**Why is my personally-owned Mobile Communication Device (MCD) excluded from my taxable compensation?**

**Tell Me**

Supplemental to University Policy 602.10, Mobile Communication Device Allowances and MCD Procedures.

1. The Internal Revenue Service (IRS) guidance on this topic was updated so that mobile communication device allowances and reimbursements are no longer considered taxable to the employee when provided for substantial non-compensatory business reasons.
2. Additional requirements listed by the IRS for nontaxable treatment include:
   a. The employer must require the employee to use the employee’s personal cell phone in connection with the employer’s business.
   b. The employee must maintain the type of cell phone coverage reasonably related to the needs of the employer’s business AND
   c. The reimbursement must be reasonably calculated and not exceed expenses the employee actually incurs in maintaining the cell phone.

**Related Articles**

- What supporting documentation should I submit with my MCD Allowance Request eForm?
- What name should be listed in the “Department Head or Delegate” field on my MCD allowance request eForm?
- What fund should I enter in the “Allowance Fund” field of the MCD eForm?
- What are the deadlines for requesting/renewing a MCD allowance?
- How do I determine the employee’s portion of actual monthly service charges and select the appropriate Mobile Communication Device (MCD) allowance on the eForm?