



TO: Deans, Directors, and Department Chairs  
FROM: Jeffrey J. West, Associate VP  
SUBJECT: University-provided Cell Phones and Other Electronic Access Devices  
DATE: April 22, 2005

Cell phones and other electronic access devices have become commonplace; and often help facilitate the conduct of university business. These devices are frequently paid for with university funds, but the decision to incur such business expenses should always be evaluated from a cost/benefit perspective. One cost associated with these devices is the accounting and reporting of business vs. personal usage. Current policy regarding personal use of university telephones is found in PPM 2-70.3.7 – a policy that has not been updated since 1996, but is still in effect. This policy states:

*“The university telephone system is provided for the conduct of official business. Use of these facilities for personal business should be kept to a minimum. Toll calls for private business made through the university telephone should be charged to the individual's home telephone. If this is not possible (for instance, incoming private calls on university cellular telephones), a record of private calls made at university expense must be kept and repayment must be made immediately upon receipt of the telephone bill. Supervisors are responsible to prevent abuse and ensure that repayment is made”.*

Attached is a form that may assist you in your responsibilities to adequately document which employees have these devices, and can be used to formalize your agreements. Additional documentation should be kept by the employee regarding business vs. personal usage. Accounting for usage of cell phones paid for by university funds can be tedious, but is required by policy and by IRS regulations. Cell phones are considered “listed property” by the IRS, and as such, require strict substantiation of usage. If the proper accounting (and reimbursement for personal usage) is not performed in a conscientious manner, the entire cost of the cell phone and the monthly service plan is considered taxable to the employee and will be added to the employee’s W2 form as wages. If you are currently using university funds to pay for these devices in your area, we need to remind you of your responsibilities for proper accounting and for making sure reimbursements are obtained from your staff for personal usage.

In recent months, the Office of Information Technology (OIT) has been exploring alternatives to the practice of centralized management of university-provided cell phones. We have been in contact with other colleges and universities – many of which are trying to address this very same issue in new and creative ways. One promising approach we are looking at for implementation here is a salary “additive” program – which would add a fixed amount to certain employees’ pay to cover the cost of both a cellular phone and a monthly plan – costs that would be the responsibility of the employee. The employee would then be relieved of the burdensome substantiation requirements which are necessary under the current policy. Over the next few months, we will be experimenting with this concept - sorting through the mechanics of how this might work, and the details of new policies and procedures that would have to be implemented. Should the experiment prove that this concept will work here, we will proceed with the creation of a new University policy to govern the possession and use of these devices.

In the meantime, existing policy must be followed to ensure that usage of these devices is adequately substantiated, and that the university is reimbursed for all personal calls. Thank you.

**Associate Vice President  
Financial and Accounting Services**



I have read the terms of

Employee Mobile Communication Program  
Cellular Telephone Services Guidelines and Procedures  
Dated:

I understand that the use of University owned cellular telephone and service is restricted to business use pursuant to University Policy. I further understand that use of a University cellular telephone requires substantiation of business and personal usage. I agree to reimburse incoming and outgoing personal usage of a University cellular telephone upon receipt of the bill or statement. The reimbursement amount shall include direct charges for personal use and a pro rata share of monthly fees and services. (Note: To reduce administrative costs, if the reimbursement amount is less than \$10.00 in any given month, please add the amount to subsequent month reimbursement claims.)

I understand that, pursuant to IRS regulations, adequate substantiation of business use of University owned cellular services includes amount, time, date, place, and business purpose of the expense, and that substantiation of business use should be in the format of a record or log made at or near the time of the expenditure. I understand that, according to IRS regulations, unsubstantiated use of a University cellular telephone and service may be considered taxable income subject to employee tax withholding.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

APPROVED:

\_\_\_\_\_  
Supervisor (required)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Department Head Signature (required)

\_\_\_\_\_  
Date