

## MEMO

**To:** Extension Fiscal Staff

**From:** Extension Fiscal Office

**Date:** November 12, 2010

**Re:** Cell Phone Policy

There have been many questions lately regarding the use of University-owned cell phones for personal calls. After reviewing the University policy and discussing the issues with the ISU Controller's Office, we are issuing the following guidance:

Effective 7/1/09, ISU implemented a "Communication Technology" policy.

<http://new.policy.iastate.edu/policy/communicationtech>.

An option allowed under this policy is providing University-owned communication devices and/or service plans. <http://www.controller.iastate.edu/controller/ctaproc.pdf>

Following the restrictions of the policy **your ISU cell phone is to be used to conduct University business**. We recognize you may have a need, on a limited basis, to use your phone for personal use. However, if you are making/receiving personal calls that increase the cost of the University owned cell phone plan **OR** have personal calls that have used part of the monthly base plan minutes, you must:

- 1) Reimburse the University for any additional costs (due to overage or roaming) and/or, if applicable, reimburse the university for the prorated share of the monthly base plan minutes used

**OR**

- 2) Switch to a personal phone and follow the guidance/procedures established by the University for the Communication Technology Allowance.

**It is your responsibility to make this determination in collaboration with your supervisor.**

Copies of the University policies and procedures are attached.

# Communication Technology

Effective: July 1, 2009

Contact: [Controller's Department](#)

## Introduction

The university recognizes that the performance of certain job responsibilities may require the provision of additional communication technology devices or services as determined by the head of the employing unit and in accordance with university eligibility requirements. The purpose of this policy is to establish limitations and parameters for funding communication technology devices and services. This policy is also intended to preserve university resources and prevent misuse of funds.

Communication technology services shall be defined as:

- cellular phone voice/text messaging service,
- cellular phone ISP (Internet Service Provider) data service associated with devices such as smart phones and PDAs, and
- cellular wireless modems associated with devices such as laptop computers

## Policy Statement

For eligible and authorized individuals, the university may provide:

Communication devices and services through one of the university's purchasing contracts, or  
A taxable payroll allowance to the employee, hereinafter referred to as a Communication Technology Allowance (CTA). A monthly payroll allowance is provided to help cover the monthly cost **for business use** of an employee's personal cellular voice or cellular data service. The monthly payroll allowance amount will be determined per established allowance and reimbursement procedures. In conformance with U.S. tax regulations, all CTAs are considered taxable, without exception. The university assumes no liability for any employee-owned personal devices or service plans.

## Eligibility for CTA

Communication technology services may be funded if business justification can be made by the employing unit and funding is available. In order to be eligible for a CTA, the employee's employment classification must be Faculty, Professional & Scientific or exempt merit. Employees must meet at least one of the following eligibility criteria for an allowance.

- The employee's job requires him/her to spend a considerable amount of time outside of his/her assigned office or work area during assigned working hours, requiring regular access to communication technologies.
- The employee's job requires him/her to be reached either as a responder to emergencies on campus or to carry out their assigned responsibilities outside of normal working hours.

The CTA is not intended for occasional, incidental use, purely voluntary/convenient access, or where needs can be met by a departmental pool of cellular devices available through university contracts.

## Funding Limitations of CTA

Units have authority to establish more restrictive policies and to review, question, limit, and refuse, due to funding limitations, requests for CTAs that otherwise meet eligibility requirements.

Neither CTAs nor university-owned communication technology plans may be charged to federally sponsored projects, except where costs meet the definition of "unlike circumstances" and are allowable in accordance with OMB Circular A-21, Exhibit C, and the university's Sponsored Programs Costing Policy. There may be specific restrictions on the use of other non-federal sponsored funds to pay for technology costs.

The university establishes CTA limits which are reviewed and adjusted periodically.

## Resources

- [CTA Reimbursement Procedures](#)
- [Expenditures - Allowability and Appropriateness \(manual\)](#)
- [Expenditures - Allowable, Appropriate, Documented \(policy\)](#)
- [Personal Use and Misuse of University Property](#)
- [Purchasing Contracts for Communication Devices, Purchasing Department](#)
- [Sponsored Programs Costing Policy \[PDF\]](#)
- [Telecommunications Policy](#)
- [Travel Information, Controller's Department](#)

# Personal Use and Misuse of University Property

Effective: Moved to Policy Library from UPM 2.5(10)

Contact: [Vice President for Business and Finance](#)

## Introduction

This policy provides clarification regarding personal use and misuse of university property. State law, specifically Section 721.2 of the Iowa Code, prohibits any state employee from using, or permitting any other person to use, property owned by the state or any subdivision or agency of the state for any private purpose or for personal gain to the detriment of the state. Violation of this statute is a serious misdemeanor.

## Policy Statement

This policy is intended to cover all types of university property and services, including cars, supplies, telephones, typewriters and computer hardware and software, equipment, campus mail, electronic mail and copying facilities, products from university farms, and food, drugs or chemicals available from university activities. No one shall be permitted to remove for personal use from the buildings or grounds any property belonging to the university, even though it may seem to be of no value. This includes use of university equipment such as farm machinery, trucks, or other equipment during off-hours when it is not needed for university operations. Telephone service and electronic mail is provided for the purpose of conducting university business.

Office, laboratories, work areas, files and materials (either in written or electronic form maintained or stored on university premises or in university computers or servers) may be entered, opened or reviewed without prior notice by authorized university personnel either as part of maintenance or servicing procedures, in order to conduct university business or when there is a question about the use or misuse of university property. It is expected that due care shall be taken of university property so that full expected use is obtained.

## Personal Use of Telephones

Whether local or long distance, personal calls from university telephones must not adversely affect the performance of the employee or the organization and must be of reasonable duration and frequency. Local personal telephone calls without additional cost to the university may be made and received by employees on an incidental or emergency basis as long as they are not detrimental to the interests of the university.

Long distance calls include any calls that are not local or free of charge to the university. Personal long distance calls cannot be charged to university extensions, authorizations numbers, or credit cards. Charging personal long distance calls is strictly prohibited and may subject the faculty, staff or student employee to disciplinary action. Any personal long distance calls are to be made at employees' own expense; e.g., charged to personal calling or credit cards, use personal cell phone, use a pay phone, etc. Should a personal long distance call occur by accident or be necessary in the case of a personal emergency, the employee must notify their supervisor of the occurrence and promptly reimburse the expense by personal check.

Departmental offices should review monthly long distance bills for all departmental staff and take appropriate action if unauthorized use of university telephones occurs.

## University Computers and E-mail

Personal use of university computers and electronic mail should be restricted to incidental and emergency use. With the increasing use of electronic communications, staff members should keep in mind that these messages and materials may be accessed as public records if located in university facilities or equipment. In a number of cases, electronic messages written with the intent to be humorous, as well as personal or a private conversations, have become public, leading to subsequent disciplinary action and causing embarrassment to the individuals and the organization. All communication should be done in a professional and non-discriminatory fashion.

The Code of Computer Ethics and Acceptable Use Policy provides additional guidance on the ethical and acceptable use of information systems at Iowa State University.

## Other University Property

Departmental offices should review operating procedures and remind staff that university facilities are not to be used for personal activities. Departmental offices are also responsible for strict supervision of stamps and other office supplies. Office supplies and stamps purchased with university funds are for use for university purposes only, and are not for resale or for use for private purposes. The proper use of university property should be the subject of careful judgment.

# Communication Technology Allowance and Reimbursement Procedures

(Revised 8/26/2010)

The university provides communication technology, such as cellular voice/text messaging, cellular ISP data service, as associated with devices such as smart phones and PDAs, and cellular wireless modem service, *as associated with devices such as laptop computers or other similar mobile computing devices (rev. 8/26/2010)*, to **eligible** (See definition in Communication Technology Allowance Policy) employees by two methods described below. **Non-eligible** employees must be reimbursed in accordance with the paragraph at the end of this section.

## 1. University-owned communication devices and/or service plans purchased through one of the university's contracts -

### o When is this option the best choice?

When an employee or department needs a significant number of minutes for business use, the most cost effective way to provide devices/services is through the university's special contract rates. University plans allow units to better manage their communication costs. Units can either assign devices to specific individuals or rotate devices among employees and can use this option for either intermittent/temporary use or long-term continuous use. Where employees are covered under a collective bargaining agreement the terms of the agreement must be followed.

This is the best option for employees who need a device assigned specifically to them, need a significant number of minutes, have the need for a device with special features due to business use, and use their devices almost exclusively for university business. Business use of devices/services is to be monitored by the funding department and records retained by the university. Cell phones acquired through university contracts are not the appropriate choice for employees who intend to make/receive significant personal calls.

### o What is the process for obtaining university-owned communication?

University negotiated contracts can be found on the Purchasing Contracts website:  
<http://www.public.iastate.edu/~purchasing/contracts.htm>  
Contact information for both Purchasing and the vendors is listed.

## 2. Monthly payroll allowance for communication technology services

- o **When is this option the best choice?** This is the best option for an employee who wants to carry only one cell phone device and has a consistent and on-going need to make/receive significant personal calls. In addition to meeting eligibility requirements, business use on the employee's personal cell device must be ongoing and generally consistent from month to month, otherwise reimbursement might be a more cost effective option.

This option might also be a good choice for employees who want to carry cell phone devices with more features than needed for university business. Business use of services is monitored on a periodic basis to ensure the monthly payroll allowance amount is appropriate; however, records are retained by the employee.

As an additional cost effective option to prevent requests for duplicate cellular data services, it is important to note that most smart phones not only have ISP data service capability but also have the capability to operate with a laptop as a cellular wireless modem.

- o **What is the process for obtaining a payroll allowance for communication technology services?**

The supervisor must first determine whether an employee meets the university's eligibility requirements and, if so, determine an appropriate and reasonable allowance amount based on managerial discretion, knowledge of the employee's duties as they relate to the policy eligibility criteria, and budget considerations. Review of the employee's monthly cellular billing statement(s)

must be used as a guide for determining a reasonable allowance amount. Supervisors have the right to request usage records for more than just the current billing period to substantiate consistent usage.

A completed Communication Technology Allowance Request Form, along with a copy of the employee's cellular billing statement(s) must be submitted to the employing supervisor for review and approval. After the supervisor determines the payroll allowance amount and approves the form, it is submitted to the appropriate departmental or unit chair for review and approval.

The allowance is processed by the employing department using a payroll personnel action (EPA) that codes the allowance as additional compensation. Allowances are considered taxable and must be paid on a monthly basis. Employing units are responsible for initiating EPAs for approved allowances that begin in one fiscal year and cross over into a new fiscal year.

EPAs for allowances may not go back more than 60 days from the date the payroll action is initiated. Communication technology allowance request forms must be completed and approved at least annually by the funding department.

**The following types of allowances and limits shall apply:**

<b>Communication Technology Allowance Type</b>	<b>Allowance Amounts</b>
1. Cellular device voice/text messaging service	> \$10 to \$40 per month
2. Cellular device ISP (internet service provider) data service associated with devices such as smart phones and PDA's	Up to \$30 per month
3. Cellular wireless modem service associated with devices such as laptop computers <i>and other similar mobile computing devices (rev. 8/26/2010)</i>	Up to \$30 per month

These rates will be reviewed annually and adjusted based upon a review of typical plans used by university staff and guidelines of federal and state agencies.

In all cases, the employee assumes ownership and is responsible for all maintenance, damage/loss, or replacement of cellular or data devices in order to continue eligibility for a service allowance. Payment for devices is the sole responsibility of the employee. The employee agrees to notify his/her department **within 30 days** if he/she fails to meet eligibility requirements, fails to replace non-working, damaged or lost devices, selects a lower cost plan, or fails to maintain a service plan.

- o **How are the allowance amounts determined?**

**The allowance amount for cellular phone voice/text services will be determined as follows:**

$$\frac{\text{\# of minutes used for university business}}{\text{Total \# of minutes in personal plan}} = \% \text{ of plan used for university business}$$

Calculate the cost for the base plan--Include in the cost add-ons such as text messaging and prorated share of taxes but exclude additional charges for additional phones, data service packages and any other add-ons.

The calculated allowance is the cost of the base plan multiplied by the percentage of plan minutes used for university business. The allowance will be the lower of the calculated number or the \$40 maximum for cellular voice/text messaging. If the calculated number is less than \$10, no allowance will be approved.

For example:

Employee A has a Sprint plan with 1500 minutes and four phones with a monthly base plan price of \$99.99 plus taxes of \$17.99 for a total of \$117.98. The base plan price includes up to two phones but does not include the additional cost of lines 3 and 4. The number of minutes used for ISU business purposes over the last three months has been 1000 minutes total. Of this 1000 minutes of talk time, 200 minutes were Night and Weekend Minutes and did not use any of the 1500 base plan minutes. Actual plan minutes used were 800 over the last three months or an average of 266 minutes/month for university business purposes.

Calculated university cost:

266  
1500 = 17.7% of plan used for university business purposes

17.7% times \$117.98 equal allowance of \$20.88/month

**The allowance for cellular phone ISP data service or cellular wireless modem service would be computed as follows:**

The monthly allowance amounts for cellular phone ISP data service and cellular wireless modems are more difficult to accurately calculate and should be based on both the employee's and the supervisor's most reasonable estimate of percentage of time spent using the data service for university business versus personal use.

Where the personal cell phone base plan also includes data service, the value of the data service package should be determined by comparing the base plan against other base plans available without the data service package. In the example above, a family plan with 1500 minutes that includes the data service package would be \$129.99 plus tax instead of \$99.99 plus tax.

For example:

Employee A has the above Sprint plan with cellular phone ISP data service for a smart phone and the cost of the data service is \$30.00 per month. The employee and supervisor estimate the university's data service usage to be approximately 50%. Therefore, the cost to the university for data service should be 50% x \$30.00 = \$15.

Employee A would receive \$20.88 for cellular voice service plus \$15 for cellular phone ISP data service or a total Allowance of \$35.88 per month.

### **Employee Reimbursement for Communication Technology Costs:**

For employees who do not meet Communication Technology Policy eligibility requirements, the university will reimburse employees for the actual cost of necessary business calls made on an infrequent basis on an employee's personal cellular device if:

- Each business call is identified and justified in writing, **AND**,
- The business cellular voice use causes the personal plan to incur additional costs due to
  - roaming charges and/or
  - minute overage charges if ISU business calls caused the contract voice minutes to be exceeded in a given billing cycle.

- International or temporary access to other services when on temporary assignment or travel status (may be reimbursed based upon documentation and supervisory approval).

Departments, colleges and administrative offices have the right to review, question, limit, and refuse reimbursement requests of employees' cell phone bills. University employees are encouraged to obtain approval prior to using personal cellular voice services for university business purposes if the usage could result in costs to ISU.

## Other Technology Costs:

### **Infrequent business use of text messaging and ISP data services:**

The university will not reimburse for infrequent business use of text messaging and ISP data service unless there is documentation of the actual university business usage. With departmental approval, employees in extended travel status may request and receive reimbursement for data access when it is the most cost effective option for obtaining these services.

### **Home Internet reimbursement:**

The university will not reimburse employees for incidental use of home Internet/data access as it is assumed employees already have internet access and are incurring no additional cost due to university business use.

There may be special circumstances where an employee's primary workspace is not located in university owned or rented space and where such costs may be considered allowable. Such workplace arrangements must be documented and approved by the employing unit prior to costs being incurred.

### References:

Communication Technology Allowance Policy – <http://policy.iastate.edu/policy/communicationtech.htm>

Communication Technology Allowance Request Form –

<http://www.controller.iastate.edu/controller.ctaform.pdf>

Communication Technology Allowance Policy Frequently Asked Questions and Answers –

<http://www.controller.iastate.edu/controller/ctaqa.pdf>

Contact: Controller's Department

**IOWA STATE UNIVERSITY**  
**Communication Technology Allowance**  
**Frequently Asked Questions and Answers**  
*(Updated 8/26/2010)*

**1. What are the responsibilities of the department in setting up a communication technology allowance for an employee?**

The department is responsible for the following:

- Determining whether the employee meets eligibility requirements as identified in the Communication Technology Allowance Policy based on the employee's position and job duties and responsibilities.
- Completing the Communication Technology Allowance Request Form describing what job responsibilities meet the eligibility requirements, determining the appropriate allowance amount using CTA and Reimbursement Procedures, and attaching a copy of the employee's recent personal cellular service statement(s) substantiating the requested allowance.
- Obtaining required signature approvals for form.
- At least annually, or more frequently if the employee's personal cell phone and/or data plan changes or if the employee's job duties and responsibilities change, review and renew authorizations for communication technology allowances. Departments must review prior billing(s) to confirm monthly usage for on-going eligibility.
- In some cases an employee's cellular service plan may extend across two University fiscal years. The department should establish a monitoring system to ensure approved allowances that extend beyond the University's fiscal year-end get re-established in the payroll system.
- Terminating the monthly communication technology allowance to the employee upon termination, transfer, changes in job duties and responsibilities, usage, or device inactivation.

**2. What are the responsibilities of the employee receiving a communication technology allowance?**

University employees who qualify for and receive a communication technology allowance will be responsible for:

- Maintaining a valid cellular/data service provider plan.
- Acquiring and maintaining devices/equipment necessary in order to utilize his/her cellular/data service plan.
- Notifying his/her employing department within ten (10) days of the inactivation of his/her cellular/data service plan.
- Notifying his/her employing department within ten (10) days of when the device is no longer needed for the performance of the employee's job responsibilities.

- Notifying his/her employing department within ten (10) days of a change to a significantly lower cost cellular/data service plan.
- Understanding that contracts entered into by eligible employees are personal cellular/data service plan contracts and are solely the responsibility of the employee, not the University.
- Understanding that the University has no obligation and makes no guarantees with respect to such service contracts and is not obligated to continue payment for any reason.

**3. For employees who are provided with a *University owned* cellular phone and service plan are the responsibilities different for the department and employee?**

Yes, they are different.

University employees responsibilities:

- Take appropriate and reasonable measures to safeguard devices against misuse, theft or other loss.
- Limit personal calls to only those that are urgent in nature. *Limit use of data plans on mobile computing devices to University business use.(rev. 8/26/2010)* ISU allows incidental personal use of communication devices/services provided such use does not interfere with University business operations or obligations and does not burden the University with additional communication service plan costs. Employees needing on-going access to communication technology for personal reasons must provide their own personal devices and plans.

Department responsibilities:

- Monitor and review monthly cellular/data service bills for personal calls.
- Seek reimbursement for personal calls at the plan's per minute rate or the actual cost of the plan, whichever is greater.
- Maintain documentation that the monthly bills have been reviewed and reimbursement has been received for personal calls.

**4. Can communication technology allowances be paid from sponsored funding? (e.g. 4xx, 6xx funds)**

No, allowances cannot be paid from federally funded accounts, except where costs meet the definition of "unlike circumstances" and are allowable in accordance with OMB Circular A-21, Exhibit C and the university's Sponsored Programs Costing Policy. In addition, the use of funds from sponsored accounts that are non-federal may also carry sponsor restrictions that do not allow these types of costs. Sponsored Programs Accounting should be contacted for any questions related to allowability.

**5. How does a department determine an appropriate amount to be paid as a monthly cellular allowance?**

The method of determination will depend upon the type of allowance and whether it is for cellular voice/text, ISP data, or wireless modem service. See Communication Allowance and Reimbursement Procedures for specific examples – <http://www.controller.iastate.edu/controller/ctaproc.pdf>.

**6. How does a department pay an authorized employee for a communication technology allowance?**

After determining the employee meets the rules for eligibility, completing the CTA request form, determining the appropriate allowance amount, and obtaining approval, departments should process an electronic payroll personnel action (EPA), coding the monthly allowance amount as additional compensation. Allowances should be established through the end of the current fiscal year. Approved allowances that extend over into the next fiscal year will need to be re-established in the payroll system after July 1<sup>st</sup>.

**7. How will communication technology allowances be reported to the IRS?**

The additional compensation for the communication technology allowances will be reported on employees' W-2s and be subject to withholding taxes. This additional compensation will not be considered for other benefit calculation purposes.

**8. If the employee's monthly contract service plan rate goes up or, for example, data services are added to a voice plan, can the department change the amount of the allowance during the year?**

Yes, if a substantial change is necessary, the department can process a new communication technology allowance request form, obtain appropriate documentation, approvals and process a new electronic personnel action through payroll to revise the allowance amount. Adjustments may not go back more than 60 days from the date the payroll action is initiated.

**9. The policy applies only to Professional and Scientific, Faculty, and exempt Merit employees not covered by the AFSCME bargaining contract. What about non-exempt Merit employees?**

When communication technology is determined by the employing department to be needed, departments can continue to provide non-exempt Merit employees with University-owned cellular devices for business purposes.

**10. Can a department authorize a stipend for less than 12 months if the department has a need to pay for services on a short-term basis?**

Yes.

**11. If an employee terminates, will the department be required to do anything to stop communication technology allowance payments from being paid as additional compensation?**

Yes, the department must indicate under the Special Conditions section of the employee's Electronic Personnel Action that the communication technology allowance (additional compensation) is being terminated also. **THIS IS NOT AUTOMATIC.** In situations where the employee terminates his/her employment in the middle of the month, the department should pro-rate the allowance to be paid.

**12. If an employee qualifies for both cellular voice and one of the data services, can approval for both be processed on one Communication Technology Allowance Request Form?**

Yes.

**13. Do eligible employees have to complete a new Communication Technology Allowance Request Form each year?**

Yes, the approval is only valid for one (1) year from the final approval date. Departments are responsible for setting up payroll allowances for only the one year time period that has been approved. For example, an allowance is approved for one year starting November 1<sup>st</sup>. The employing department will initially set up the allowance for the November through June time period and then again when the new fiscal year starts, from July through October.

**14. Are there any circumstances where an employee may be reimbursed for equipment costs related to their Communication Technology Allowance?**

No. The employee is solely responsible for having equipment to utilize cellular voice and/or data services related to their Communication Technology Allowance.

**15. What does the department do if an employee isn't eligible for a Communication Technology Allowance and uses minutes on their personal cell phone to conduct University business? The employee wants reimbursement for a percentage of their personal bill and the minutes used did not cause the employee to exceed their monthly minute plan.**

In such cases where the employee's monthly minute plan is not exceeded and there is no additional documented cost incurred by the employee in making such calls, no reimbursement will be made. See Communication Technology Allowance and Reimbursement Procedures for specific details - <http://www.controller.iastate.edu/controller/ctaproc.pdf>.

**16. Can the amount of the communication technology allowance be "grossed up" for payroll taxes?**

No. The amount of the allowance may include the proportionate share of taxes billed by the cellular service provider but should not include an amount for personal payroll taxes.

**17. How is this policy beneficial to the University?**

The amount of paper work and audit of communication technology reimbursement requests will be decreased from a monthly review and payment through the employee reimbursement system to an annual review and automated monthly payment through payroll. The new policy allows employees the freedom to combine both their personal and business usage into one phone.

Currently the Internal Revenue Service is auditing universities for communication device usage to determine if there is personal use of institutionally provided communication devices. This policy should align our institution with the IRS regulations related to communication device usage.

**18. The Open Records Law currently applies to University owned contracts. Will my personal phone now be subject to Open Records since I am using it for business?**

The University would expect (but could not absolutely guarantee) that personal phone records ordinarily would not be subject to open records requests. In the event an actual lawsuit would be filed, all phones could be subject to discovery and disclosure.

**19. What are departmentally owned contracts with pooled minutes?**

Some departments find it most cost effective to purchase a cellular service plan and phones with pooled minutes. A pooled minute plan allows any of the phones on the plan to use minutes in the pool. Departments may choose to use a pooled minute plan where phone(s) rotate amongst employees who are covered by a bargaining unit and/or are on-call duty or serving on a rotating shift. Employees covered by bargaining units are not eligible for a communication technology allowance because of labor agreement rules. Departments must track when an employee is in possession of each department owned phone. Other departments may choose to assign both phones and minutes to specific individuals. In both situations, personal use of departmental-owned phones is not allowed except in the case of a personal emergency.

**20. If for any reason the department determines an employee no longer requires communication technology devices for business, can the department pay any penalties incurred by the employee when s/he either 1) decreases his/her monthly minutes for lack of the business requirement or 2) cancels his/her contract all together.**

No. The University is not responsible for the penalties incurred in either of these situations.