

Mobile Communications Device Allowances Frequently Asked Questions

Q: Why is NC State University doing this?

A: Most universities are in varying stages of implementing similar programs as a cost-saving measure and to provide more flexibility for employees who must carry a mobile communications device as a part of their job responsibilities. The IRS rules have the same impact on all public agencies – higher education, state agencies, federal agencies, etc., as well as private corporations.

Q: Why is my MCD allowance taxable?

A: The allowance amount is taxable income because you will not be required to provide detailed documentation of your business calls or reimburse the University for any personal calls. It is possible that the allowance will not cover your complete business usage. In that event, you should be able to claim the remainder as a business deduction on your personal tax return. Check with your tax preparer in the event of new or changed filing rules.

Q: Will the taxable allowance be used to calculate my retirement or other benefits?

A: No. Although the allowance will be paid to you as additional salary, it will not be used to determine University retirement coverage or other benefits.

Q: The allowance I receive is not enough to cover my entire phone bill. May I request a reimbursement for the balance?

A: No. The intent of the allowance is to provide compensation for business-related activity on a personal MCD without the user having to submit documentation for business-related calls. The allowance is not intended to cover personal use of the device.

Q: If I decide to get a device that has a voice and data plan, how can I make sure that it will work with the University's email service?

A: You need to purchase either a BlackBerry device or a PDA/Smart phone that uses Active Sync in order to communicate with our e-mail server. Many carriers require data service in order to access e-mail so check with your carrier on the appropriate plan for your needs. If you buy a BlackBerry and want to use the University's BES (BlackBerry Enterprise Server) be sure the cellular service provider is aware so the correct data plan is assigned. There is a one-time charge of \$200 for setting up a BlackBerry on NC State's BES server. This charge is covered by the department or the employee depending on the circumstances. For more information about NC State's BlackBerry service, please see: <http://www.ncsu.edu/software/agreements/blackberry/index.php>. If your device uses Active Sync or IMAP, the NC State University Help Desk (515-HELP) can help you with those settings.

Q: Can I pay for personal calls made on my University-owned MCD?

A: No, under IRS and State regulations it is not enough to simply pay for your personal calls and say all the rest are business calls. The IRS requires that the use of an employer-provided cell phone be documented in a very detailed manner. In addition to identifying all personal calls on the employee's monthly cell phone statement, the employee must note the purpose of each business call. In the

absence of such documentation, the IRS can treat all undocumented calls as personal and the value of those calls as additional wages, even if the calls were mostly business calls.

Q: Does everyone get a taxable allowance for a personally-owned MCD?

A: No. You should only receive an allowance if your department requires that you carry an MCD and grants approval based on the eligibility requirements stated in the MCD Procedures.

Q: Can I keep or purchase from the University a previously-used MCD?

A: Unfortunately, no. Equipment purchased by the University is University property and must be disposed of according to [NC State University Regulation 07.40.1, Disposal of University Property](#). MCDs that are no longer used must be returned to the department administrator, who will then forward to Surplus Property.

Q: I make personal cell phone calls only during “free” calling periods, i.e., evenings and weekends, or by using “free” cellular-to-cellular calling on a University-owned MCD. Because those calls are free, they don’t count, right?

A: No. Departments actually pay for “free” calls as a part of the base cellular service plan. Only University-related business calls are allowed on a University-owned device.

Q: How does the department manager decide who needs an MCD?

A: The following are factors considered:

- Travel (out of office on a weekly basis)
- Types of calls made
- Number of business calls on a weekly basis
- Need to be available (for emergencies or decision making)
- Coordination between work sites
- Lack of available land lines

Q: My MCD allowance request was denied. I need an MCD device to do my job. How can I get the allowance approved?

A: Approval or denial of the allowance is subject to your chain of command – your supervisor, his or her supervisor, etc. MCD allowances are not an inherent right simply because you were provided a phone previously. You need to discuss the issue with your supervisor to determine why the allowance was denied. Your supervisor may prefer that you continue to use a university-owned MCD.

Q: I have a University-owned MCD and I want to terminate my service contract. Who is liable for the termination fees?

A: If, prior to the end of a MCD contract, employee misconduct, or misuse of the device results in the need to change or end the MCD contract, the employee will bear the cost of any associated contract termination fees if such fees are assessed by the service provider. If, prior to the end of the MCD contract period, a University decision is made unrelated to employee misconduct which results in the need to change or end the cellular device contract, the department will bear the cost of any associated contract termination fees at the University’s discretion, if such fees are assessed by the service

provider. There are no termination fees for the University's BlackBerry Enterprise Server accounts. Your administrative contact must notify the appropriate service provider to cancel the service and determine the best use of the cellular device.

Q: I have a personally-owned MCD and I want to terminate my service contract. Who is liable for the termination fees?

A: For personally-owned devices, the employee is fully responsible for paying the monthly bill plus additional charges, including termination fees.

Q: I currently have a university-owned BlackBerry and I'm licensed on the Enterprise Server. What happens when I choose a personal plan and surplus my current device?

A: The University will transfer your existing BES (BlackBerry Enterprise Server) license to your new BlackBerry. Contact the NC State University Help Desk at 515-HELP within 30 days of your decision to change to a personal plan. They will help you with your new activation.

Q: If I transfer my BlackBerry service to a personal plan and get a new BlackBerry what should I do to activate University email with the device?

A: If you were using a University-owned BlackBerry before and were licensed on the University's server, your license will transfer. Since you have a new device you will have to do a new Enterprise Activation. Be sure to tell your cellular service provider that your e-mail service will come from an Enterprise Server so you get the right type of data service assigned. Call 515-HELP and request Enterprise Activation for your BlackBerry. Be sure to tell them you were licensed on the server before and now you are activating a new device.

Q: I generally use my personal MCD when traveling for the university. Can I be reimbursed from the University for business related calls or personal calls that are allowed in section 9.3.3 of the "Travel Requirements for University Employees" Guidelines?

A: Reimbursement for business use of a personal MCD while traveling is not permitted except through the stipend allowance provided for by the new MCD procedures.