Mobile Phone Allowance Policy

Policy

This policy establishes guidelines for providing a monthly allowance to employees who are required to use their personal mobile phones for official Caltech business communications. The allowance is for the estimated employer portion of an employee's cell phone expense and not intended to cover the full cost of the employee's data plan. The allowance cannot exceed the actual cost of the cell phone service plan.

Compliance with the Accountable Plan requires a bona fide business purpose. Personal convenience does not qualify as a legitimate reason. Mobile phone allowances are not provided solely based on employee preference for personal devices.

Monthly allowance payments begin when the completed enrollment form is received and approved by Payment Services by the 25th of the month. Payments through this program are not retroactive if the requestor did not submit the request in a timely manner. Any allowance request for previous months will be treated as a standard reimbursement and must be submitted on a PTA Payment Request Form with corresponding carrier statements.

The cell phone allowance will be set up on a recurring monthly payment basis in lieu of submitting individual reimbursement requests on a PTA Payment Request in TechMart.

Eligibility

Employees may be eligible for a cell phone allowance if there is a legitimate business need to use a mobile phone for work-related purposes. A **legitimate business purpose** includes, but is not limited to:

- Responding to work-related emails, calls, or messages outside of standard office settings
- Being reachable during non-business hours due to on-call responsibilities or emergency response roles
- Coordinating with team members during offsite work or business travel
- Participating in virtual meetings or calls when away from main campus office
- Accessing Institute systems or data while away from the office (such as TechMart, CardQuest, etc.)
- Supporting critical functions during campus closures or disruptions

Individual divisions and departments are responsible for evaluating whether an employee's role requires consistent mobile phone usage for Caltech business activities. Divisions and departments must document eligibility and ensure adherence to Institute Policy.

Phone Allowance Guidelines

Upon approval, eligible employees will receive a monthly allowance to help offset the cost of voice, data, and/or text services related to business use.

- The allowance is not intended to cover the full cost of the employee's personal mobile plan.
- Eligible employees are not required to submit itemized phone bills.
- The general allowance range is $25-$50 per month unless otherwise specified by divisions or departments. Divisions and departments determine the allowance amount for their staff and may approve allowances exceeding $50 with sufficient justification.
- Monthly allowance payments are processed by Payment Services on the 25th of each month.

Employee Responsibilities

Employees receiving a mobile phone allowance must:

- Maintain a mobile phone with an active service plan sufficient for business use.
- Make their device available for work communication during required hours.
- Ensure the phone is used professionally and securely for all work-related communications.
- Review and acknowledge understanding of the Institute's mobile phone reimbursement or allowance policy.
- Inform their supervisor of any changes that may affect eligibility.

Division and Department Responsibilities

Supervisors and managers approving mobile phone allowance must:

- Identify staff members who have a legitimate business need for mobile phone usage.
- Ensure employees receiving allowances are using their phones primarily for business purposes.
    - Ensure the employee understands their responsibilities.
- Maintain records of the business rationale for each approved employee.
- Notify Payment Services if the employee is no longer eligible. The notification serves as documentation to stop the monthly payments.
- Review employee eligibility and usage periodically ensure continued compliance with this policy.
    - Review and adjust amounts as needed based on role changes or usage patterns.

Accountable Plan Compliance

This policy is intended to comply with the IRS Accountable Plan for reimbursing business expenses incurred while performing services for the Institute. To qualify for a non-taxable reimbursement, the following key criteria must be met:

1. The reimbursement must represent a bona fide business expense that directly benefits Caltech.
2. Specifically for mobile phone use, business justification must be clearly documented.
3. Employees must provide acceptable documentation showing the amount, date, and business purpose of the expense.
4. Any excess reimbursement not used for business purposes must be returned to the employer.

Reimbursement of Phone Expense

Employees who are not eligible for mobile phone allowance under this policy may qualify for standard reimbursements if the business purpose can be substantiated. Periodic use of personal devices for business calls, data usage for emails, virtual meetings, etc. may be treated as non-taxable reimbursement if the Accountable Plan requirements are fulfilled.

Caltech does not reimburse costs for device upgrades, international charges, roaming, or overage fees unless pre-approved for specific business needs.

Procedure

1. Mobile phone allowance
   - Division or department must determine the employee's eligibility.
   - Complete Cell Phone Allowance Request Form, including appropriate approvals.
   - Submit completed enrollment form to: AccountsPayableStaff@caltech.edu
2. Phone use reimbursement
   - Division or department must determine if phone usage is a legitimate business expense.
   - Submit cell phone statement(s) to designated staff member within your division.
   - Submit a PTA Payment Request Form in TechMart.

Resources

Procurement Services
Cell Phone Allowance Form
Direct Deposit Form – Caltech Individuals

Contact Information

Accounts Payable Team: AccountsPayableStaff@caltech.edu
Procurement Services Hotline: 626-395-8900 or ProcurementHotline@caltech.edu