Cell Phone Allowance Procedure

This policy stipulates how eligible employees may qualify for an allowance that covers business use of personal cell phones. It includes allowance request instructions.

Cell Phone Allowance Procedure

Introduction

Cellular telephones can be a valuable resource for campus employees in the performance of their job duties by providing immediate accessibility. These procedures are established as a guide for complying with the Cell Phone Allowance Policy.

Based on job responsibilities, eligible employees may qualify for a non-taxable allowance to cover the business use of personal cell phones. Recipients of the allowance will be required to obtain their own mobile communication device, also referred to as a cell phone, and service contract. The employee's departmental Budget Manager is responsible for determining the eligibility of an employee to receive a cell phone allowance based on job responsibilities.

Allowance Request Instructions

1. Budget Manager: Determine whether an employee is eligible for a cell phone allowance based on University guidelines.
2. Budget Manager: Determine level of services required and corresponding monthly allowance amount based on University guidelines, employee's business usage, and available budget.
3. Budget Manager: Complete request form, found at: www.apu.edu/imt/telecommunications/cellphones/forms/
4. Budget Manager: Inform employee of approved allowance and required plan levels.
5. Employee: After all necessary approval is received, personally acquire the cell phone and service plan that, at a minimum, meet the requirements of the job and approved allowance. Discounted rates from select carriers are available via the IMT website.
6. Employee: Once the first billing statement is received, submit a copy of the cellular billing statement to the budget manager to be attached to the approved request form. At this point, indicate the mobile phone number and carrier on the request form. If the allowance is to be applied to an already-owned personal cell phone account, the most recent billing statement for the existing service plan must be attached to the request form.
7. Budget Manager: Review customer provided billing statement to ensure plans and phones meet minimum requirements as set forth in the selected allowance.
8. Budget Manager: Make and retain a copy of the request form; forward approved request form to the Business Office. It is strongly encouraged for departments to maintain a list of their allowance recipient's cell phone numbers. A master university list will no longer be maintained.
9. Payroll: provide non-taxable monthly allowance to employee.

Reimbursement for Incidental Usage (for those not receiving an allowance)
With departmental approval, employees without a cell phone allowance in place may be reimbursed for necessary, incidental business calls made with their personal cell phone, given appropriate documentation is provided in a timely manner. All calls must be substantiated in a very detailed manner as prescribed by the IRS. Employees should also have pre-established authorization from their supervisors for the occasional use of their personal cellular telephone for business purposes and subsequent reimbursement. Reimbursement is processed through the Business Office's Expense Reimbursement process. Reimbursement is limited to no more than the total amount of the billing statement and is non-taxable since business purpose is documented.

The following must be provided in order to meet IRS documentation and substantiation requirements. Submit the below to the Business Office following the Expense Reimbursement guidelines.

1. Complete log of each business call (incoming or outgoing) including the following:
    a. Date of call
    b. Time of call
    c. Business purpose of call
    d. Place of use
2. Original billing statement from carrier with business calls highlighted that correspond with business calls documented in the log.
3. Completed Expense Reimbursement Form (charge the department's Telephone Expense account).

Reimbursement for Incidental Usage (for those receiving an allowance)
If extraordinary business use results in a billed amount that is significantly more than the allowance amount, reimbursement may be sought. The business use of the device for that billing statement timeframe must be substantiated as if there were no allowance in place. Likewise, if an employee is traveling internationally on University business and currently has a allowance agreement, he or she will be reimbursed to the extent that the business use of the device created an additional cost to the employee.

Employee must provide the following to the budget manager for approval.

1. Complete log of each business call (incoming or outgoing) including the following:
    a. Date of call
    b. Time of call
    c. Business purpose of call
    d. Place of use
2. Original billing statement from carrier with business calls highlighted that correspond with business calls documented in the log.
3. Completed Expense Reimbursement Form (charge the department's Telephone Expense account). Use the following to calculate additional reimbursement:
    a. Reimbursement for plan minutes above allowance = (Number of total documented business minutes used – Number of allowance minutes allotted) X per minute reimbursement rate
    b. Reimbursement for international usage above allowance = (Number of total domestic documented business minutes used – Number of allowance minutes allotted) X per minute reimbursement rate + total cost for international documented business calls

All business use must be substantiated, not just the business use in excess of the allowance. Submit information to the Business Office following the Expense Reimbursement guidelines

Guidelines for Cellular Phone Usage

- **Business use requirements** – the allowance agreement requires that the personally owned device is available for business use as required by the department or supervisor. An employee receiving a allowance must maintain active cell phone service. The employee agrees to carry the cell phone with them and keep it charged and in operational condition based on departmental requirements.
- **Personal use** – the allowance policy assumes that the cell phone will be used for both personal and business calls. Because the phone service is personally owned by the employee, it may be used for personal use as well. Since the allowance amount is taxed as income, the employee is not required to track usage.
- **Appropriate use** – the employee agrees to use the phone in ways consistent with University policy and all applicable local, state or federal laws. Inappropriate or unlawful use of the cell phone and its services and features is prohibited. Phone misuse will result in immediate cancellation of the cell phone allowance.
- **Use of a cell phone while operating a motor vehicle** – cell phone users must be aware of all laws regarding the use of phones while driving. California state law prohibits the use of hand-held cellular phones while operating a motor vehicle in California unless the phone is specifically designed and configured to allow hands-free operation and is used in that manner. California state law also prohibits drivers from operating a motor vehicle while using an electronic wireless communications device to write, send, or read a text-based communication.
- **Institutional data on personally-owned cell phones** – given that mobile computing devices may be storing and transferring critical APU data while connected to the internet, all APU Policies are applicable and will be enforced, including the Acceptable Use, Email, Data Security, and Mobile Data policies. The following is also applicable:
    - Personal or confidential data must not be stored on mobile computing devices.
    - Take precautions to ensure the device is not lost or stolen.
    - Always protect the device with a password or PIN to prevent unauthorized access.
    - Avoid or limit the storing of institutional data on your device.
    - If an employee leaves the institution, it is their obligation and responsibility to delete and remove any and all institutional data from their personally owned device.

Supported PDA Phones

The level of support from IMT for PDA phones is limited to documentation provided for connecting to University email or University email, calendar and contacts. Phones with the following operating systems can connect to APU's system to sync email, calendar and contacts. Employees qualifying for the data plan allowance must obtain a phone with one of these operating systems in order to be eligible.

- Windows Mobile
- iPhone
- webOS (Palm)
- Android (currently only email support via IMAP)

Other operating systems, such as BlackBerry, may connect with APU email only, but do not qualify for a data allowance.

Allowance Budget Impact
To assist Budget Managers with assessing fiscal impact of the new cell phone program on their department, sample pricing is available below for a few typical plans.

Sample Cellular Monthly Costs	**Current Program** (approx)	**New Allowanc e Program**
Voice Only: 450 minutes	$45	$50
PDA Phone Users: 450 minutes + Unlimited Data	$85	$95
Super PDA Phone Users: 450 min + Unlimited Data + 5000 messages	$105	$120

Department costs for each individual cell phone may increase due to the new program, however the new policy allows for re-evaluation of departmental needs for cellular services. University cellular charges have escalated far beyond the institutional benefit that they provide, so below are a few suggestions for providing stewardship of APU funds:

- Not all employees with current APU provided cell phones will require a allowance under the new eligibility criteria.
- For employees with a rotating on-call schedule, one university owned cell phone is the preferred, less expensive solution as opposed to several individual allowances.
- In cases where employees are currently using their APU provided cell phone for personal usage, allowance amounts can be decreased to a lower plan to cover only the required business usage.