

DATE: August 24, 2012
TO: Departmental Chairs, Directors, Business Managers, etc.
FROM: Jeffrey J. West, Associate Vice President 
SUBJECT: Guidelines re: Departmentally Provided Cellular Phones

As a result of a recent internal audit conducted on payments to telecommunication companies, the auditors have recommended a renewed emphasis on the appropriate documentation needed when a department decides to purchase cellular phones and plans for the benefit and use of employees. Policy 4-005, Section III.C. states, "University departments may elect to purchase and own cellular telephones for employee business use, ***if there is a business reason to do so***". Payments to telecommunications companies for these services, whether made through the P-Card or through Payment Requests require adequate documentation of how expending University funds for cellular phones fulfills a legitimate business need. A few examples are spelled out in Section III.C.1. and 2.

Although there are exceptions, the inherent notion of having a department pay for these devices is that they are departmental (rather than personal) resources; and that their use is predominantly for University business. When these devices become (or are perceived) as an employee "perk" or primarily a personal device used somewhat for business, then the department should seek another solution. Where it is deemed necessary for an employee to have access to a cellular phone for University purposes, we recommend the department facilitate this through an employee reimbursement of the business portion of the cellular phone bill. This method is preferred by the University because of its simple and straightforward way of determining what portion of cellular phone usage is really attributable to business purposes - see Section III.B. of the policy and the related Rule 4-005A (Reimbursing Employee Mobile Communication Costs). This policy and rule can be reviewed in the University Regulations Library, in its entirety at <http://www.regulations.utah.edu/it/4-005.html>.

If your department chooses to continue providing cellular phones and plans to employees using University funds, please make note of Section III.C.3. which states, "University owned cellular telephones should not be used for more than de minimis personal business. Any personal use resulting in incremental charges shall be reimbursed to the University". It is the department's responsibility to monitor this by whatever means appropriate, and take action accordingly. It is also the department's responsibility to ensure that payments to telecommunication companies using University funds are adequately documented as to their business purpose.