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 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 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 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 smart phones) which is required to facilitate work outside the office or 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 and 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 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 department will conduct an annual review of the cell phone bill with the employee to substantiate that the reimbursement allowance is not in excess of reasonable expenses. Each year a copy of one month’s cell phone bill must be maintained by the department for substantiation purposes in the case of an audit. The employee may, at his or her 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" to the Payroll Office. Departments should also keep a copy of the form on file for each approved allowance.

1.3 University-Provided Cell Phone

If an employee receives a University-provided cell phone where the monthly service charge is paid from University funds, both the business and personal use of the phone will be non-
taxable and no substantiation will be required as long as the cell phone is required to facilitate work outside the office or office hours and is not for compensatory reasons.

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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.