

# Mobile Communication Device Policy

Status as of July 17, 2009

## Why do we need a policy?

Compliance with IRS rules regarding personal use of employer-issued cell phones.  
Consistent use and accounting for cellular phones, blackberries, and/or iPhones.

## What will change if the proposed policy is implemented?

### Current Practice

UTMB-issued mobile device  
Department pays for device and usage  
Department pays for upgrades as desired  
IS Cellular Pager office audits vendor bills  
IS Cellular Pager office pays vendor bills  
IS Cellular Pager office charges department

### Proposed Policy for Eligible Employees

Employee is provided a device allowance  
\$80 – Cell Phone or \$200 – BB/iPhone  
Employee is provided a plan allowance  
\$100/month voice & data  
\$25/month International if applicable  
Device upgrade allowance every two years  
Employee pays for device and usage

## How will things work under the new policy?

Departments will use an electronic process to identify staff members that are eligible for the cell phone allowance. These staff members will have the allowance added to their paycheck and the appropriate income taxes will be withheld. Staff will utilize these funds to pay for the device and the monthly voice and data service plans.

## What are the major benefits and concerns regarding this new policy?

### Benefits

Compliance with IRS tax law  
Elimination of internal transactions  
*Personally-owned devices not subject to PIA*

### Possible Concerns

Carrier plans cost 6% more for personal versus corporate  
Employee required to sign 1 or 2 year contracts

## What is the timeline for implementation?

**CURRENTLY** → Campus review and input complete by August 5, 2009  
Final policy approved by IHOP committee on August 6, 2009  
Review and approval by SEC in August 2009  
Campus communication regarding the change late August 2009  
Implement policy on September 1, 2009 for all new employees  
Complete the migration of existing employees to the allowance process by August 31, 2010

## What alternatives do we have?

Delay the implementation of a new policy until the tax law is revised. See attached statement from IRS commissioner dated June 16, 2009, and IRS Bulletin 2009-23 requesting comments.