

645 CELLULAR DEVICE POLICY

Policy 645 was approved by the ISU Board of Trustees on September 22, 2006.

645.1 Reason for Policy-Purpose and Definitions. Indiana State University recognizes that cellular devices are convenient and a feasible alternative for conducting University business. This policy is designed to allow the University to meet IRS regulations by providing guidelines for the use of cellular devices for business purposes.

645.1.1 IRS Regulations. IRS regulations require that the usage of a University-owned cellular device be logged and non-business usage be given a value to either be reimbursed to the University or be included in the user's taxable income. These regulations subject the University and the cellular device user to IRS requirements that are both cumbersome and impractical to fulfill. By shifting the ownership of cellular devices from the University to the employee via additional pay, this policy will eliminate any potential tax compliance issues.

645.1.2 Definition of Cellular Devices. For purposes of this policy, cellular devices are defined as cellular phones, integrated cell phone and email devices (smart phones) and other electronic access devices (not including pagers and two-way radios).

645.2 Establishment of Business Purpose. Cellular devices have become commonplace and many individuals own a cellular device and have basic cellular device voice plans for personal reasons. As a result, the majority of employees can make occasional business calls on a personal cellular device without incurring additional costs. Therefore, employees must demonstrate a business need for high minute voice plans and/or basic data access plans in order to receive additional pay from the University.

645.2.1 Evaluation of Other Options. The use of these cellular devices for business purposes can be expensive and the decision to incur such business expenses must be evaluated from a cost/benefit perspective. Departments should consider other viable options such as a landline phone, pagers or other less expensive communication devices when evaluating what type of communication device to use when conducting University business.

645.2.2 Acceptable University Business Purpose. Additional pay to employees for use of cellular devices must be for business purposes that cannot be accommodated with personally owned cellular devices with basic voice plans or other less expensive communication devices. Acceptable University business purposes for providing additional pay for a high minute cellular device plan and/or a basic data access plan are:

- A. the employee does not have access to a landline phone or other communication device when doing a substantial portion of his or her job or,
- B. the use of a personally owned cellular device with a basic voice plan or other less expensive communication devices does not serve as a viable alternative to the business purpose or,

- C. the employee's job effectiveness will show a significant increase through the use of a high minute cellular device plan and/or a basic data access plan or,
- D. the responsible vice president determines other legitimate business needs that cannot be served by less costly communication devices. Such purpose must be expressly stated as part of the approval process.

645.2.2.1 Approval. The vice president within each division must approve the issuance of additional pay for an employee who uses these cellular devices for reasons indicated above.

645.2.2.2 Annual Review. An annual review of the business purpose and associated additional pay must be completed by the department head and approved by the vice president.

645.3 Additional Pay for Personal Plans.

645.3.1 Rates of Reimbursement. Employees authorized to receive reimbursement for high minute voice plans will be paid at a rate of \$30 a month to assist in covering the additional costs above a basic voice plan, and \$60 per month for employees required to obtain a basic data plan for smart phones.

645.3.1.1 Annual Review; Adjustment of Rate. These rates are subject to annual review and may be adjusted based upon changes in business conditions. The Vice President for Business Affairs and Finance will be authorized and responsible for adjusting these rates after consulting with the University President and the Office of Information Technology.

645.3.1.2 Tax Reporting. The additional pay is taxable income subject to payroll taxes and will be included on the employee's W-2 each year.

645.3.2 Base Salaries Not Adjusted. Base salaries are not to be adjusted to accommodate reimbursement of additional pay and these amounts will not be included in the calculation of percentage increases to base salaries when calculating annual base salary amounts.

645.4 Approval Process. Additional pay must be documented using the Cellular Device Additional Pay Authorization Form.

645.4.1 Required Approvals. This document must be signed by the department head and appropriate vice president in order to substantiate the business need and document the additional pay amount. The completed form should be forwarded to the Payroll Office for payment.

645.4.2 Departmental Review Annually. Regardless of when the additional pay amount is established, payments will cease at the end of each fiscal year (June 30). Therefore, department heads must annually review documentation to ensure that a business

purpose continues to exist and submit a new Cellular Device Additional Pay Authorization Form to the Payroll Office at the beginning of each fiscal year in order to continue the additional pay.

645.4.2.1 Lack of Business Purpose. Termination of the additional pay is required if the business purpose no longer exists.

645.4.3 Documentation Required. The department must have documentation that proves the employee actually obtained the device (i.e. phone number of cell phone). Full accountability for the appropriateness and reasonableness in amount of the additional pay for the devices covered in this policy are the responsibility of the department head and responsible vice president.

645.5 Employee Use of Cellular Devices. The employee may use the phone for both business and personal purposes and may, at his or her own expense, add extra services or equipment features as desired. Because these devices are the property of the employee, cellular devices that are lost or damaged are the responsibility of the employee to promptly replace.

645.5.1 Misuse. Use of the cellular device in any manner contrary to local, state, or federal laws will constitute misuse, and will result in immediate termination of the additional pay.

645.6 University Support for Smart Phone Access. The Office of Information Technology will establish and publish broadband communication and email communication technology standards for mobile smart phone access.

645.7 Unavoidable Business Costs Associated with Non-Typical Use. Extraordinary cellular charges (such as out of country roaming charges) incurred due to a legitimate business need may be presented with appropriate documentation as reimbursement of travel expenses subject to the approval of the University Treasurer or his or her designee.

645.8 Cellular Devices Remaining on University Contracts. Some departments have multiple staff sharing a single device for on-call rotations and designated departments have been issued a cellular device in the event of a disaster. For these reasons, a number of shared or group devices will remain available via University contracts. Personal calls or contacts are not to be made to/from these devices. No department in the university can extend existing cellular contracts or enter into any new contracts with cellular companies, except the Office of Information Technology.

645.9 Grants and Contract Accounts. On federal or federal pass through Grants and Contract Accounts only shared or group devices will be allowed. The only use of cellular devices on Grants and Contract accounts are those which have allocated funds to be directed to the Office of Information Technology and an approved University contract established. In these cases, the use of the cellular device should be fully devoted to the project, necessary for the project, and included in the approved budget. In cases where it is not in the approved budget, the expense will not be allowable unless approved by Grants and Contract Administration. The bona-fide business purpose documentation must be approved annually by Grants and Contract Administration in order for the

expenses to be allocable to a Grant and Contract Account. Personal calls or contacts are not to be made to/from cellular devices approved under this section.

645.10 Indiana State University Foundation Accounts. Direct payment for cellular phones or other electronic devices is not allowable on Indiana State University Foundation accounts.

645.11 Testing Exclusion. The Office of Information Technology is excluded from this policy where it needs to continue existing or establish new University contracts or acquire electronic access or access devices for testing or to support University information services for such testing devices. Such exclusions shall only be approved by the Chief Information Officer who is responsible for monitoring eligibility and use. The use of these devices are for testing purposes only and personal calls or contacts are not to be made to/from these devices.

645.12 Future Service. The Office of Information Technology may provide a service to maintain a small number of cellular access device contacts for organizations that have multiple employees sharing a single device for on-call rotations. No personal calls or contacts are to be made to/from these devices.

Last Revised June 8, 2011