

Unknown

From: Palin, Sarah (GOV sponsored) [govpalin@alaska.gov]
Sent: Friday, January 18, 2008 4:41 PM
To: 'ftb907@yahoo.com'; 'fek9wnr@yahoo.com'
Cc: Leighow; Sharon W (GOV); Colberg; Talis J (LAW)
Subject: Fw: Update on Tax Policies for Electronic Listed Property

Attachments: Electronic List Property Authorization.doc; Update on Tax Policies for Electronic Listed Property.doc



Electronic List
Property Autho...



Update on Tax
Policies for Ele...

Frank- Doesn't it still just make more sense to get personal blackberry and solely use that? No way in heck do I have time to track what's business and what's not. (Shoot- if "vacation time" like today is any indication of "off-state time" time, after receiving and sending umpteen emails and calls these past few days - then it's a whack system to have to consider ANY time is "personal time", and most every call/email should not have to be decifered re: percent of time that's spent "personally".

Kami and other IT people have already turned in their state equipment, so it must make more sense to use personal- otherwise they wouldn't have done that.

----- Original Message -----

From: Perez, Linda J (GOV)
To: GOV All Staff
Sent: Fri Jan 18 13:18:14 2008
Subject: FW: Update on Tax Policies for Electronic Listed Property

From: Garnero, Kim J (DOA) [mailto:kim.garnero@alaska.gov]

Sent: Thursday, January 17, 2008 6:58 PM

To: statewide - admin solutions team; financeofficers@admin.state.ak.us

Cc: Dubey, Anand (DOA); Thompson, Brad (DOA); Sheehan, Katherine E (DOA); Shier, Patrick J (DOA); Swanson, Eric W (DOA); Augustus, Staci A (DOA); Pusich, Lisa M (DOA); Kreitzer, Annette E (DOA); Petro, Rachael A (DOA); Barnhill, Michael A (LAW)

Subject: Update on Tax Policies for Electronic Listed Property

Hello,

Attached are two documents that should be distributed to your employees to update them on where we are with the tax policy for electronic listed property. The "update" document provides some details on what has been decided and what has not. High points include:

- * Department of Law is reviewing the draft policy and FAQs that were distributed in December and evaluating them against IRS requirements. Final policy for the State of Alaska is pending this review.
- * An annual authorization form is being developed for employees and supervisors to document the agreement on use of electronic listed property. The draft is attached, and feedback is on this draft is appreciated.
- * The delay in finalizing our policy means that employee reporting will not occur in February as indicated in the original FAQs. However for W-2s to be accurate for 2008, the reporting period must include January. Employees will be required to report personal use of state-provided assets starting for the full 12 months of 2008.
- * Similarly allowances can be paid for months beginning in January when a personal cell phone or PDA is authorized for business use.
- * Our substantiation standard for supporting business use of state assets will only require an employee to identify personal use, not support all business use. This should greatly simplify reporting.

- * Logs of call detail are not required, but employees may choose to keep them to help them identify personal calls on the cell phone invoices.
- * Allowance amounts for personal assets have been set at \$40 a month for cell phones and \$75 for PDAs.
- * No allowance will be paid for personal laptops or home computers without a Telework agreement.

If you or your employees have questions, concerns, or recommendations about information, including the draft form, please contact Lisa Pusich at 465-5616 or me. Thank you for your patience as we work through the details toward a policy we can live with.

Kim Garnero

Director of Finance

465-3435

Annual Electronic Listed Property Authorization

(Required upon hire and annually thereafter each January)

The need and use of electronic equipment provided by public funds must be in direct support of the assigned duties and responsibilities of the user and support the delivery of State services.

Department of	
Employee Name	Employee PCN
	Employee ID

The following electronic listed property is necessary for this employee:

	Equipment (Determination by Supervisor)	State Issued (Completed by employee)	Employee Owned (Completed by employee)
Cell/Satellite Phone	<input type="checkbox"/>	Substantiation <input type="checkbox"/> No Personal Use <input type="checkbox"/>	Substantiation <input type="checkbox"/> Allowance ¹ \$40 <input type="checkbox"/>
PDA Device	<input type="checkbox"/>	Substantiation <input type="checkbox"/> No Personal Use <input type="checkbox"/>	Substantiation <input type="checkbox"/> Allowance ¹ \$75 <input type="checkbox"/>
Laptop Computer	<input type="checkbox"/>	Substantiation <input type="checkbox"/> No Personal Use <input type="checkbox"/>	Substantiation <input type="checkbox"/>
Home Computer	<input type="checkbox"/>	Substantiation <input type="checkbox"/> No Personal Use <input type="checkbox"/>	Substantiation <input type="checkbox"/>

¹ If the provided allowance for the device is determined to be insufficient for the business purpose, a waiver may be submitted for approval to the Department Commissioner. Only one allowance (\$40 or \$75) can be received by an employee.

Required timeframe

Start Date	End Date (not to exceed December 31st)
-------------------	--

Justification for the above equipment

Public/personal safety requirement is an integral part job duty. <input type="checkbox"/>	Critical decision maker. <input type="checkbox"/>	Immediate responsiveness is required for urgent State business. <input type="checkbox"/>
Required to be on call outside of normal hours worked. <input type="checkbox"/>	Substantial portion of work is conducted in the field. <input type="checkbox"/>	Laptop is primary computer. <input type="checkbox"/>
Other justification if not described above:		

I have read and will comply with the State's electronic equipment policy in AAM 320.340 and reporting requirements required.

Employee's Signature

Date

--	--

I certify that the requested electronic equipment is essential in the performance of State business regarding the employee's assigned job duties.

Supervisor's Authorization

Date

	ROSTON 01389
--	---------------------

--	--

DRAFT

ROSTON 01390

Update on Tax Policies for Electronic Listed Property – January 17, 2008

Policy on reporting personal use of electronic listed property is still being finalized. Department of Law is reviewing what Division of Finance has proposed. Law has confirmed that proposed policy and methods are technically compliant with IRS requirements. But attorneys are still evaluating those requirements to see if there is a reasonable zone of compliance that will satisfy both the IRS' objectives of ensuring that all employee income, including income from fringe benefits, is reported, and the state's goal of not imposing unreasonable record-keeping requirements on its employees.

Meetings with attorneys will occur next week to get to final policy decisions. More information will be sent out as soon as possible once the decisions are made.

In the meantime, what has occurred since the draft policy framework and FAQs were distributed on 12/24:

1. Implementation will be delayed from the first of February for a couple of months due to delay in finalizing policy. This does not delay the initial reporting period of January 2008 for personal use. Employees who are using state-provided electronic listed property will be required to report their personal use beginning with January so that the W-2s for 2008 are correct.
2. An annual authorization form will be completed by the employee and supervisor to document the listed property authorized, the business purpose, who owns it, and how it will be accounted for. This form is being distributed in draft form now for your feedback before it is finalized.
3. We are changing the requirement from *substantiating each business call*, to *identifying the personal calls*, which makes the recordkeeping much simpler for state-provided assets.
4. Logs will not be required by the policy. But employees will be asked to review their cell phone invoices and identify personal calls. So if logs would help them in this effort, they are encouraged to create them. We are looking at methods to get each employee's cell phone bill emailed to them in Excel format for identifying the personal calls.
5. Similarly, personal use of state-provided PDAs and laptops used outside the business premises will need to be reported beginning with January, so employees should maintain whatever records they consider necessary to support this reporting requirement.
6. Proposed allowance amounts for method 4 in the policy framework are \$40 for cell phones and \$75 for PDAs. Employees can get one or the other, but not both. ETS is determining the types of PDAs that will be supported.

ROSTON 01391

7. No allowances will be given for personal laptop or desktop computers unless a formal Telework agreement is in place.
8. The value of laptops has been set at \$24 a month and desktops in employee's homes at \$18 a month based on state Dell contract purchases. These amounts will be multiplied by personal use percentage to determine taxable compensation or reimbursement amount by employees for state-provided computers used outside the business premises for method 1 in the policy framework. They will also be used to calculate the reimbursement to employees for substantiated business use of personal laptops for method 3. Note that personal laptops are generally prohibited inside the state's firewall due to security concerns and the related workload on IT staff.

Additional questions or concerns should be directed to Kim Garner at 465-3435 or Lisa Pusich at 465-5616 in the Division of Finance.

ROSTON 01392