These procedures supplement University Policy 602.10, Mobile Communication Device Allowances, and describe the steps employees should take to request a mobile communication device (MCD) allowance when they are required to use a personally-owned device for “substantial noncompensatory business reasons” (University Policy 602.10, Section III) and incur service plan costs associated with the device. In addition, these procedures outline when issuance of University-owned devices may be appropriate and when reimbursement for incidental use of personal MCDs may be warranted.

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I. Definitions
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I. Definitions
Refer to Section II of University Policy 602.10, Mobile Communication Device Allowances.

II. MCD Allowances

If an employee is required to use an MCD that has associated service plan costs for substantial noncompensatory business reasons, the University prefers that the employee use his/her personal device and request an MCD allowance, as outlined below.

Benefits of MCD allowances:
- The employee is able to choose a device, a service provider, and a plan that best accommodates his or her personal and business needs.
- The employee may not have to change an existing personal MCD phone number to begin the allowance option.
- The employee need only carry a single device for both business and personal use.
- The more onerous IRS substantiation requirements are eliminated so that employees and their supervisors are relieved of the responsibility of documenting calls and submitting each staff member’s monthly request for reimbursement.

Overview:
- The policy on MCD Allowances is set forth in Section III of University Policy 602.10, Mobile Communication Device Allowances. Note: this policy does not cover devices that strictly use free wireless services, e.g., iPads that connect via the University's NinerWiFi or eduroam networks.
- Teleworking is not an example of a substantial noncompensatory business reason when the employee chooses to telework but could otherwise report to their duty station.
- The current allowance amounts per month, split over two pay periods, are as follows:
<table>
<thead>
<tr>
<th>Plan type</th>
<th>Allowance Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>$23</td>
<td>MCD voice and/or data cost for University business usage.</td>
</tr>
<tr>
<td>Average</td>
<td>$46</td>
<td>MCD voice and/or data cost for University business usage is for voice and data.</td>
</tr>
<tr>
<td>High (Exception Rate)</td>
<td>$60</td>
<td>MCD voice and/or data cost for University business usage exceeds average market rates. Exception rates must be approved by the Vice Chancellor for Business Affairs.</td>
</tr>
<tr>
<td>Other Amount (&lt;$60)</td>
<td>Department's determination</td>
<td>MCD voice and/or data cost for University business usage rounded to the nearest whole dollar. Any request for an allowance amount that exceeds the average market rate must be approved by the Vice Chancellor for Business Affairs.</td>
</tr>
</tbody>
</table>

- The allowance amount should be selected to cover only the employee's anticipated business-related MCD charges.
- Departments may establish their own internal guidelines and/or definition of "business-related" when considering an acceptable percentage of total costs incurred by the employee; however, the allowance amount selected should not exceed the employee's portion of actual monthly service charges incurred. MCD equipment charges, including insurance/protection plans, are not covered by this allowance.
- The employee’s portion must be taken into consideration for shared plans where there is more than one adult phone line (persons 18 years of age or older). See Mobile Communication Device FAQs for examples of how to determine the employee’s portion of actual monthly service charges.
- The allowance will be included in the employee’s paycheck each period as a nontaxable fringe benefit.
- The allowance request will automatically terminate on June 30 (fiscal year end) and, thus, must be renewed annually. To terminate an MCD allowance prior to June 30, complete the MCD Allowance Request eForm (electronic form) by selecting the ‘Action’ to terminate and entering a specific end date.

To request an MCD allowance, an employee must:
- Complete the MCD Allowance Request eForm.
  - Attach a copy of his/her most recent cell phone bill or contract to substantiate the allowance requested, as required by IRS and OSBM regulations.
  - Include the “substantial noncompensatory business reason” authorizing the allowance.
- Submit the eForm to his/her supervisor and Department Head or Delegate for review and approval of the completed form.
○ If a rate exceeding the Average rate (i.e., Exception) is being requested, the form will route to the Vice Chancellor (VC) for Business Affairs for final approval.
○ For New Allowance Requests, approvals must be received no later than the 3rd of the month for the allowance to be included in the employee's paycheck on the 15th, or by the 18th of the month to be included in the employee’s end-of-month paycheck.
○ For Annual Renewals, approvals must be received no later than May 31 to be effective for the upcoming fiscal year (July 1 – June 30).
○ MCD allowances will not be processed retroactively.
   ● Once approved, the MCD allowance will automatically be entered into Banner for processing through payroll.
   ● Each year, the Controller's Office will conduct a compliance audit of all new MCD allowances and a sample of MCD allowance renewals as of June 30, in order to continue to provide this non-taxable benefit to employees. Employees, supervisors, and Department Heads or Delegates will be notified if additional justification, documentation, adjustment, and/or termination is needed.

Ongoing Responsibilities:
   ● Payment of Bill: Employees must pay their monthly bill directly to the service provider and retain an active cell phone contract as long as the MCD allowance is in place. The employee is fully responsible for any contract termination fees assessed by the service provider.
   ● Availability: Employees receiving an MCD allowance must provide the mobile number assigned to that device to University contacts consistent with the responsibilities of the employee. Employees are required to keep the device available for business use during their work hours and respond when contacted for University business.
   ● Annual Renewal: Employees should renew MCD allowances each fiscal year by May 31.
   ● Lapse of service: An employee who inadvertently allows MCD service to lapse while receiving the allowance will not be eligible to participate in the MCD allowance program for a period of six (6) months following the lapse, and service allowances paid after the service lapse may be recovered through payroll deduction. In addition, the employee may be subject to appropriate disciplinary action as necessary.
   ● Public Records Law under General Statute §132: Employees are responsible for retaining MCD bills and statements in accordance with University Policy 605.3, Retention, Disposition and Security of University Records, since the device will be personally owned.
   ● Employees on leave: The MCD allowance for University employees who are on any sustained leave of absence, including leave covered under the Family Medical Leave Act (FMLA) or short term disability, but not including intermittent or reduced leave, will be discontinued during the leave period unless continuation is approved by the Associate Vice Chancellor for Human Resources. Once the employee returns to active employment, they can continue their MCD allowance.

III. University-owned MCDs

Overview:
   ● The policy on University-owned MCDs is set forth in Section III of University Policy 602.10, Mobile Communication Device Allowances.
   ● Departments may choose to purchase University-owned MCDs if all of the following requirements are met:
Proper business justification exists. (OSBM Budget Manual §5.10.1, #1)

Approval is received from the Department Head and the Vice Chancellor for Business Affairs or his/her designee (via the ARCHIBUS approval process outlined below). This will also ensure that the Controller’s Office is notified.

Administration of the device and service costs associated with the device (including payment of monthly bills) is managed by the issuing Department.

Note that employees may not be reimbursed for monthly personal service plans for University-owned devices. Monthly charges should be managed and paid by the issuing Department; otherwise, an MCD allowance should be requested. For reimbursement of incidental business use of MCDs, see Section IV.

To obtain a University-owned MCD with associated service plan costs, the department’s Financial Account Manager (FAM)* should:

- Log into ARCHIBUS to submit an MCD Request.
- Select “Asset Management” > “MCD Request” > “Create and Manage MCD Requests” from the left- side menu.
- Select the “New MCD Request” button located on the top right of the screen.
- Complete the “Request Information” fields (the “General Information” fields should automatically populate).
- Select the “Save” button located on the top right of the screen.
- Click “Add Employee” and add all employees to whom this request applies.
  - Note: If you have a device that is available to your department’s faculty/staff on a check-out basis, a “Check-out basis” option is available in the Employee Name field. Note that this only applies if the device is truly not assigned to any particular staff. If a device is assigned to multiple people (e.g., that work different shifts), please list all users.
- Click “Add Device” and add all devices to which this request applies.
- When all fields are complete, click “Submit Request.” An automated email will be sent to your Department Head directing them to log into ARCHIBUS to review and approve the MCD request.
- Once your Department Head approves the request, the form will automatically be forwarded to the Controller’s Office for final approval.
- If the MCD request is rejected by the Department Head or by the Controller’s Office, an automated email will be sent to the Financial Account Manager (FAM) informing them of this status. *See the Facilities Information Systems website for more information about FAMs.
- Once approved, the department may move forward with purchasing and issuing the devices and setting up the associated service plans.
- Departments should use the statewide term contract when purchasing MCDs and/or services (See Statewide IT Contracts, “Cellular Telephone Service and Equipment”, Contract 915A).
- If your department does not have an existing account with Verizon Wireless, to be covered under the state contract terms, you will be required to submit the following documentation:
  - Proof of approval from Financial Services – a copy of the email received when the MCD request has been approved by the Controller’s Office in ARCHIBUS will fulfill this requirement
  - Assumption of Liability Authorization
  - Also, note that a primary and secondary Point of Contact (POC) is required for each account.
Financial Services recommends the use of a University Purchasing Card to pay for authorized ongoing service charges for University-owned devices.

Ongoing Responsibilities:

- **Departmental Policies**: Employees are required to follow their Department’s internal policies and procedures related to such devices.
- **Documentation**: Departments must retain records of all University MCDs and to whom they are assigned. All monthly statements and related information are subject to review by Internal Audit and must be retained by the Department in accordance with University Policy 605.3, Retention, Disposition and Security of University Records.
- **Changes to Existing Devices**: If any changes occur in the status of issued MCDs (e.g., devices are upgraded), these changes must be entered into ARCHIBUS to ensure accurate data for State reporting purposes. Changes to the Device Description, Device Cost, and/or Monthly Plan Cost will not need to be rerouted for approval.
- **Review of Usage (required by OSBM)**:
  - University-owned MCDs are considered University property and should be used for business purposes only. Supervisors must ensure non de minimis personal use of state funded MCDs is prohibited. See OSBM Budget Manual §5.10.1, #5.
  - Supervisors of employees using University-owned MCDs must review use of devices at least annually to re-justify the business need for each University-owned device that has been issued, and can consider more stringent measures such as reviewing monthly billing statements. See OSBM Budget Manual §5.10.1, #1. Ensure non de minimis personal use of state-funded MCDs is prohibited.
  - Monthly telecommunication vendor bills must be reviewed before payment is issued to ensure errors, waste, and fraud are eliminated or addressed in an appropriate manner. See OSBM Budget Manual §5.10.1, #3.
  - Under-utilized devices or high-cost devices must be terminated or replaced with more cost-effective alternatives. See OSBM Budget Manual §5.10.1, #4.
  - All usage on a University-owned MCD must comply with the University’s Information Technology (IT) policies. Please refer to University Policy 602.10, Mobile Communication Devices for additional information.

Termination/Disposal/Displacement:

- An employee who is issued a University-owned MCD must return the device to his or her employing Department upon termination from employment or change of duty status. Employees may not keep or purchase a University-owned MCD from the University.
- When devices are disposed of or use is otherwise discontinued, this should be indicated in ARCHIBUS by clicking "Inactivate Request" on the device listing to ensure accurate data for State reporting purposes.
- Disposals of University-owned devices must follow University Policy 601.10, Surplus Property Procedures and be accompanied by the Fixed Assets Disposition and Change eForm.
- If termination/disposal occurs prior to the end of the contract period due to an employee’s misconduct, misuse of the device, or a personal decision, then the employee is responsible for any associated contract termination fees assessed by the service provider; otherwise the department will be responsible for these costs.
- If a University-owned device is lost or stolen, the employee to whom the MCD is issued must contact his or her supervisor immediately.
Ongoing service questions:
- If you have any questions regarding service for your mobile communication device, please contact your service provider (e.g., Verizon, AT&T, T-Mobile) directly.
  - Verizon Wireless contact for University accounts: Brad Friang, Government Account Manager, 919-607-0568
  - Sprint contact for University accounts: 866-768-9410

IV. Reimbursement for Incidental Use of MCDs

Overview:
- The policy on reimbursements for incidental use of MCDs is set forth in Section III of University Policy 602.10, Mobile Communication Device Allowances. Note: An employee receiving an MCD service allowance may not be reimbursed for incidental business-related usage of their personally-owned device.
- Employees may request reimbursement for additional costs incurred when required to use their personally-owned device for incidental business-related purposes. For example, an employee incurs data overage charges on their monthly phone bill when required to use their personal device for non-routine or unforeseen business reasons.
- Some costs associated with MCD usage while in travel status may be reimbursable, in accordance with the UNC Charlotte Travel Manual.

To receive reimbursement of incidental business-related usage of personally-owned MCDs, an employee must:
- If not in travel status, submit an Employee & Student Direct Pay Request (ESDPR) with a copy of the applicable bill(s) and supporting documentation to Travel within 30 days in which the expense was incurred.
- If in travel status, submit a copy of the applicable bill(s) and supporting documentation to Travel with his/her Travel Reimbursement & Expense Report.
- To ensure tax-free reimbursement, submit supporting documentation, such as a monthly bill that clearly indicates additional costs incurred due to business-related usage, along with an explanation of the business purpose.
- See the Travel website for further information on the processing of ESDPRs and Travel Reimbursements.

V. Other Considerations

Employees must comply with all other applicable policies and procedures when using the MCD. See Section III, D. and Related Resources of University Policy 602.10, Mobile Communication Device Allowances.

For questions related to these procedures, contact the Assistant Controller-Compliance within the Controller’s Office.

Revised: Controller’s Office, October 26, 2015; updated June 14, 2017; re-designated as University Policy 602.10, October 18, 2017, revised May 10, 2018, revised June 27, 2018; revised April 23, 2019; revised April 22, 2020