

## Cell Phone, Data Plan, and Internet Supplemental Pay Guidelines for UITS

Indiana University allows staff who, in order to perform their position responsibilities, utilize communication devices such as cell phones, PDAs, or internet access to be compensated, through a supplemental pay, for the cost incurred for this service. These guidelines outline the UITS specific requirements for these supplemental pay allowances.

### 1. Coverage, Eligibility, Business Purpose, and Interaction with Fair Labor Standards Act Requirements

- a. **Covered Persons**—These guidelines cover all positions reporting to or paid by UITS /VPIT (Responsibility Centers 65, 66, and/or 94) at Indiana University.
- b. **Eligibility**—Only those employees in an appointed position are eligible for a supplemental pay allowance for cell phones or internet.
- c. **Business Purpose**—The employee must demonstrate a business purpose when requesting a supplemental pay allowance. Requests without sufficient explanation of the business need may be returned to the requestor. Business purpose includes items such as, but not limited to:
  - i. Being in a functionally critical position where accessibility via phone or email during non-business or non-working hours is necessary;
  - ii. Being in a functionally critical position where accessibility via phone or email during time away from the employee’s standard work location is necessary, particularly if that employee is in meetings or off-site a significant (more than 3 hours) portion of the day;
  - iii. Needing the ability to connect to Indiana University systems during non-business hours or away from the employee’s standard work location to perform maintenance or service.

UITS recommends that a request for reimbursement for internet service be substantiated by a strong business need. It is not sufficient justification that an employee seeks reimbursement for home internet to allow them to work at home for their convenience, but rather, the need must be dictated by the specific needs of the position (i.e. planned telecommuting for the benefit of the organization, on call demands to regularly respond outside of standard working hours).

Examples of insufficient business purpose for any supplemental request include items such as “Renewing contract” or “Purchasing cell phone.”

- d. **Interaction with Fair Labor Standards Act (FLSA) Requirements**—Because providing a cell phone or home internet allowance means the employee will be available during non-working hours, supervisors must be aware of when a non-exempt employee is called, or is expected to respond to electronic communication, during non-working hours. If an employee is called during non-working hours, or must monitor email, that

employee must be compensated for his or her time responding to the phone call or email according to University and FLSA requirements.

## 2. Amounts for Supplemental Pay

- a. **Payment Frequency**—The allowance will be paid in equal installments based on the frequency of the employee's pay. Bi-weekly paid employees will receive 26 equal installments. Monthly paid employees will receive 12 equal monthly installments.
- b. **Gross up**—The amounts provided to an employee on his or her paycheck are inclusive of a gross up for federal income taxes withheld on the supplemental pay. Gross ups are calculated as the base rate times 1.33.
- c. **Guideline for Amounts**—The amount of a supplement is not intended to be additional compensation or a replacement for base compensation. As a result, the amount paid in a supplement should be the minimum necessary to provide connectivity commensurate with business usage.
  - i. **Cell Phone/PDA**—UITS recommends that exclusive of the gross up for federal withholding, monthly reimbursements do not exceed:
    - 1. \$25 per month for employees who are reimbursed only for cell phone coverage.
    - 2. \$40 per month for employees who are reimbursed only for data connectivity to a hand held device (PDA, iPad data plans).
    - 3. \$60 per month for employees who are reimbursed for both cell and data coverage on a hand held device.
    - 4. Amounts higher than these recommendations may be considered, but the total amount paid for all cell phone/PDA service may not exceed \$150 per month, inclusive of the gross up in 2.b.
  - ii. **Internet**—UITS recommends that exclusive of the gross up for federal withholding, monthly reimbursements do not exceed:
    - 1. \$60 per month for employees with an internet access plan (laptop card) to allow them to access internet services while travelling.
    - 2. \$30 per month for employees with a home internet access plan (DSL or cable service) to allow them to access internet services at home.
    - 3. Amounts higher than these recommendations may be considered, but the total amount paid for all internet service may not exceed \$100 per month, inclusive of the gross up in 2.b.
- d. **Other**
  - i. **Family Plans/Shared Internet Service**—As a guideline, the amount requested for a supplemental should not exceed the lesser of the annual limit, or 75% of the combined voice/data portion of family plan, or 75% of the shared internet service.
    - 1. **Services Specifically Identified on a Line**—Where services are specifically identified on lines, the amount requested should be equal to or less than the amount of services attached to the line used for business services.



- ii. Then, the request must be approved by employee's director.
  - iii. Next, the UITS Finance Office must provide budget authorization.
  - iv. Finally, the request must be approved by the employee's Associate Vice President.
- 5. **Exceptions to Guidelines**—Exceptions to these guidelines are expected to be limited, but may be processed with Associate Vice President approval.
- 6. **Coordination with University Policy I-480**—Nothing in these guidelines, including exceptions, can conflict with University Policy I-480 (<http://www.indiana.edu/~vpcfo/policies/accounting/i-480.html>).