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|  | The Johns Hopkins Health System Policy & Procedure | <i>Policy Number</i> | FIN109 |
| | Subject REIMBURSEMENT FOR BUSINESS USE OF PERSONAL COMMUNICATION DEVICES | <i>Effective Date</i> | 01-01-09 |
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| | | <i>Supersedes</i> | 01-01-08 |

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POLICY

This policy applies to The Johns Hopkins Health System Corp. (JHHS) and the following affiliated entities: The Johns Hopkins Hospital (JHH), Johns Hopkins Bayview Medical Center (JHBMC), Howard County General Hospital (HCGH), Johns Hopkins Medical Services Corporation (JHMSC), Johns Hopkins Medicine International (JHMI), Ophthalmology Associates (OA), Johns Hopkins Employer Health Programs (EHP), Johns Hopkins Medical Management Corporation (JHMMC), Priority Partners (PP), Johns Hopkins Pharmaquip, Inc. (JHPQ), Johns Hopkins Home Health Services, Inc. (JHHHS), Johns Hopkins Pediatrics Home, Inc. (JHPAH), Johns Hopkins HealthCare (JHHC), Johns Hopkins Home Care Group (JHHC), Suburban Health Center (SHC), Broadway Acquisition and Development, and HCGH OB/GYN Associates Series, LLC (HCGH OBGYN).


Purpose

JHHS and its affiliates shall reimburse employees for the business use of personal communication devices, such as cell phones, blackberries, etc. The purpose of this policy is to establish guidelines and procedures for reimbursement to employees for the use of personal communication devices in the conduct of ordinary and necessary JHHS or affiliate business.

Departmental Cell Phone, Blackberries, and other Personal Communication Devices

Currently corporate cell phones, blackberry's and other personal communication devices, may have the service plan paid for directly by the employee's department through accounts payable. All such service plans, except for pagers, will be transferred to each employee as a personal account. Once transferred, the employee will be responsible for the payment of the monthly bill. Please refer to the Telecommunications website @ <http://it.jhu.edu/restricted/telecom/corporate/cellular/> for directions on converting your service from corporate to individual. There is a word document on this website under "JHHS Cell Phone Policy (FIN109)" with frequently asked questions to assist you with questions regarding this policy.

If any blackberry, PDA or other personal communication device will be used to access a corporate e-mail account, the user must show due care regarding security and privacy. The device must comply with ICSC policy, regarding security, such as password protection, secure communications, etc. The employee's department will be responsible for the monthly fee charged by Telecommunications for the management services charged. In certain circumstances, if an employee meets the criteria set out below, (See Determination of Stipends), the department may continue to pay for the communication device and service plan, if approved by the Department Head or Vice President.

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Employee reimbursement for the business use of all personal communication devices is set out below, under Business Reimbursement Requirements.

All cell phones, blackberries or other personal communication devices that are owned by any individual department must comply with all rules concerning use set out by the Telecommunications department, e.g. password protection, etc. Such corporate cell phones, blackberries and other communication devices are the property of the corporation and must remain on the premises in the department, or are to be used strictly for business purposes only, by department designated employees during the course of a day. The provision of these devices within each department must be approved by the Department Head or Vice President of the corporation.

Business Expense Reimbursement Requirements

Employees will be reimbursed for the portion of the charges incurred monthly for the business use of all communication devices that are billed to the employee. The reimbursement will be in accordance with the Internal Revenue Service guidelines for business expense reimbursements, and the Accountable Plan Rules. Vice President and Department Heads may authorize business expense reimbursement for any personal communication devices required for business operations. Such devices must be paid for out of the employee's departmental budget. Reimbursable charges include airtime usage, directory assistance, toll charges, local land charges, roamer charges and roamer surcharges that are reported on the monthly statements and are specifically identified as incurred for business purposes when submitted for payment.

Determination of Personal/Business Use – Personal Liability

Employees with monthly plans will allocate the use of the personal communication device by segregating the total minutes used each month by personal and business use. All bills submitted for business reimbursement must have the personal and business calls individually identified, as required by IRS rules. Itemized bills may be received from the service providers upon request. The monthly service charges will then be allocated based on the current month personal/business use ratio. For personal liability plans, the employees should exclude any promotional minutes included with the plan, such as free nights and weekends, free calling within the network calling, etc.


For Example:

- Total monthly cellular phone bill is \$50 for all charges
- Total monthly minutes used: 500 (50 Personal, 250 Business, 100 Nights and Weekends, 100 In-Network calling)
- Total Minutes used for allocation purposes: 300 (50 Personal, 250 Business)
- Allocated Personal use: 50 divided by 300 times \$50 = \$8.33
- Allocated Business use: 250 divided by 300 times \$50 = \$41.67

Text messaging on cell phones and data transfer charges for personal communication devices such as a Blackberry will be fully reimbursed provided the following conditions are met:

- The device is only connected to the employee's Johns Hopkins e-mail account.
- The employee's Vice President has approved the employee to use the service for business purposes.

Employees are permitted to segregate international calls and additional fees incurred while traveling for business purposes (i.e., roaming surcharges, etc...) from the above methodology. These expenses can

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be reimbursed individually. Copies of original billing documentation including itemized call information should be submitted with the SAP Travel and Business Reimbursement Request to obtain reimbursement of the cost of business expenses.

Determination of Stipends


In rare instances, JHHS and affiliates may approve a stipend for those employees that are required to maintain a cell phone because of their job duty and if they meet one of the following exceptions: the employee cannot afford a cell phone or qualify for a cell phone (denial letter from cell phone carrier required and other criteria must be met for consideration), or the employee is required to travel abroad for work resulting in costly cell phone expenses. The employees Department Head, Vice President and the Controllers Office of the corporation must set the amount of the stipend and approve the payment of the stipend. Such stipends will come out of the employee's department budget. All stipends will be considered as compensation paid to the employee and will be subject to payroll and income tax. In order to receive the stipend and the device will be used to access a corporate e-mail account, the user must show due care regarding security and privacy. The device must comply with the ICSC policy, regarding security and MUST be with a contract from either ATT mobility, Verizon Wireless or other service provider authorized by the Telecommunications department.

REFERENCE

SAP Travel and Expense procedures

RESPONSIBILITIES

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| Employee | <p>Calculate the personal and business expenses of the personal communication devices using the above guidelines.</p> <p>For monthly service plan charges related to personal liability communication devices, submit the entire monthly service plan bill with the personal and business calls individually identified. All cell phones and Blackberry service plan bills can be received by the employee with the individual calls identified from the service provider if requested. Bills without the individual call identified will be rejected for reimbursement.</p> |
| JHHS Controller | <p>Authorize disbursements to employees who have the most immediate and direct line responsibility to authorizer.</p> <p>Authorize the purchase of JHHS paid communication devices and service plans for employees with direct line responsibility.</p> <p>Authorize in advance employees with direct line responsibility to be reimbursed data transfer charges for personal communication devices such as Blackberry's.</p> |

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AP Shared Services and JHHS
and Tax Office

Review and approve payments for authorized business and
travel expenses.

Payroll Shared Services

Enter all stipends into SAP that are approved by the employee's
manager and Vice President.

Department Head

Review and approve department phones to ensure business
activity, and ensure all employees using personal communication
for corporate e-mail are aware of and comply with the ICSC
policy, regarding security, password protection, secure
communications and etc.

Review all requests for stipends and business expense
reimbursements for personal communication devices.

SPONSOR

Vice President of Finance/Chief Financial Officer and Treasurer, JHHS

REVIEW CYCLE

Three (3) years


APPROVAL

President, JHHS

Date

PERSONAL LIABILITY PERSONAL COMMUNICATION DEVICE PROCEDURES - ALL AFFILIATES

1. Employee (Requestor)
 - a. Calculate the business use of the personal communication
device monthly charges.
 - b. Submit to SAP for review within ninety (90) days of incurring
the business expense. Maintain a copy of Employee Expense
Reimbursement Form for personal record of business and

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- travel expenses.
- c. Obtain departmental Authorizer's approval.
2. CEO, EVP/COO, VP or Director/
Administrator/ Cost Center
Manager (JHMSC) (Authorizer)
 - a. Authorize completed SAP transaction on-line request and forward with supporting documentation to the Accounts Payable Shared Services. (For executive reimbursements, forward to the JHHS Controller's Tax Office.)
 - b. Approve stipends and department phones.
 - c. Ensure all employees with personal communication devices used to access a corporate e-mail account are aware of and comply with the ICSC policy.
 3. Department Head
 - a. Review all requests for stipends and devices.
 - b. Ensure all employees using their personal communication devices to access corporate e-mail accounts are aware of and comply with the ISCS policy, regarding security, password protection, secure communications and etc.
 - c. Review and approve all department phones to ensure it is being used for business purpose.
 4. JHHS Controller/ Tax Office
 - a. Review requests for JHHS or affiliate purchases of personal communication equipment.
 5. Director of Finance (JHMSC only)
 - a. Review request for accuracy, appropriate supporting documentation and signatures.
 - b. Approve for payment and forward SAP request and supporting documentation to the Accounts Payable Shared Services
 6. Accounts Payable Shared Services Center
 - a. Process business expense reimbursement payment to the employee in SAP.
 7. Payroll Shared Services
 - a. Process stipend to the employee in SAP.