Policies Related to Certain Computer and Telecommunications Equipment

Under IRS Code Section 280, certain computer, electronic, and telecommunications equipment are considered listed property that is subject to working condition fringe benefit rules. This means when an employer provides these items to an employee, the employee must substantiate the business use to the employer. Any personal use of these items is considered taxable income to the employee and must be reported as income by the employer on the employee’s W-2. The employee must document the date/time, place, business purpose, and amount/dollar value of the expense.

Some examples of listed property are vehicles, cell phones, PDAs, and laptop computers. These are items provided for business purposes by the employer that can easily leave the employer’s premises and that can be used by the employee to incur some personal benefit.

In response to the IRS position on these items, we have endeavored to create policies that would require the least paperwork burden on our employees.

Cell Phones & PDAs:

Cell phones and PDAs will be treated as 100% taxable fringe benefits for those employees who have been provided them by Gordon College. The monthly plan costs paid by the College will be reported through payroll and some withholding taxes may be deducted. However, under this method there will be no documentation requirement for the employee to track and substantiate business versus personal use.

Laptops:

It is Gordon College policy that laptops are for business use only. When a laptop is issued to an employee by the Center for Educational Technologies, a document must be signed by the employee agreeing to adhere to this policy. Some examples of personal use include, but are not limited to:

- Taking the College laptop home and using it to manage personal finances.
- Allowing children or other family members to use the laptop for homework or computer games.
- Using the laptop for a home or personal business.

Internet Use:

The College recognizes that occasional unofficial use of e-mail, the internet or local phone calls will occur and permits this use as long as it is incidental and reasonable. Incidental and reasonable means the College incurs no additional cost other than minimal amounts of resources; use does not interfere with or reduce hours worked by the employee; use does not preclude others with work-related needs from using resources; use does not violate laws, regulations or College policies. Employees and supervisors are
responsible for keeping incidental personal use to a minimum. Supervisors are expected to monitor for abuses and violations may result in disciplinary action.