



POLICY MANUAL

OPERATING POLICIES AND PROCEDURES

Number 518

Subject: Cell Phones

Effective Date: July 1, 2007

OVERVIEW

The University recognizes that certain job functions require the use of a cell phone to conduct official business. This policy provides specific guidelines regarding the use of cell phones for business purposes and the methods available to accomplish this purpose.

518.1 Frequent Use of Cell Phones for Business Purposes

When the job duties of an employee require the frequent use of a cell phone to conduct University business, a department head/director may provide the employee with cell phone access using either of the following methods:

1.1 Communication Allowance

- (1) Under this method, an eligible employee will receive a monthly communication allowance to cover the cost of projected business-related charges that will be incurred under the employee's personal cell phone plan.
- (2) The communication allowance will be paid through the payroll process and is considered taxable income. The allowance does **not** constitute an increase to base pay and will not be included when calculating retirement contributions.
- (3) Typically, the phone device will be acquired by the employee. However, departments may offer an equipment allowance, at their own discretion, if the allowance is justified for business purposes.
- (4) The employee must retain an active cell phone contract for as long as the allowance is in place. Because the cell phone contract is paid personally by the employee, and the

allowance provided is taxable income, the employee may use the phone for both business and personal purposes as needed.

(5) The allowance amounts will be determined at the department level and should be appropriate for required business-related needs. The employee may, at his or her own expense, add extra services or equipment features as desired.

(6) The communication allowance is established by submitting a completed "[Communication Allowance Request Form](#)" to the Payroll Office. Departments should also keep a copy of the form on file for each approved allowance.

1.2 University-Provided Cell Phone

(1) If an employee receives a University-provided cell phone where the monthly service charge is paid from University funds, the value of the monthly service charge will be taxable income to the employee unless the employee meets IRS substantiation requirements as outlined below.

Substantiation Requirements: To meet IRS substantiation requirements, the employee must keep a record of each call and its business purpose so that business calls can be distinguished from personal calls on the monthly cell phone bill. The total monthly charge for all voice calls (including per minute charges, monthly base service charges, taxes, etc.) would then be allocated to business or personal use based on the pro-rata share of business and personal minutes used.

The value of the personal use is taxable to the employee. The value of the business use is not taxable.

(2) Personal calls on a University-provided cell phone must be minimal such as an incoming call regarding a family emergency or other similar infrequent occurrence. The employee must reimburse the University in a timely manner for the value of personal usage, as determined by the substantiation process previously described.

(3) Departments are responsible to:

(a) Keep adequate documentation to support the exclusion of business usage from taxable income to the employee;

(b) Communicate the value of non-taxable business usage to the Payroll Office each month; and

(c) Monitor the reimbursement of personal cell phone usage charges to the University.

518.2 Infrequent Use of Cell Phones for Business Purposes

If infrequent business calls are made by an employee who does not receive a communication allowance or University-provided phone, departmental approval can be given to reimburse the employee for business calls that exceed personal wireless plan minutes. Appropriate documentation, such as a copy of the wireless plan billing statement and the stated business purpose of the call, should be retained to support the reimbursement.

518.3 University Support for Data-Capable Phones

The USU Information Technology department will provide technical support for approved data-capable phones that connect to University networks. Contact USU IT at (435) 797-HELP (435-797-4357) for assistance in selecting an approved device and pricing schedule for support services.