



**JUDD A. AND MARJORIE WEINBERG
COLLEGE OF ARTS AND SCIENCES**

Procedure: Home Internet Service

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As a not for profit institution receiving revenue from tuition, gifts and sponsored projects it is imperative to follow guidelines which adhere to generally accepted accounting standards and, additionally, avoid the appearance that we are using University funds to reimburse employees for personal convenience or personal use items or services. It is equally as important that the necessary documentation is provided to differentiate personal from business use to ensure IRS scrutiny will not evaluate reimbursements as untaxed compensation.

The IRS requires that the “essential business use” of these devices or services must be substantiated in detail. IRS requirements include detailing each expenditure with information on the amount, date of use and business purpose. Reimbursement is based on what the IRS terms “accountable plan” standards of use and documentation. Employees claiming reimbursement for these items must “keep records that distinguish personal from business charges.”

The sources of the funds used to pay for these devices or services do not make a difference. Research accounts, gift funds and general operational funds are all treated in the same manner. Per OMB Circular 21, communication access costs are considered part of indirect costs and are not allowable on grants and contracts.

Home Internet Services

There is no practical means of differentiating personal from business use of a home data service therefore, as a general rule; we will not reimburse data service charges on personal contracts. The fact that employees use their home internet service to check email or access University systems from home would not normally be justification for reimbursement from University funds because the employee incurs no incremental cost over personal use. Home internet access is now generally considered a common utility service that most employees would purchase anyway, therefore, any claim for reimbursement of this expense would require substantial justification and supervisory confirmation that the service is essential to the employee's job effectiveness and cannot be fulfilled with on campus resources or meets the reasonable accommodations test for those special cases governed by the American Disabilities Act.

Internet connections while in travel status are a reimbursable travel expense.