



Policy Title: HR5015 - Wireless Communication Device Allowance

Subject Area: Human Resources

Responsible Official(s): Executive Vice President and Chief Operating and Financial Officer

Responsible Office(s): Human Resources

Policy Statement

The University may provide an employee a wireless communication device allowance when a justified business necessity exists. In compliance with IRS conditions, the University will be considered to have provided an employee a wireless communication device allowance primarily for non-compensatory business purposes if there are substantial reasons relating to the employer's business, other than providing compensation to the employee.

Definitions

Wireless Communication Device – For the purpose of this policy, a wireless communication device refers to a telecommunication device that allows for two-way communication. A wireless communication device may include the following: cell phones, smart phones, tablets, and wireless hubs or hotspots.

Policy

Eligibility

The following are example criteria that may support business necessity:

1. The employee is often outside of an office and the job requires the employee to be immediately accessible for critical decisions and to receive and/or make frequent business calls. Convenience alone is not considered justification.
2. The University routinely contacts the employee at any time for work-related matters.
3. The employee travels regularly and needs to be accessible or have access to information technology systems while traveling.

The following are example criteria that do not support business necessity:

1. The employer has a need to occasionally contact the employee outside of normal business hours.
2. The employer provides the allowance to promote the morale or good will of an employee.
3. The employer desires to provide additional compensation to an employee or for recruitment purposes.

A regular employee whose supervisor has determined that there is a business necessity based on the criteria is eligible to receive a wireless communication device allowance. The allowance will not be paid retroactively. Student employees who are not regular employees are not eligible for a wireless communication device allowance.

Establishment and Payment of Allowance

1. If a University employee's job duties include a business need for a wireless communication device, the employee is eligible for an allowance. The allowance may be requested using the [Wireless Communication Device Allowance Request/Change Form](#).
2. The approved request form must be submitted to Human Resources. The allowance will be direct deposited into the employee's bank account as part of the normal payroll cycle. Payments will begin as soon as possible, based on payroll processing deadlines, but will not be made retroactive.
3. This allowance does not constitute an increase to base pay, and will not be included in the calculation of percentage increases to base pay due to annual raises, job upgrades, etc.
4. The allowance is not an entitlement—the amount may be changed or withdrawn without notice at any time and is subject to departmental budget availability.

Documentation and Review Requirements

1. The decision to incur a business expense for allowances must be carefully evaluated by the department head from a cost/benefit perspective. Departments must first consider all other viable options such as landline telephones or other less expensive communication devices.
2. When employees with allowances change positions within the University, the Wireless Communication Device Allowance Request/Change Form should be completed (to recertify the allowance under the new position or terminate the allowance if not a business need with the new position).
3. Employees who receive a wireless communication device allowance must provide their personal contact information to the employer to be used for business purposes.
4. Employees who receive a wireless communication device allowance may be required to provide wireless communication records (cell phone bills, etc.) to the University of Memphis upon request.

Amount of Wireless Allowance

1. The University will provide a maximum allowance of \$50.00 per month to eligible employees.
2. For biweekly paid employees, the monthly allowance will be annualized and evenly applied to each payroll check according to the biweekly payroll schedule.
3. The allowance is intended to reimburse the employee for the business use of his/her personal wireless communication device, not to pay the entire bill, as most employees may also use such devices for personal needs.
4. The University will **not** provide an equipment allowance for wireless communication devices.

Employee's Responsibilities

1. The employee must retain an active wireless communication device/services contract as long as a wireless communication device allowance is in place.
2. The employee may select any wireless carrier whose service meets the requirements of the job responsibilities.
3. The employee is responsible for all charges, including early termination fees and international calls. If the employee leaves the position and no longer requires the service, the employee continues to be responsible for the contractual obligations of his/her service plan.
4. The employee must notify his or her department each time the cell phone number is changed.
5. The employee may, at his or her own expense, add extra services or equipment features, as desired.
6. Wireless transmissions are inherently not secured and employees should use discretion in relaying confidential information over wireless devices. Encryption must be enabled on all mobile devices storing University data. For more information, refer to University Policy [IT6005 - Data Security Policy](#).
7. Use of the wireless communication device in any manner contrary to local, state, or federal laws will constitute misuse, and will result in immediate termination of the wireless allowance, as well as possible other discipline, up to and including termination.
8. The employee may be required to submit, upon request by the University, copies of wireless communication billing statements or other documentation, including phone call and text message activity, which supports justification of the wireless communication allowance. In this case, phone numbers for personal business may be redacted by the employee.

Fees for Contract Changes or Cancellations

1. If, prior to the end of a wireless communication device/services contract, a personal decision by the employee to change or end the wireless communication device contract, or a decision by the department because of employee's misconduct or misuse of the device

results in the need to end or change the allowance, the employee will bear the cost of any fees associated with that change or cancellation.

2. An employee's decision to enter into a wireless communication device/services contract is a personal decision. The University will at no point be responsible for cancellation fees, even in the event that the wireless communication device allowance is eliminated.

Infrequent Use of Cell Phones for Business Purposes

1. If a University employee's job duties do not include the need for a wireless communication device, the employee is not eligible for an allowance.
2. Such employees may request reimbursement for the actual extra expenses of business cell phone calls. Reimbursement for per-minute "airtime" charges is limited to the total overage charge shown on the invoice, i.e., expenses for minutes included in the plan will not be reimbursed. Reimbursement is limited to the departmental budget availability.
3. The employee should make personal payment to the provider, and then submit a [Request for Cash Reimbursement](#) to the Accounting Office. The reimbursement amount will be for justified and business expenses only, and the reimbursement will not be added to the employee's taxable wages.

Related Documents, Policies and Forms

[Wireless Communication Device Allowance Request/Change Form](#)

[Request for Cash Reimbursement](#)

[IT6005 - Data Security Policy](#)

[Internal Revenue Service Tax Treatment of Employer-Provided Cell Phones](#)

Last Revision Update Log: 09/03/2024

HR5015 – Revised May 16, 2022

HR5015 – Supersedes UM1688 March 28, 2018

UM1688 – Revised September 25, 2017

UM1688 – Revised February 14, 2017

UM1688 – Revised June 18, 2014

UM1688 – Revised May 19, 2014

UM1688 – Issued August 11, 2008