

Tech Tools: Cell Phones and Portable Electronic Resources

514.04

I. Overview

This SPG provides guidance regarding University-funded technology tools such as cell phones and portable electronic resources for faculty and staff as defined below. When the University is paying for cell phones and portable electronic resources, employees should ensure that these devices are used prudently to support the teaching, research, public service, and patient care missions of the University. University resources must not be misused to subsidize employees' personal expenses.

This policy promotes prudent fiscal practices across the University, but also allows each unit the reasonable flexibility to provide cell phones and other portable electronic resources to employees when there is a legitimate business need. Units may establish more restrictive procedures than those outlined in this SPG, but should balance any efforts to economize against additional administrative burden on faculty and staff. This policy is also intended to protect the University and its employees from tax liability by ensuring compliance with the Internal Revenue Code (IRC) and its corresponding regulations.

A. Types of Portable Electronic Resources

This policy covers portable electronic resources that feature wired and wireless telecommunication and data services, including cell phones, portable computers (e.g., laptops, etc.) and similar devices. This list is illustrative and not intended to be a comprehensive list of all tools covered by this policy.

This SPG does not cover certain resources such as two-way radios, prepaid cell phones, one-time purchases of international phones, pooled equipment, home desktop computers, and pagers. These resources will continue to be deployed only when there is a legitimate business need and will be managed at the unit level.

B. Policy

Cell Phones and Similar Telecommunication Resources

The University may offer a stipend to employees who have a demonstrable business need for cell phones and other similar telecommunication resources. This stipend is intended to cover a portion of the monthly service cost and associated hardware to a specified maximum cap per month, provided the resource is used *for* business.

As an alternative, the University can provide the cell phone directly to employees when regulatory data protection requirements are present (e.g., NCAA regulations) and/or there is a business need for the device. See Section II, B for more information.

Laptops, Tablets, and Similar Devices

The University may offer these resources directly to employees who have a demonstrable business need for them. Units must use a supplier that has a strategic contract with the university for discounted pricing when purchasing laptops, tablets, and similar devices for employee use. A list of these suppliers is available at finance.umich.edu/techtoolpolicy. Lost or damaged tools can be replaced at the discretion of the unit. The stipend model may not be used to pay for these resources.

As the number of computing and mobile devices proliferate, it will impose a greater financial and data security burden on University units. For this reason, it is generally recommended that units limit the number of devices directly funded by the University to what is reasonable from a business standpoint.

C. Home Internet Connectivity

Costs associated with home internet connectivity will not be paid for—or reimbursed—by the University. Exceptions include employees who perform 90 percent of their jobs in non-university space (e.g., work from home 90 percent of the time).

II. Options for Providing Cell Phones

Units have two options to pay for the use of cell phones—a monthly payroll stipend or providing the resources directly to employees.

A. Stipends

Under this option, employees are responsible for purchasing the cell phone and related service contract with their personal funds.

1. Unit Responsibilities

- a) It is recommended, but not required, that units have employees who are receiving a stipend complete a verification statement attesting to their business usage of the device. Any such verification statement should be developed and maintained at the unit level.
- b) Stipends should be processed as *Additional Pay Workflow Transactions* into the HRMS M-Pathways system. The TTN earnings code should be used for this nontaxable reimbursement.
- c) Stipends should be limited to the cost of the normal business use of the resource up to the maximum amount allowed. See website for capped amount (<http://finance.umich.edu/techttoolpolicy>).

2. Faculty and Staff Responsibilities

- a) Employees are responsible for maintaining their own service contracts as well as purchasing, insuring, and replacing the tools. Note that all employees are eligible for M-Card discounts on communication devices. (<http://www.finance.umich.edu/treasury/mcard/discounts>)
- b) If, at any time, the usage changes so that the device is not used for business, the stipend should be stopped.

B. University-Provided Cell Phones

The University may provide a cell phone directly to an employee when it is used for business purposes and/or when regulatory data protection requirements exist.

If the unit provides a cell phone directly to an employee, the unit must use a service provider that has a strategic contract with the University and offers discounted pricing to the University. A list of these vendors and instructions on how to obtain University pricing is available at <http://finance.umich.edu/techttoolpolicy>. Lost or damaged cell phones can be replaced at the discretion of the unit.

1. Unit Responsibilities

- a) Purchases made by the University must be made based on procedures defined by Procurement Services. Detailed information about these procedures is available at <http://finance.umich.edu/techttoolpolicy>.
- b) It is recommended, but not required, that units require employees who are receiving a University-provided tool complete a verification statement attesting to their business usage of the device. Any such verification statement should be developed and maintained at the unit level.

2. Faculty and Staff Responsibilities

- a) All devices remain the property of the University and should be returned to the unit when no longer needed by employees or when employees leave the unit. Units can also turn the devices over to Property Disposition to sell if they do not reissue them to current employees.
 - b) Employees are required to reimburse the University for any personal usage that results in additional charges. Costs of optional features which have no business purpose (e.g., ring tones, games, excessive charges due to pictures in texts, international coverage for staff not traveling internationally) must be reimbursed by employees.
- Employees are responsible for reporting when their tool is no longer used for business and/or when the need for regulatory data protection no longer exists. In this situation, the device should be returned to the unit.

C. Use of P-Cards

Fees for cell phones and their related services should not be charged to University-issued P-Cards. Reimbursement for non-recurring expenses incurred by employees, such as costs for occasional international service, may be considered on an exception basis. The University does not allow the use of P-Cards to pay for cell phones or other technology devices such as laptops and tablets. Failure to adhere to this policy may result in a loss of P-Card privileges.

III. Policy Exceptions

Policy exceptions must be approved by:

Campuses

Ann Arbor: Executive Officers, Deans, Associate Deans, Associate Vice Presidents, or Executive Director of University Audits

Dearborn: Chancellor, Vice Chancellors, Deans, or Associate Deans

Flint: Chancellor, Vice Chancellors, Deans, or Associate Deans

Hospitals and Health Centers: EVPMA, UMHS CFO or Executive Directors

Exceptions may only be made in those instances where a legitimate business rationale exists. Units must retain documentation for each exception that is granted.

IV. For More Information

Finance has a webpage that includes a variety of resources about this SPG, including FAQs, sample verification statements, information about vendors with strategic contracts for these resources, and information about the capped stipend amount. The web page is available at <http://finance.umich.edu/techtoolpolicy>.

VI. Implementation Guidance and University Contact

This SPG outlines the University policy for the purchase and payment/reimbursement of cell phones and portable electronic resources. The policy was developed after extensive discussion with different stakeholders across the University. Given the complexity of the University’s business, there may be extenuating circumstances that this policy has not anticipated.

For questions about this SPG, please email techtools@umich.edu.

Attachment	Size
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