

CELL PHONE STIPEND POLICY

Introduction

Azusa Pacific University is implementing a cell phone stipend policy and eliminating the current practice of providing University owned devices and services for individuals. This policy is being implemented to ensure APU is in compliance with current Internal Revenue Service regulations¹ as well as provide stewardship of APU funds used to support mobile communication devices and plans. Based on IRS guideline, when an employer issues a cell phone to an employee, personal calls are considered taxable income to the employee, and undocumented use is considered personal and, therefore, taxable to employees.

Cellular telephones are a valuable resource for campus staff and faculty in the performance of their job by providing immediate accessibility, and the change in practice provides employees flexibility and freedom to select a cell phone, plan, and features that meet their personal and professional needs. This policy is established as a guide for employees who, by the nature of their work, routinely use mobile communication devices in the performance of their job. Based on job responsibilities, eligible employees may qualify for a taxable stipend to cover the business use of personal cell phones. The employee's departmental Budget Manager, with approval of the department's Vice President, Dean, or Provost, is responsible for determining the eligibility of an employee to receive a cell phone stipend based on job responsibilities.

The University will continue to provide and support cell phones that have been designated for departmental usage. Employees who are not eligible for a cell phone stipend may be reimbursed for business calls on their personal cell phones with department approval.

Monthly Service Stipend

The University will annually review and establish stipend amounts. The stipend amounts are adjusted to provide for the approximate additional tax burden an employee would incur. All stipends and associated costs are charged to the employee's departmental budget. APU requires employees approved to use a cell phone for business purposes to purchase and maintain a cell phone and service plan in exchange for a taxable stipend provided by APU and funded by the department. The amount of the stipend must be justified by business requirements. The stipend is intended to reimburse the employee for the business use of the phone, not to pay the entire phone bill, under the assumption that the device will be used for both personal and business purposes by most employees. The amount can be changed or withdrawn by the department budget manager without notice at any time. The University is not responsible for any additional costs associated with the cell phone, for example, shipping, taxes, insurance, accessories, overages, etc.

Budget Managers are responsible for selecting the appropriate stipend amount for an employee based on the responsibilities of the employee's job duties in accordance with established guidelines and stipend amounts. The determination should include the appropriate number of plan minutes, data plans, text plans, and other plan features that are required for the performance of the employee's responsibilities. A variety of options are available for cellular voice plan, messaging plan, and data plan stipend amounts.

Discounts are available for APU faculty and staff personal accounts from various wireless carriers available through the IMT Website. Other wireless vendors may be selected at the employee's discretion, but stipend amounts are calculated factoring in the available carrier discounts.

The employee is responsible for obtaining a phone and monthly plan that, at a minimum, meet the level of service required by the department. Because the telephone is owned by the employee, it may be used for personal and business use, but must be available for the performance of responsibilities as designated by the department and within policy. The employee may obtain a larger plan if needed for personal use, but will only receive the amount agreed upon for business use. Bills for the cellular plan and device are the responsibility of the individual. An employee with a cell phone stipend must maintain an active cell phone contract for the duration of the stipend.

There may be rare circumstances where the stipend amount must be adjusted due to special departmental needs. The area Vice President, Dean or Provost must approve any exceptions to the standard stipend amounts designated by the university.

Equipment Stipend

Employee can submit a request for an equipment credit once every 2 years. The employee can receive reimbursement up to the university established equipment reimbursement amounts. Amounts may be different for voice only stipend recipients and data plan stipend recipients. A One-time Cell Phone Reimbursement Request Form must be submitted to Human Resources along with an original invoice or receipt indicating that the equipment was purchased for the employee's line.

Stipend Requirements

University contributions for employee owned services are not to be based on a particular title or position. Approved stipend amounts should be based on the actual job requirements of the individual faculty or staff member. Approval for a University cellular stipend must be based on a valid, University related need and meet at least one of the following criteria.

- **On-Call availability:** Employee is required to be on call a majority of the time to be contacted in the event of an emergency or service need. Departments should consider consolidating to one University owned on-call phone when appropriate where employees take turns on-call.
- **Frequent mobility:** The job requires considerable time outside the office during working hours and it is imperative to the functioning of the University that the

employee be immediately accessible to receive and/or make frequent business calls during those times.

- **After hours availability:** The job requires the employee to be immediately accessible to receive and/or make frequent business calls outside of working hours. Employee must be readily accessible due to the specific nature of their duties and must be available for emergency responses or time sensitive consultation after normal office hours.

Departmental eligibility criteria can be more (but not less) restrictive than the University criteria stated above.

Employee Responsibilities

Recipients of a University cell phone stipend have the following responsibilities.

- Purchase cellular phone service and equipment and assume responsibility for vendor terms and conditions. The employee can select any service provider, plan, and features that meet the requirements of the job responsibilities as specified by the supervisor and approved by the budget manager that, at a minimum, meet the level of plan and services that the stipend is intended to cover. The employee is responsible for plan choices, calling areas, service features, termination clauses, and paying all charges associated with the cellular service and device.
- Purchase, repair, maintain, insure, and/or replace phone equipment and accessories, including lost, damaged, or stolen equipment and accessories.
- Ensure the carrier selected has service in required usage areas, such as on campus and/or at home as required by the department. Take advantage of trial/return time frames offered by most carriers.
- Establish himself/herself as the billing party. Regardless of cost, the employee is responsible for any additional expenses above the University contribution.
- Maintain an active service contract for the duration of the stipend.
- Notify your Budget Manager within 5 working days if the eligibility criteria are no longer met, if your service is cancelled, or when your phone number, carrier, or plan eligibility changes.
- Provide a copy of the cellular billing statement upon request.
- Request a stipend renewal from your department at the end of each fiscal year.

Annual Renewal

The employee's budget manager and Vice President, Dean or Provost are responsible for an annual review of the business need for a cell phone stipend and whether the agreement needs to be changed, renewed, or discontinued. Prior to each fiscal year, a request form must be completed by the budget manager, approved by the area Vice President, Dean or Provost, and submitted, along with a copy of the most recent billing statement, to Human Resources in order to continue the stipend. A copy of the completed request form must be kept on file in the employee's department.

Change or Cancel Existing Stipend

If the employee resigns, is terminated, transfers departments, changes job duties, no longer requires telephone services, or otherwise no longer qualifies for an institutional stipend, the employee's budget manager is responsible for submitting a revised request form to Human Resources. A copy of the approved, revised request must be kept on file with the department. Human Resources will also keep approved request forms on file and available for internal or external audit. In the event that an employee leaves the position, he/she continues to be responsible for the contractual obligations of the cellular service plan.

University Provided Cell Phone Exceptions

University departments shall not purchase cellular telephones or cellular telephone service. There are limited circumstances in which a department can own a phone and line. Requests must go through the approval process, and service and equipment must be obtained through IMT. For all University owned cell phones and services, departments must ensure that cell phone use is documented and that phones are used for University business only or employees must reimburse the University for the personal calls. At the discretion of the University, a department may be permitted to continue purchasing cell phones and service where the phone is used only for University business purposes in the following situations:

- **Shared department cell phone:** Arrangement involving multiple individuals sharing one cell phone that does not leave the campus and is turned in by each employee at the end of his/her shift. This phone must be used for business purposes only. Phone log documentation is required.
- **On call department cell phone:** Used for business purposes only, this arrangement involves multiple individuals that take turns being on call and share one phone. Phone log documentation is required.

Exceptions for such phones should be approved by the department's Vice President, Dean or Provost and Chief Information Officer, based on the recommendation of the Budget Manager for the employee's respective department. Where exceptions have been approved, employees provided with a University owned cell phone must document all usage in accordance with the IRS substantiation rules. Employees must maintain a log with the following IRS required documentation for each call placed or received:

1. APU employee placing or receiving the call (for shared phones)
2. Date of call
3. Time of call
4. Business purpose of call
5. Place of use
6. Indicate business or personal call

Records documenting the business and personal use of the equipment must be retained by the department for audit purposes. All personal usage must be reimbursed by the employee at the established University per minute rate, and other charges should be reimbursed at the actual cost.

For University owned devices, the University will provide cell phone service and equipment. IMT will arrange for service and phone equipment, process the carrier invoices for payment, and bill the department for all service and equipment associated with their lines. Billing summary statements for monthly service charges are emailed to Budget Managers. Billing statements for equipment are mailed to the requestor. Call detail for each departmental line will be distributed to the department. Budget Managers are responsible for reviewing detailed billing statements monthly, preventing phone misuse, and ensuring that payment is received.

PDA Phones and Data Plan Eligibility

Some positions may necessitate that an employee is able to regularly send and receive time sensitive University email remotely, and computer access is not adequate for this purpose. To be eligible for a data plan stipend, the employee must have a PDA phone, and the equipment and plan must allow syncing with corporate email, calendar, and contacts. Certain PDA phones do not qualify for a data stipend because they do not connect to APU's email, calendar, and contacts. It is important to verify the eligibility of a PDA phone prior to obtaining it. Eligibility for a data plan stipend is based on the following:

- Real time decision making and University responsiveness is of an urgent nature and must be accomplished through email.
- Real time communications/responses by email are required when traveling, off campus, away from the office, or after hours.

Given that PDA phones may be storing and transferring critical APU data while connected to the internet, all APU Policies are applicable and will be enforced, including the Acceptable Use, Email, Data Security, and Mobile Data policies.

The level of support from IMT for PDA phones is limited to documentation provided for connecting to University email or University email, calendar and contacts.

Equipment

The employee is responsible for the purchase and maintenance of the cell phone or PDA phone and related accessories. Departments at their discretion may loan existing University equipment to employees as available. As new equipment is purchased by the employee, employees must return any borrowed University equipment and accessories to their departments as this equipment is owned by the University.

Other than University loaned equipment, the employee will own their device. The employee is responsible for the purchase, repair, maintenance, loss, damage, insurance, and/or replacement of phone equipment and accessories. The University will no longer service, replace, maintain, repair, or support cell phones on personal accounts.

Contract Changes or Cancellations

Most carriers charge an early termination fee for cancelling a contract prior to the end of the established term. In certain limited circumstances, the department will cover employee early termination fees. If a University decision is made (unrelated to employee misconduct) which results in the need to change or end the cell phone contract, the department will bear the cost of any associated contract termination fees. For instance if the University determines a phone is no longer required for the position, the employee changes positions or terminates employment with the University, the department will then reimburse the early termination fee billed to the employee. In order to be reimbursed in these circumstances, the original billing statement indicating the early termination charge billed is required for reimbursement to be considered. The employee is responsible for early termination fees in all other circumstances. For instance, early termination fees billed due to a personal decision, employee misconduct, misuse of the phone, or if changing providers after the stipend is initiated, the employee will bear the cost of any associated contract termination fees.