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## **Use of Cell Phones and Other Communication Devices**

### **I. Purpose**

This document provides guidance as to the appropriate circumstances and procedures for the California State University, Fresno (University) provision of

- electronic communication devices (communication devices) for use by University employees for business purposes, along with accompanying service support,
- a reimbursement to the employee for frequent business usage on his or her personal plan,
- reimbursement to an employee when he or she incurs communication device charges for University business purposes on a sporadic basis, or
- a reimbursement for ongoing data and/or laptop connect services through the employee's personal data plan.

The IRS considers electronic communication devices to be "a working condition fringe benefit, the value of which is excludable from the employee's income (IRS Memo Control Number SBSE-04--0911-083)." As such, the IRS requires that the employee must maintain the type of cell phone coverage that is reasonably related to the needs of the employer's business, and the reimbursement must be reasonably calculated so as not to exceed expenses the employee actually incurred in maintaining the cell phone. The reimbursement for business use of the employee's personal cell phone must not be a substitute for a portion of the employee's regular wages or a method to provide additional compensation to an employee. Substantial noncompensatory business reasons for requiring employees to maintain personal cell phones and reimbursing them for their include: (1) the University's need to contact the employee at all times for work-related emergencies; and (2) the University's requirement that the employee be available to speak with students, faculty, staff and stakeholders when the employee is away from the office or at times outside the employee's normal work schedule.

University administrators should review and approve reimbursement amounts and equipment needs that are appropriate and reasonable for the employees' business needs and the University's requirements.

This policy provides each user both freedom of choice and personal responsibility for his or her electronic communication devices plan.

This policy only applies to the University and does not apply to the University Auxiliaries.

### **II. Policy**

Upon proper approval, the employee may select one of the three following options.

#### **Option 1: Reimbursement for Employee Owned Devices and Employee Provided Data Services**

- This option provides ongoing monthly reimbursements for employees who frequently need to use their own communication device(s) for business purposes. Reimbursements will be made monthly through accounts payable.
- The employee may choose the device and service plan he or she wishes to use. The arrangement is between the employee and the provider; the University is not involved in the contract with the provider. The campus department head or supervising MPP may suggest a provider.
- The ongoing monthly reimbursement amounts are determined by the approving supervisor, based upon his or her judgment of the expected campus required usage. The approving supervisor may not use the reimbursement as a salary supplement. The University will not reimburse an amount greater than the employee's current service plan. The employee must certify to the University that the reimbursement amount is not greater than the employee's current service plan.
- Reimbursements for ongoing monthly services are University pre-established ranges in the following areas: communication device service plans (low, medium, high), data service plans, and laptop connect card plans. Higher amounts can be established for employees who can demonstrate a higher need based upon historical usage. Such requests must be supported by plan

and cost documentation and must be approved by the employee's division Vice President or designee (VP\*).

- These reimbursement levels will be reviewed annually to determine if they adequately compensate for the cost of University business usage. All adjustments to the reimbursement levels will be recommended by the Vice President for Administration and approved by the President's Cabinet.

### **Option 2: University Owned Devices and University Provided Services**

- Under Option 2, the University will supply a University-owned device to the employee. Option 2 is reserved for employees whose accessibility is required for public safety and emergency services, or for other personnel as designated by the employee's division VP. Option 2 is to be used in limited circumstances. It is intended for employees who are assigned to carry a communication device.
- The device/service should be through a University-authorized provider.
- All University-provided devices shall be used for business-related purposes only. University-owned devices should not be used for personal reasons. This option requires the approval of the employee's division VP.

Electronic communication devices should not be selected as an alternative to other means of communication (e.g., land-lines, pagers, and radio phones) when such alternatives would provide adequate and less costly service to the university.

### **III. Authority**

The Vice President of the employee's division has the authority to approve the following:

- Reimbursements for all electronic communication devices and services
- Reimbursements for laptop connect devices and services
- Reimbursement for sporadic use of communication devices and services
- Reimbursement for laptop connect devices and services
- Purchase of communication devices and accompanying services under which the University is the official customer to be billed.

**Campus Department Heads and Supervising MPPs** have the authority to approve University issued reimbursements for electronic communication devices/services with the exception of laptop connect cards and service.

### **IV. Responsibilities**

**The Associate Vice President for Financial Services:** Is responsible for establishing and updating this policy and accompanying procedures, and for ensuring that any University purchase of communication devices conforms to the requirements of this policy

**Department Heads and Supervising MPP's:** Are responsible for ensuring that requests for reimbursement include the appropriate supporting documentation. The approving individual (or his or her designee) is responsible for monitoring personal and business-related use of electronic communication devices that are University provided.

**It is the responsibility of the approving supervisor to do the following:**

- Determine the appropriate communication device, reimbursement amount necessary for the employee to perform the expected business tasks;
- Review the University provided phone plans and reimbursements annually to determine if adjustments are necessary;
- Provide the necessary documentation to procurement on a timely basis to renew the communications service and/or data plan;

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\* Throughout this document, references of a Vice President are not intended exclude a designee from acting on behalf of the Vice President.

- Provide the necessary documentation to accounts payable on a timely basis to renew the reimbursement; Notify accounts payable when an employee terminates or no longer is required to carry a cell phone for University business.
- Notify procurement to discontinue an employee's service and/or data plan when he or she severs employment or is transferred to a position that no longer requires a device and/or service.

**The Accounting Office:** Is responsible for ensuring that departmental payment or reimbursement requests for expenditures related to the purchase and use of communication devices are made in accordance with the procedures set forth in this policy.

**Employees:**

**Under Option 1:**

- The employee should notify his or her supervisor if the business service level increases or decreases dramatically.
- The employee must notify the supervisor immediately if the employee discontinues his or her communications device plan while receiving the reimbursement. **The employee must certify annually to the University that the monthly reimbursement amount does not exceed the employee's service plan.**

**Under Option 2:**

- An employee assigned a University communication device is responsible for safeguarding the device and controlling its use.
- The employee should immediately report the theft or loss of the device to his or her department and to the service carrier, if applicable.
- Upon separation from University employment, the employee is required to promptly return the device and accessories (i.e. charging unit, laptop connect card) to the University. The phone number will remain the property of the University.

**Under Options 1, 2:**

The employee shall provide his or her contact number to the University. The employee shall promptly notify the University if the number changes.

The employee is required to provide adequate documentation as listed in the Procedures portion of this policy.

The employee is expected to avoid using the communication device under any circumstances where such use might create or appear to create a hazard. Usage of a communications device in a motor vehicle must be in compliance with current University policies, state laws and federal laws.

**V. Data Security and Confidentiality**

Employees should be aware that all records related to the purchase, use, and disposal of University-owned communication devices, including billing statements, are the property of the University and are potentially subject to disclosure under the California Public Records Act. University owned devices, upon disposal, must be reviewed by Technology Service (TS) to ensure that any confidential data is properly handled before reassignment of the device.

Billing statements that are provided as support for reimbursements for business use through reimbursement or direct pay can potentially be subject to disclosure under the California Public Records Act.

## **PROCEDURES**

### **I. Option 1: University Provided Reimbursement**

#### **A. Criteria for Reimbursement:**

The approving supervisor should use the following criteria in evaluating the business-related reason for providing a reimbursement for employees whose jobs entail the following responsibilities:

- Travel – Employees who frequently travel or are out of the office and need to be in contact with students, faculty and staff, managers, or other University stakeholders.
- Work Location – Employees who typically work in the field or at job sites where access to communication devices are not readily available.
- Emergency Response – Employees who need to be contacted and/or respond in the event of an emergency or are required to be available during non-business hours.

#### **B. Determining the Amount of the Monthly Service Reimbursement:**

Follow these steps to determine the reimbursement's dollar range (low, medium, high, or other) and amount:

- Estimate the number of minutes per month the employee is likely to use for business-related calls. Use any history that may be available for the employee's position.
- Determine monthly job-related costs using projected per-minute cost and projected number of minutes necessary for business use. Basic equipment costs may be taken into account. For example, the University reserves the right to specify the capabilities of the wireless connectivity card.
- Employee must certify annually that the reimbursement amount does not exceed the employee's basic monthly service plan. If the basic monthly service plan drops below the reimbursement amount, the employee must contact his MPP and adjust the reimbursement amount.
- There is no requirement to obtain a second phone if the employee already has a personal cell phone.
- Costs for cosmetic or technical extras or upgrades that have no business purpose should not be included in the estimate.
- Estimate the costs for the fiscal year (July 1 through June 30) or the remainder of the fiscal year, if the request is mid-year.
- Reimbursements are not a means of providing additional compensation to employee and must follow the guidelines above.

Ongoing monthly reimbursement levels for electronic communication device service plans are established as follows: Low (\$1-\$50), Medium (\$51-\$80) and High (\$81-\$150).

Higher amounts can be established for employees that can demonstrate a higher need based upon historical usage. Requests for higher amounts must be supported by plan and cost documentation; such requests require approval by the division's Vice President.

#### **C. Establishing a Reimbursement:**

Reimbursements expire at the end of each fiscal year (i.e. June 30) and must be renewed by July 15<sup>th</sup> of the upcoming fiscal year in order to ensure continuous reimbursement disbursement.

The employee should complete the Employee Agreement for Reimbursements of Electronic Device/Services form (Appendix A) in consultation with his or her supervisor. Sign and send the original of the Employee Agreement for Reimbursements of Electronic Devices/Services form (See Appendix A) to the approving supervisor.

If the reimbursement amounts are in excess of the stated levels, the approving supervisor must provide justification and forward the authorization form to his or her division Vice President for signature approval.

**Vice President signature approval is required for reimbursements for data/laptop connect service and equipment.**

The approving supervisor should complete the Employee Agreement for Reimbursements of Electronic Device/Services form (Appendix A), and forward them to accounts payable for processing. Forms must be submitted by the 15<sup>th</sup> of the month to be included in the current month's disbursement.

**D. Tax Issues:**

The employee's reimbursement is non-taxable income and will not be reported on the employee's W-2. Reimbursements must not exceed the amount of the employee's service plan or they may become fully taxable.

**E. Reimbursement Payment to the Employee:**

Payment will be made per month and issued prior to the end of the following month in a separate accounts payable disbursement. The reimbursement does not constitute an increase in base pay and will not be included in any percentage calculations for increase to base, unless provided for under bargaining unit contract.

**F. Personal Use:**

The cell phone service is personally owned and may therefore be used for both personal and business calls. An employee with a cellular telephone reimbursement must maintain an active cell phone contract for the life of the reimbursement.

Using a phone or other communication devices in ways inconsistent with University policy, local laws, state laws or federal laws will result in immediate cancellation of the communications device stipend.

**G. Purchase of the Communications Device Equipment:**

If an employee utilizes either Option 1 reimbursement the employee is responsible for the purchase of the communication device. The University will not pay for the communication device unless Option 2 is used.

**H. Employee Agreement:**

Before receiving any reimbursement payments, an employee must sign an agreement acknowledging the purpose of the stipend and his or her responsibilities and make the certification that the reimbursement amount does not exceed the employee's basic service plan. (Appendix A: **Employee Agreement for Reimbursements of Electronic Devices/Services**).

**I. Deactivation of Reimbursement:**

Complete the Employee Agreement for Reimbursements of Electronic Device/Services (Appendix A).

The approving supervisor should complete the form, specify deactivation, and forward to accounts payable for processing. Forms must be submitted by the 15<sup>th</sup> of the final month of service.

## **J. Department Responsibilities and Documentation Requirements**

The department must maintain a file containing the following documents:

- Original Employee Agreement for Reimbursements of Electronic Devices/Services (Appendix A);

### **It is the authorizing supervisor's responsibility to do the following:**

- Annually review communication device needs in his or her department to determine if reimbursements should be changed, continued, discontinued, or if additional reimbursements are needed;
- Obtain annual certifications from employees that the reimbursement amount does not exceed the service plan amount.
- Complete reimbursement renewal authorizations by July 15, and;
- Notify the appropriate departments if the employee no longer requires a reimbursement due to responsibility changes or termination.

## **II. Option 2: University Provided Communication Device and/or Service**

### **A. Criteria for Purchasing**

University provided communication devices are only available for employees that are required by their departments to be accessible at all times for public safety or emergency services, or other personnel as designated by the division VP. The approving supervisor must complete the University Provided Electronic Communication Device and Service Authorization form (Appendix D) and forward the form to the division VP for approval.

When purchasing communication devices and services, assistance from Procurement and Support Services is required to ensure that products selected are cost effective. Communication device contracts should also be selected to reflect the level of expected business-related use (e.g., number of minutes per month).

The approving supervisor should periodically review communication device billing charges.

- A monthly review should be conducted to confirm business and personal usage.
- An annual review should be conducted to adjust service contracts to reflect the average business-related use in order to maximize cost savings and to determine if the level of cellular device reimbursements justifies the assignment of a University device to the employee.
- If the employee's average business related usage cannot be estimated prior to the assignment of a communication device, the minimal contract will be assigned. It should be reviewed after one quarter's use to determine if a higher level is justified.
- Once authorized, if there are no changes to the service or equipment, reauthorization is not necessary when submitting the requisition for the blanket purchase order.

### **B. Incidental Personal Use and Inappropriate Use**

University-owned devices should not be used for personal reasons. If incidental personal use occurs, the IRS treats this use as a working condition fringe benefit, the value of which is excludable from the employee's income.

### **C. Data/Laptop Connect Card Service:**

Employees who are approved by their division's Vice President for University provided data and/or laptop connect card services have the option to have the service billed directly to the University and the laptop connect card provided by the University.

This option is dependent upon whether the carrier can accommodate direct billing to the University for the data and/or laptop connect card service portion of the employee's plan.

### **D. Establishing the Communication Device and Data and/or Laptop Connect Card Service:**

The employee should complete the **University Provided Electronic Communication Device and Service Authorization** form (See Appendix D) in consultation with his or her supervisor. Sign and attach an original and a copy of the **Employee Agreement Concerning University Provided Electronic Communication Devices and Service** form (see Appendix B) and forward them to the appropriate supervisor for approval.

#### **For the purposes of establishing a new electronic communication device account:**

- Submit a Purchase Requisition for a blanket Purchase Order at the beginning of service inception. This will encumber funds to cover the cost of the electronic communication device service throughout the rest of the current fiscal year.
- If the purchase of a new device or any accessories is required, include the description of the device or accessory, required quantity, and corresponding price on the requisition for the blanket purchase order for cell phone service.

- Additional information to include on the requisition for electronic communication device and/or data service include
  1. the service user's name;
  2. the cell phone number, if applicable;
  3. the service provider's name/account number; and
  4. descriptions of the service plan(s) you are currently selecting along with corresponding monthly service fees.

**For the purpose of continuing an existing account:**

- Before the beginning of each fiscal year, submit a *Purchase Requisition* for a blanket Purchase Order. This will encumber funds to cover the cost of the electronic communication device service throughout the entire fiscal year.
- If the a new device or any accessories are required, include the description of the device or accessory, required quantity, and corresponding price on the requisition for the blanket purchase order for cell phone service.
- Additional information to include on the requisition for electronic communication device and/or data service include
  1. the service user's name;
  2. the cell phone number, if applicable;
  3. the service provider's name/account number; and
  4. descriptions of the service plan(s) you are currently using along with corresponding monthly service fees.

All communications equipment purchases and/or service plan additions or changes must be submitted on a Purchasing Order Alteration form and forwarded to the Purchasing Department for approval.

Send a copy of the authorization form, a copy of the employee agreement form and the purchase requisition form to the Purchasing Department.

**E. Deactivation of University Provided Devices and Services:**

Complete the **Purchase Order Alteration** form (Appendix H). The approving supervisor should complete the form, specify deactivation, and forward to the Purchasing Department for processing. Forms must be submitted by the 15<sup>th</sup> of the final month of service.

**F. Department Responsibilities and Documentation Requirements:**

The department must maintain a file containing the:

- original Employee Agreement Concerning the Use of University Provided Electronic Communication Devices and Service form,
- original University Provided Electronic Communication Device and Service Authorization form, and
- a copy of the Purchase Requisition for the purchase of the service and the equipment.

It is the authorizing supervisor's responsibility

- to annually review communication device needs in his or her department to determine if the University provided service and equipment should be changed, continued or discontinued,
- to complete renewal authorizations by May 15, and
- to notify the appropriate departments should the employee no longer require any service due to responsibility changes or termination.

**III. Reimbursement to the University**

If incidental personal use occurs, the IRS treats this use as a working condition fringe benefit, the value of which is excludable from the employee's income.

If the employee or the MPP determine that a personal communication device is no longer required for the employee to fulfill his job duties, the cell phone must be returned to the University and the plan must be terminated.

October 11, 2008  
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Approved by University President  
Revised