



Responsible Department	Tax and Asset Management	Effective Date	September 20, 2011
Responsible Person	John C. Kotwicki, Director of Tax and Asset Management	Prior Revision Date	June 22, 2011

Contents

132.01 Purpose.....1

132.02 Statement1

132.03 Applicability1

132.04 Roles and Responsibility2

132.05 Enforcement and Accountability2

132.06 Approval2

132.07 Review Process2

132.01 Purpose

The primary use of this cell phone or PDA device is to be business related. This is the same standard used for other University-provided electronic resources (copiers, fax machines, desk phones). Personal use should be kept to an immaterial and incidental amount.

132.02 Statement

To provide guidance to those Departments that wish to provide the use of a cell phone or a PDA device to an employee as a tool to be used in carrying out their job responsibilities.

132.03 Applicability

Federal tax law provides under Internal Revenue Code section 132(d) that, for the value of a working condition fringe benefit to be excluded from an employee's gross income, the property generally must be provided by an employer to an employee so that the employee can perform his or her job. In Field Service Advice 200137039, and most recently in Notice 2011-72, the IRS explained that, if the “primary” purpose of providing the fringe benefit was to serve a business

purpose rather than merely to provide additional compensation, then the benefit constitutes a non-taxable benefit.

Whether Georgetown University (GU) pays for this service directly to the cell phone provider or whether it reimburses the employee for the cost of service the IRS may deem this taxable income to the employee unless certain procedures are followed.

132.04 Roles and Responsibility

University departments providing cell phones or PDA devices to their employees as well as the employee receiving the cell phone or PDA are responsible for following this policy.

132.05 Enforcement and Accountability

This policy is subject to review by Internal Audit. Failure to adherence may cause the entire working condition fringe benefit to become taxable income to the cell phone user.

132.06 Approval

Questions regarding this policy should be directed to John C. Kotwicki, Director of Tax and Asset Management @ (202) 687-5449 (kotwickj@georgetown.edu).

132.07 Review Process

Annually by Director of Tax and Asset Management.