

## University Policy 3312: Cell Phones

**Category:** Human Resources

**Subcategory:** Employment

**Covered Individuals:** All Departments and Employees

**Responsible Executive:** Vice President for Finance and Administration Services

**Policy Custodian:** Controller's Office, Controller

**Last Revised:** 2025/06/27

**Previous USU Policy Number:** 518: Cell Phones

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### 3312.1 PURPOSE AND SCOPE

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.

### 3312.2 POLICY

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:

#### 2.1 Taxable 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 employee will acquire the phone device. 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 their own expense, add extra services or equipment features as desired.
- 6) The communication allowance is established by submitting a completed

["Communication Allowance Request Form"](#) through Service Now.

## 2.2 Non-Taxable Communication Allowance

- 1) Under this method, an eligible employee will receive a monthly communication allowance to reimburse the cost of a cell phone plan (including smartphones), which is required to facilitate work outside the office or during office hours and is not for compensatory reasons.
- 2) The communication allowance will be paid through the payroll process and will be specifically identified on a separate line. The allowance is considered non-taxable income, does not constitute an increase to base pay, and will not be included when calculating retirement contributions.
- 3) Typically, the employee will acquire the phone device. 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, and both the business and personal use of the phone will be non-taxable.
- 5) The allowance amounts will be determined at the department level and should be appropriate for required business-related needs. The employee may, at their own expense, add extra services or equipment features for personal purposes as desired.
- 6) The communication allowance is established by submitting a completed ["Communication Allowance Request Form"](#) through Service Now.

## 2.3 University-Provided Cell Phone

Both the business and personal use of University-provided cell phones, paid for with University funds, will be non-taxable, and no substantiation will be required as long as the cell phone is used to facilitate work outside the office or during office hours and is not for compensatory purposes.

## 2.4 Infrequent Use of Cell Phones for Business Purposes

Employees who make infrequent business calls and do not receive a communication allowance or a University-provided phone may be reimbursed for business calls that exceed personal wireless plan minutes. Reimbursement requires approval by the department. Appropriate documentation, such as a copy of the wireless plan billing statement and a clear statement of the business purpose of the call, should be retained to support reimbursement.

## 3312.3 RESPONSIBILITIES

### 3.1 Controller's Office

The Controller's Office ensures that Payroll processes Communication Allowance Request Forms in a timely manner and updates the relevant tax information accordingly.

### 3.2 Departments

Departments desiring a communications allowance for employees must complete and approve the required form and submit it to USU Payroll. Departments will follow the respective documentation and review processes outlined.

### 3.3 Employees

Employees will perform the duties and obligations noted for their specific communication allowance.

### 3.4 USU Information Technology

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.

## 3312.4 REFERENCES

- Tax Treatment of Employer-Provided Cell Phones <https://www.irs.gov/pub/irs-drop/n-11-72.pdf>
- <http://www.irs.gov/pub/foia/ig/sbse/sbse-04-0911-083.pdf>

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**Information below is not included as part of the contents of the official policy.** It is provided only as a convenience for readers/users and may be changed at any time by persons authorized by the president.

## RESOURCES

### Related Forms and Tools

- [Communication Allowance Request Form](#)

## POLICY HISTORY

Original issue date: 2007/07/01

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Next scheduled review date: 2028/05/01

Previous revision dates: 2022/05/25, 2012/07/01, 2007/07/01