Device and Service Policy V.4.2 establishes technology allowance payments as the primary method to reimburse staff who 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: While electronic devices are no longer designated as “listed property” under the Internal Revenue Code, there are still tax requirements for documenting personal vs. business use. Receiving taxable compensation for a personally owned device removes this detailed documentation requirement. The employee also has 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. Based on past IRS activity and the substantiation requirements for cellular devices, the University's focus is cellular phones, BlackBerry smartphones, iPhones, Droids and other PDA devices.

Q: Does everyone get compensation for a personally owned electronic device?
A: No. Employees receive compensation only if their specific job duties require they carry a mobile device, and then only in an amount necessary to cover anticipated business use. 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 percent 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 percent 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 vice presidents/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 who share a single device. There is an 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 can be found on ITaP’s Electronic Device and Service Procedural Guidelines page.

Q: What are the employee and supervisor responsibilities for reporting business use of 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 BlackBerry smartphones, iPhones, Droids and other PDAs. As with other types of unauthorized work, all time spent by non-exempt employees using 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). 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:
- Employees should not check for, read, send or respond to work-related emails outside of their normal work schedule unless specifically authorized based on their job duties or directed to do so by management.
- Employees using electronic communications for work-related correspondence during unauthorized times may be subject to discipline for violating this policy.

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 the IT Policies and Best Practices web page, 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 and the Comptroller’s group have a grid with recommended tech allowance amounts to calculate payments at http://www.purdue.edu/payroll/pdf/Allowance_Rates_Nov_2010.pdf

Q: What if my actual business usage exceeds the amount of compensation that I receive?
A: The monthly compensation amount is based on estimated average monthly usage. The amount may be adjusted with department approval based on actual personal documentation submitted by the employee. Documentation must demonstrate increased usage over multiple months. Additional charges for business usage while traveling may be reimbursed as part of the existing University’s travel reimbursement process. See the Reimbursable Miscellaneous Trip Expenses page of the Travel Office website for details.
Q: How will I receive compensation for my electronic device and service?
A: Employees approved by their department for 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 entered on the employee’s signed Technology Allowance Agreement are currently grossed up a fixed 25 percent for federal withholding and by the Indiana State & County Tax Tables based on individual exemptions on their WH-4. Contact the University Tax Office for additional information.

Annual allowances are approved from 10/1/YY to 9/30/YY each year. Reviews are performed at least annually by the department to affirm continued business need and renewal, as appropriate. Renewals are processed electronically.

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 the Cost Allocation Guidelines for Charges to Sponsored Programs page of the Costing website 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 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
allow up to $120 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 and AT&T.

Q: Will IT Telecommunications offer a service to assist in equipment repairs or billing questions under the allowance method?
A: No. 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.

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 Heather Underwood, Shared Service Center, (494-6751) for additional information.

Q: How will the University support personally owned BlackBerry devices?
A: Previously, BlackBerry smartphones were recommended to provide the most reliable service for email and calendaring. Due to technology changes, ActiveSync devices (iPhones, Droids and other smartphones) are offering the same functionality and have proven to be reliable. BlackBerry devices require an enterprise server and individual licenses to provide functionality. ActiveSync devices do not. The decision has been made to decommission the BlackBerry Enterprise Server after December 2012. No new BlackBerry devices will be added to the server after Jan. 1, 2011.

Q: Can departments replace BlackBerry functionality with other devices?
A: ActiveSync devices (iPhones, Droids, other smartphones) do not require a dedicated server or licensing and may be configured by the user for electronic messaging. Instructions to connect ActiveSync devices to the ITaP Exchange Environment are provided at GoldAnswers.

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. Optionally, 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. See ITaP’s Apple iPhone Support web page for more information.
Q: Will the University publish my personal cell phone number?
A: Departments may communicate personal cell phone numbers consistent with 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.

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