



University Cell Phone Policy

Responsible Department: Financial Operations

Responsible Administrator: Stacey McGee

Effective Date: 03/09/2009

Reviewed/Updated Date:

Date of Scheduled Review:

I. PURPOSE

The Purpose of this new cell phone policy is to enable the University to comply with Internal Revenue Service (IRS) rules regarding the taxability of employee cell phones.

The IRS considers cell phones to be “listed property,” which means that the University and the employees are required to document all business and personal use of the device by keeping a log of all calls (both in and out). The tracking of the personal and business use would be onerous for both the employee and the University. Therefore, ACU is converting to a program where eligible employees will receive a taxable allowance for an individually owned cell phone or device. This change eliminates the detailed IRS documentation requirement.

II. SCOPE

This policy applies to all faculty and staff who are in possession of a university provided cell phone or who receive a cell phone allowance from the university.

III. DEFINITIONS

Some university employees use a wireless device as a cell phone, but they also use it for other purposes such as email, calendaring, internet connectivity and more. For the purposes of the University Cell Phone Policy, any device that is being used, in any measure to make or receive wireless calls, is defined as a “cell phone”.

IV. PROCEDURE (OR PROCESS)

The University will eliminate the university cell phone plan (known as Corporate Responsibility or CRU) and will require each employee eligible for a cell phone to establish their own personal usage plan (know as Individual Responsibility Unit or IRU). This new policy will result in each user having both freedom of choice and personal responsibility for his/her cell phone or device plan.

The University will provide an allowance to eligible employees whose job duties include the frequent need for a cell phone. This allowance is to be used by the employee to reimburse him/her for the business use of their personal cell phone. The university will no longer own cell phones for the use of individual employees.

A. Allowance Approval and Establishment

The employee's department head and the responsible Dean or Vice President must approve the request for the allowance and provide funding for the allowance out of their operating budget by completing the Cell Phone Allowance Request Form. The request form, signed by the employee, the supervisor and the vice president/dean, will then need to be forwarded to the payroll office for the allowance to be established on the employees pay cycle. Allowances will be paid monthly as part of the eligible employee's paycheck and this monthly cost will be charged against the employee's respective department operating budget. The monthly allowance is taxable income; therefore the employee will be taxed in accordance with IRS tax regulations.

This allowance does not constitute an increase to base pay, and will not be included in the calculation of percentage increases to base pay, nor will this allowance be used to calculate benefits such as retirement contributions.

B. Transitioning from University Accounts

During the transition to the new policy, ACU will be terminating all existing cell phone plans. Employees approved for an allowance will need to establish their own personal cell phone plan by 04/10/2009. Any applicable fees associated with terminating University accounts will be paid by ACU. ACU will not reimburse employees for early termination fees if employees decide, for whatever reason, to cancel any existing personal accounts. If departments choose to cancel an existing CRU cell phone instead of transitioning it to an IRU, ACU (not the individual departments) will absorb the cancellation fee. Employees will be allowed to keep the phone or device associated with their terminated University account.

C. Plan Allowance

Employees are responsible for choosing their own voice or data plan as well as their carrier. Because the employee is now personally responsible for the account and the allowance provided is taxable income, the employee may use the account for both personal and business purposes. The employee may also, at his or her own expense, add extra services or equipment features as desired. Recipients of this allowance must provide to their department their cell phone number and must continue to maintain the cell phone while in receipt of the allowance.

If the University provides an allowance to purchase a certain type of device (e.g iPhone); the employee will need to provide proof of purchase to their supervisor.

The dollar amount of the cell phone allowance should be established to cover the business-related expenses only. Determination of the dollar amount of the

allowance is made at the department level, but must be within these initial guidelines and dollar limits established as follows:

- Tier 1 - \$50 per month – Voice usage needed for business purposes.
- Tier 2 - \$30 per month - Data needed for business purposes
- Tier 3 - \$15 per month – Text needed for business purposes.

Options 1,2, and/or 3 may be paid by the department for an employee. ACU will pay only the approved allowance amount even if actual monthly costs may occasionally exceed the allowance. If the amount of the allowance subsidy needs to be changed because of documented business purposes, the employee will need to request approval from his/her department to increase the allowance. These dollar guidelines are for the initial implementation and may be changed at the discretion of the Chief Operations Planning Officer and the Controller.

No charges for monthly cell phone fees or equipment purchases will be made using ACU's purchasing card program.

V. COMPLIANCE

If an IRU is not established by an employee with a current university cell phone by 04/15/09, the cell phone number will be discontinued by the CRU and the employee will have no service after that day.