





# SAN DIEGO STATE UNIVERSITY

<b>Subject:</b>	<b>CELL PHONES FOR BUSINESS USE<sup>1</sup> Policy and Procedures</b>
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## Applicability

These processes and procedures apply to employees who have been required by San Diego State University (the University) to carry a cell phone so as to be available for the University's business while away from campus and/or to use a cell phone as an integral tool in performing assigned duties.

The determination of whether an employee is required to be available while away from campus via a cell phone and/or to use the cell phone in performing assigned duties is decided by his or her supervisor<sup>2</sup> based on the following criteria:

- The supervisor must have substantial non-compensatory business reasons for requiring the employee to use the personal cell phone for work-related purposes,
- The employee must maintain the type of cell phone coverage that is "reasonably related to the needs of the University's business," and
- The reimbursements may not exceed the expenses actually incurred.

The supervisor must complete an authorization form which provides a justification for providing an allowance, the expected required percentage of business use, and other specific information concerning the required usage. The form is titled, "***Authorization for Business-Related Cell Phone.***"

## Compliance with Tax Law

It is the position of the California State University that allowances for an employee-owned cell phone, which is used for business purposes, is not taxable to the employee as a fringe benefit given an appropriate level of support made to the campus.

<sup>1</sup> The policy and procedures set forth here also pertain to reimbursements for data plans for approved devices.

<sup>2</sup> The approving supervisor must be an employee in the management personnel plan.

## Options

For those employees who are required to carry a cell phone for business purposes, the University offers two options. The decision regarding which option to use will be determined by the employee and his or her supervisor. However, if an agreement cannot be reached, the default will be the University-owned device (Option Two) which prohibits personal use.

### Option One: Personally-Owned Cell Phone

All cell phones under this option are the personal property of the employee. Changes in service for personal use are the employee's responsibility. In addition, the employee will retain the phone number if he or she separates from the University.

The expense allowance is not taxable to the employee and will be issued through the Accounts Payable Dept. on an annual basis (or more frequently if determined by the campus department). The employee retains the allowance payment and is not obligated to refund the University if the employee separates, changes job duties, or transfers to a new position within the calendar year.

- The University will provide expense allowances for/toward service fees only. Additional costs such as device and insurance premiums are not reimbursable.
- **A business use percentage is determined by the supervisor, based on his or her estimate of the amount of expected campus-required business usage.** The estimate must be based upon past, comparable, or expected wireless usage for the employee's position. **The supervisor may not use this expense allowance as a salary supplement.**
- The University-paid allowance is used to defray the cost of the use of the cell phone for University business. **The employee shall make available records of business calls, as necessary to comply with applicable laws and regulations, including but not limited to the California Public Records Act.** The employee may redact any personal information from the records provided. The employee agrees to retain cell phone bills for thirty (30) days from the date of receipt of said bills by the employee.
- As long as the wireless service provider's plan supports and is compatible with the use required by the University, the employee may choose the device and the service plan he or she wishes to use. The cell phone arrangement is between the employee and the wireless service provider; the University is not involved in the contract with the provider. However, the employee is encouraged to consult with Telecommunications and Network Services to determine what discounts are available to employees.
- Expense Allowance Calculation: An annual expense allowance for/toward service fees will be paid to the employee based upon the lesser of:
  - a.) the actual cost of the employee's total bill related to service multiplied by the percent of business use, or
  - b.) the maximum established reimbursement rates calculated, annually, by Telecommunications and Network Services multiplied by the percent of business use.

The employee is required to attach a cell phone bill, which itemizes the costs, to their request for reimbursement from the University. The bill will be reviewed by Accounts Payable as the certification that the reimbursement meets the allowance calculation requirements. In no case shall the reimbursement exceed the expenses actually incurred by the employee.

- **Renewal Cycle:** By default, employee wireless allowances will be paid on an annual/calendar year basis. However, the supervisor may elect to cycle the renewal period to meet the conditions of the department. For example, departments with high employee turnover might consider a shorter renewal period.
- **Renewal Amount:** The supervisor and employee will review the basis for the allowance amount at each renewal interval, provide an updated justification, and provide a current actual bill.
- **Interim Adjustments:** Interim payments may be required. Examples of adjustments are: underestimated usage, change in job duties requiring greater usage, or the supervisor wants the employee to increase features/access new technology.
- **Direct Deposit:** Employees are encouraged to sign-up for direct deposit with Accounts Payable for the most expedient processing of their reimbursement.

### **Option Two: University-Owned Cell Phone**

- University-owned cell phones are for business use by the assigned employee only and shall not be used for personal calls.
- Justification for the purchase and business use of a cell phone will be requested and documented on the same form used for personally-owned cell phones. Once completed and approved, the form shall be submitted to the Accounts Payable Dept. for processing.
- The cell phone will be tagged as University property.
- Issuance of the device to the employee will be documented on an Off Campus Use of Equipment Agreement Form available on the Business Services, Material Management website, and recorded and tracked in the University's asset inventory system.
- Monthly statements will be reviewed and approved by both the employee and the employee's supervisor. The statement, along with a completed and signed Payment Authorization for University-Owned Cell Phone form, will then be submitted to the Accounts Payable Dept. for payment to the provider.
- The cell phone must be returned if the employee separates from the University, or if there is no longer a business need.