

Procedure Guidelines and Business Process Guide

Department: Administration and Finance Division

Procedure Title: Cell Phone Guidelines

Date: 3/2023

Revision History			
Date	By	Action	Pages
3/8/2016	Brett Holman	Policy Updated for New Plan Structure	
3/1/2023	Marc Benadiba	Change from Reimbursements to Allowances	

BACKGROUND / SCOPE:

The intent of this document is to outline a procedure and guidelines for the business use of a cellular-enabled device (cell phone) by Cal Poly employees in the performance of their duties that complies with current IRS tax guidance and state property rules for business use of cell phones and similar cellular-enabled devices (e.g. ipads). Determination of the need for an employee to have use of a cell phone in order to perform the duties of their position is made by the employee’s manager. Employee use of a cell phone will be governed by one of the two options outlined below and determination of which option to use will be made by the manager. Note that Option 2, cell phone allowance to cover the business use portion of a personal cell phone/plan, is only available for MPP and Confidential employees.

Since campus-provided cell phones are utilized for University business and transmit and/or contain University data, they must comply with the information and device security standards detailed at <http://security.calpoly.edu/>.

Campus Cell Phone Usage Options:

The two options available for business cell phone usage: 1) University-owned cell phones and 2) an allowance issued by Payroll Services to MPP and Confidential employees to cover the approximate cost of purchasing a cellular device and paying for a service plan that is sufficient to meet the business needs of the University.

Option 1 – University-provided cell phones: University-owned cell phones may be issued to employees for business purposes. Information Technology Services (ITS) is responsible for

managing University cellular service contract phones purchased on the Cal Poly government account.

- State rules for use of University-owned property require that employees reimburse the University for the cost of the personal use portion of an employer-provided cell phone.
- Departments are required to document by internal memo the business purposes for which University-owned cell phones are to be used, and establish a regular review process to ensure that any incremental cost for personal use of university-owned cell phones is being reimbursed by the employee to the university in a timely manner.
- Issuance and monitoring of University-owned cell phone usage will include a consistent, documented and auditable process.

Procedure: Determination of need and subsequent issuance and monitoring of a University-owned cell phone will be as follows:

1. Manager will determine the need for the employee to have a University-provided cell phone in order to perform the duties of the position. Determination is made as to the device and plan necessary to meet the business needs of the University. Cell Phone plan options and rates can be found at:
http://www.servicedesk.calpoly.edu/content/telephone_support/index
2. The Department Head submits the cell phone request to the departmental Telephone Coordinator. The Telephone Coordinator submits the [Cellular Service request form](#) to ITS and retains another copy of the form in the department for as long as the employee is using the cell phone.
3. Campus department administrators/supervisors will establish an internal process for monthly departmental review of University-provided cell phone billing statements.
4. Departments are responsible for ensuring that employees make payment at the University Cashier's Office for the incremental costs associated with personal use of the University-provided cell phone. The University shall be reimbursed for incremental costs resulting from personal use, which may include, but is not limited to the following:
 - a. The cost of excess minutes at the excess minute rate for calls
 - b. The costs associated with personal text usage that exceed the plan set by the employer for business purposes
 - c. Pay-by-minute or pay-by-text plans, reimbursement is for personal calls at per minute cost and texts at the cost per text
 - d. Increased data plan charges as a result of personal use
5. Departments will review and adjust cell phone plans annually to reflect average business use.

Option 2 – Cellular Device Allowance issued via Payroll Services in order to compensate employees for costs incurred for the business use portion of maintaining a personal cellular device (cell phone). Please note this option is only available for MPP and Confidential employees.

This option is designed to compensate MPP and Confidential employees on a recurring quarterly basis for the business use portion of their cell phone based on one of two “quarterly tier rates” (see [Cellular Device Allowance Form](#) for tier amounts and explanation). The allowance rate selected should be the one that most closely approximates their business cell phone expenses (including the cost of service and equipment). Quarterly allowance tier rates will be reviewed by the approving authority and the employee on an annual basis to determine if the selected tier continues to be appropriate for the required business needs of the University.

Determining the Business Use Needs and Appropriate Quarterly Allowance Tier Rate:

Determination of the business use needs and allowance tier rate for the cost of maintaining a personal cell phone for University business purposes will be as follows:

- Approving authority of the MPP or Confidential employee (“Manager”) will determine the need for an employee to have a cell phone in order to perform the duties of the position.
- Employee completes a [Cellular Device Allowance Form](#) after securing a cellular plan that is sufficient to satisfy the business needs of the University.
 - The quarterly allowance tier selected by the employee should be the one that most closely approximates the costs incurred by the employee in order to purchase and maintain a cell phone for University business purposes.
- Allowances should only be paid in quarterly increments in line with a traditional calendar (e.g. Q1 = January thru March). Employees should not be paid partial quarterly allowances. Employees should not be paid retroactively for prior quarterly allowances.

Responsibilities of employees receiving quarterly cell phone allowance payments:

- By signing and submitting the [Cellular Device Allowance Form](#), the employee is attesting that the information is true to the best of their knowledge, and that the allowance payment being requested properly compensates the employee for the business use portion of purchasing and maintaining a cell phone for University business purposes.
- Employees covered under these guidelines are required to notify their Manager if the allowance amount needs to change due to changes in the business use portion of the employee’s cell phone service plan, or their duties/position change such that a cell phone allowance is no longer necessary.

Responsibilities of Managers approving quarterly cell phone allowance payments:

- Managers (approving authorities as defined in this document) are responsible for reasonable evaluation of the employee’s business needs and related expenses for use of a cell phone, as well as annual follow-up to review the needs on a recurring basis. Any changes to the department/fund being charged for the expenses, changes to the allowance tier, or changes to the employee’s status as an MPP or Confidential that would affect their ability to continue to receive an allowance payment must be immediately communicated to Payroll

Services by submitting a revised [Cellular Device Allowance Form](#) to ensure accurate and timely payments.

- In the event that an allowance is either overpaid to an employee or paid to an employee that is no longer eligible, the manager will assist Payroll Services in the collection effort.

CONTACT(S)

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Cellular Device Allowance Payment Program Guidelines

- Cellular device (cell phone) allowances to compensate employees for the use of a cell phone is available for MPP and Confidential employees only, subject to approval by an appropriate Approving Official.
- The employee is expected to purchase and maintain a cell phone that will accommodate the minimum reasonable business use needs of the University, as well as the employee's personal use. The cost portion allocated to business use should not be higher than the amount that the employee would have paid to maintain a cell phone that was used solely for business use.
- The form allows for one of two cellular device allowance payment options; \$240/quarter or \$360/quarter. The approving official should approve the payment tier amount that most closely aligns with the cost incurred by the employee to purchase and maintain a cellular device for University business purposes.
- \$240/quarter or \$360/quarter amounts are inclusive of all cellular device equipment and service costs.
 - **No additional compensation or reimbursement for service or equipment should be authorized.**
- \$240/quarter or \$360/quarter amounts will be issued from Payroll Services, and subject to applicable state and federal taxes.
- The financial analyst for the college or division should notify Payroll Services whenever an employee that is receiving an cellular device allowance payment separates from the University.