Western Michigan University  
Cell Phone Policy  
Frequently Asked Questions

GENERAL QUESTIONS

1. There are two different plans under the policy. How do I know if I have a University owned cell phone or a personally owned cell phone?

   If the phone plan is in the University’s name, it is considered a University owned cell phone plan. If the phone plan is in the employee’s name, it is a personally owned cell phone plan.

2. How do I obtain reimbursement for business use of my personally owned cell phone?
   You may request a cell phone allowance to be paid to you each month as an incidental additional pay. The allowance will be included in your payroll check once a month and will be subject to all payroll taxes. The allowance range is $30-$50 a month, depending on your job requirements.

3. Why is the top of the allowance range only $50? I need a higher amount to pay for my business use because I am required to have email access through my phone.

   If your business usage is more than $50 a month, consider joining a University plan where the minutes are pooled and the cost per phone is cheaper than with an individual plan.

4. Will the taxable allowance be included as compensation for purposes of calculating my retirement or other benefits?

   No. Neither will be included as compensation for purposes of calculating retirement or other benefits.

5. What if I decide that I don't need a University-provided cell phone?

   If your job requires that you be available by phone at all times, you may be able to provide another cell phone number. This issue is between you and your supervisor. Your supervisor has to consider issues such as whether or not a personally owned cell phone (or PDA device) has the required security features for your job. If a cell phone is required for your job and you refuse, you may be subject to disciplinary action.

6. What if an employee who is currently on the allowance method wants to switch to a provided University cell phone?
The following should be considered in making a decision to switch from the allowance method to a University-provided cell phone:

a) Does the department have sufficient resources to manage company-provided cell phones and a sufficient budget to pay for the university owned cell phones?

b) Does the amount of business use required for the employee’s job warrant a University cell phone? Keep in mind that the IRS guidance requires a “substantial business need” for the phone in order to have the personal use qualify as a non-taxable fringe benefit.

c) Is the allowance the employee is currently receiving sufficient to cover the business use of the employee’s personal cell phone?

7. Can you provide examples of “substantial business need” as referred to by the IRS in determining whether the personal use of a University cell phone is taxable income?

   a) The employee’s job requires him or her to be readily accessible for frequent contact with the public or with University faculty, staff or students
   b) The employee’s job limits his or her accessibility to a regular land-line phone
   c) The employee’s job requires him or her to be on call at all times.

8. As a department head, must I have all my employees with cell phones under the same policy option?

   No. You will make choices based on the business needs of each employee. Some employees may be on the allowance plan and others on University-owned cell phone plans. You may also determine that some employees have no business need for cell phones.

**PROCEDURAL QUESTIONS**

9. How do I request a cell phone allowance?

   Request the allowance from your supervisor or department manager. The allowance is paid via an incidental pay addition to your compensation. The workflow form initiator for your position will prepare the necessary computer input.

10. When is this policy effective?

    This policy, as revised October 2017, is effective immediately.

11. Whom do I contact if I have further questions?

    For questions relating to tax issues, contact Julie Carroll, Manager, Corporate Reporting & Taxation, at Julie.Carroll@wmich.edu, or call (269) 387-2981.