

Provision of Mobile Equipment and Related Services

- Authority** This Guide Memo is approved by the Vice President for Business Affairs and Chief Financial Officer.
- Applicability** This policy applies to all individuals who are provided with or are reimbursed for expenses relating to cellular phones, PDAs, PCs and like equipment (“Equipment”) and communications services (e.g., DSL, cable modem, cellular phone service) in support of such equipment (“Services”) by Stanford. The policy also applies to supervisors and managers who approve these arrangements.
- Cellular phone expenses are not normally chargeable to federally-funded sponsored projects or to state-funded projects subject to OMB Circular A-21 (RPH 3.6, Section A2, A3 see: <http://rph.stanford.edu/3-6.html>). Exceptions must be approved by the Office of Sponsored Research when a proposal is submitted.
- Summary** This guide memo outlines policy on the provision of Equipment/Services or the reimbursing of individuals for expenses incurred in the course of obtaining the Equipment/Services. The policy requires that the employee’s supervisor must approve the Stanford business need for Equipment/Services. The policy establishes the responsibilities of the employee and the department regarding any personal use of Equipment/Services. Schools and departments may adopt stricter provisions. The policy sets further requirements regarding the use and maintenance of Equipment/Services.
- Section headings are:
1. BACKGROUND
 2. STANFORD BUSINESS USE
 3. PERSONAL USE OF EQUIPMENT AND SERVICES
 4. PROPER USE AND SELECTION

1. BACKGROUND

The use of cellular phones, PDAs, PCs and similar devices, and related communication services by Stanford employees in the course of their work is common. Stanford often provides these devices to employees to improve communication, productivity and work efficiency, to facilitate telework, working between multiple campus locations and to otherwise enhance the contributions of employees. Stanford policies generally require University property to be used only for Stanford business use. However, this policy recognizes that a portion of the use of Equipment/Services may be for non-business use, such as occasional personal phone calls or emails, or use of home DSL service by other family members.

2. STANFORD BUSINESS USE

- a. Stanford Business Use Required** – Stanford’s resources are constrained by donor, sponsor and budgetary restrictions. Expenditures for Equipment/Services must follow a strict approval process, tied to demonstrated business need, rather than as compensation in the form of the latest technological gadget. Frequent turnover of such Equipment is discouraged. The employee’s supervisor will determine and approve the Stanford business necessity for providing Equipment/Services to the employee, based upon the employee’s job duties, budget availability and local policy, custom and practice. Simple convenience is not a criterion for a cell phone allowance. The approval process will include a review of all aspects of the Equipment/Services insuring that they are provided at a minimum cost to Stanford consistent with the Stanford business requirements of the employee. The supervisor will determine the minimum cost Stanford IT plan available, and the appropriate level of Equipment to be provided, considering the features needed for the business use. When a Stanford IT plan is not appropriate, the supervisor and the employee will determine the least costly plan that meets the required business needs.

- b. **Supervisory Approval** – The supervisor’s (or school designee’s) approval of the Equipment/Services expense must be documented. Records of supervisory approval of Equipment/Services must be retained in the department for a period of six years from the termination of the agreement.

A template for such documentation is available at

<http://fingate.stanford.edu/staff/taxcompliance/forms.html>. Annual review of the necessity of Equipment/Services provided to a supervisor’s staff is strongly encouraged. The entire cost of a Stanford-provided cell phone for which no business necessity is documented will be considered taxable income to the employee.

- c. **Business Necessity** – Stanford business necessity occurs when one of the following factors is present:

- It is vital for the mobile employee to be in constant touch with the office, lab or medical facility.
- The employee is responsible for emergency preparedness and must be available and on-call around-the-clock for a specific business period.
- A group of employees have the need for group or shared Equipment/Services such as rotating on-call contact.
- The employee does not have access to a landline or other communication device when doing a substantial portion of his or her job and communication with the supervisor or other Stanford business parties is required.
- The employee’s job effectiveness will show a significant increase through the use of Equipment/Services.
- The Equipment/Services eliminate or reduce the need for the employee to go back and forth to the office, consistent with University goals to reduce traffic, benefit the environment and increase employee productivity.
- Provision of Equipment/Services is the most cost-effective way to meet the business communication requirements of the mobile employee.
- The Equipment/Services are necessary to support an off-site office, which is the employee’s principal office for their Stanford work.

For examples of appropriate business need and frequently asked questions about this policy please refer to

http://fingate.stanford.edu/staff/taxcompliance/res_jobaid/stanford_mobile equip_faqs.html.

3. PERSONAL USE OF EQUIPMENT AND SERVICES

- a. **Occasional Incidental Personal Use of Equipment and Services** – Permitted incidental use of Equipment/Services for occasional personal communication needs that are not directly related to University business is defined as use that does not exceed 15% of the use of the Equipment.
- b. **Compensation for Personal Use that Exceeds Occasional Incidental Use** – Personal use of Equipment/Services that is more than incidental may be costly to Stanford in both lost employee work time and additional costs of the resources. It is the responsibility of the department and the employee’s supervisor to assure that incidental use is kept to a minimum and that, in the event of non-incidental personal use, the University is compensated for such use. This compensation must take into account the purchase price of the Equipment as well as any ongoing service fees. The University has determined that an amount of \$10 per month approximates the cost of non-incidental personal use.

The department and the employee’s supervisor reserve the right to suspend provision of Equipment/Services in the case of excessive personal use.

- c. **Exceptions** – Equipment/Services that are principally used in a Stanford-provided office are exempt from this policy. Examples include desktop phones, desktop PCs and lap top computers used as an office PC. In addition, group or shared Equipment/Services such as those used for rotating on-call contact are exempt from this policy.

The department may also reimburse the employee for the Stanford business use of a cell phone that is paid for by the employee. Provided that proper documentation of the business use is submitted (e.g., identifying the Stanford business phone calls on the bill), such reimbursement will be free of tax. (See Guide Memo 36.4, Reimbursement of Expenses, section 2 http://adminguide.stanford.edu/36_4.pdf).

The department may also provide a small taxable stipend in the employee's paycheck to support the business use of employee-provided Equipment/Services. The "other recurring pay" should be no higher than the approximate cost of the anticipated Stanford business use of Equipment/Services.

In appropriate circumstances, the University may provide DSL or similar services to enable an employee to work from home. Provided that the Stanford business need for the service is significant and consistent over a substantial period of time, the requirement for compensation of the personal use of these services is waived.

4. PROPER USE AND SELECTION

- a. **Use and Protection of University Provided Equipment and Services** – Equipment paid for by Stanford is the property of the Stanford department that paid for it. When an employee leaves Stanford or transfers from one department to another, Equipment furnished to the employee must be returned to the issuing department. It is expected that Equipment paid for by Stanford, where appropriate and feasible, will be in the possession of the employee at all times and be functional during the employee's business day. Employees must take all necessary measures to protect the Equipment from theft or damage.
- b. **Laws and Policies Regulating Use of Equipment** – The employee will be solely responsible for understanding and complying with all applicable laws and University policies relating to the use of Equipment/Services, including highway safety laws relating to cell phone and PDA usage, copyright laws, ergonomic use guidelines, privacy protocols and University export control and data security policies.
- c. **Preference for Stanford IT-provided Equipment/Services** – It is the responsibility of employees and their supervisors to make sure that Equipment purchased is appropriate for the technical support capabilities of the School or Department. Stanford IT-provided Equipment/Services should be used in nearly every case. The accumulation of campus-wide purchases enhances the buying power of Stanford IT and generally provides the lowest prices possible. A large common pool of Equipment is also easier for the University to maintain and account for.
- d. **Further Requirements of Particular Schools and Departments** – Schools and Departments may establish local policies and procedures to further regulate or restrict the provision of Equipment/Services in their own units, provided that the University-wide policy is also followed.