

Cellular Phone Procedures

Purpose

This procedure will provide University of North Florida employees the freedom of choice and personal responsibility for his or her cellular phone usage and plan. It will also allow UNF to comply with IRS rules regarding the taxability of employee cell phones.

The IRS considers cell phones to be “listed property.” As such, it requires detailed record keeping (IRS Section 274(d)(4)), including (a) the amount of the expense, (b) the time and place of call, and (c) the business purpose of the call.

The IRS can declare that all undocumented use is personal and should be taxed as wages, even if the calls were primarily business calls. Receiving a taxable allowance for an individually owned cell phone removes this detailed documentation requirement.

Procedures

I. Frequent Use of Cell Phones for Business Purposes

A. Establishment and Payment of Allowance

In the event a UNF employee’s job duties require the frequent need for a cell phone, the employee will be eligible for an allowance to cover those cell phone expenses. The allowance may be requested any time during the fiscal year by using the Allowance Authorization Form.

B. Determination of Dollar Amount of Allowance

The dollar amount of the cell phone allowance should cover the employee’s projected business-related expenses. These expenses are the cost of the basic equipment, if data service is needed, and the cost of the employee’s monthly cell phone plan. The plan chosen should be the least expensive that will provide adequate business-related services. Determination of the dollar amount of the allowance is made at the department level but must be within the guidelines established under the Cell Phone and Associated Services Policy.

C. Use of Phone

The employee must retain an active cell phone contract while the cell phone allowance is provided. Because the cell phone is owned personally by the employee and the allowance provided is taxable income, the employee may use the phone for both business and personal purposes. The employee may, at his or her own expense, add extra services or equipment features.

Use of the phone in any manner contrary to local, state, or federal laws will constitute misuse and will result in immediate termination of the cell phone allowance.

D. Documentation and Review Requirements

The employee should submit an Allowance Authorization Form and a copy of his/her most recent cell phone invoice to his/her department head who will forward the information to Human Resources to initiate an allowance.

A divisional vice president or designee is responsible for determining if a cell phone and/or associated services device is required and/or if an existing cell phone allowance should be changed or discontinued. Use of the Allowance Change Request Form should be used to notify Human Resources when employees with allowances leave the University or change departments.

Employees receiving a cell phone or data service allowance need to annually recertify the business need for the allowance. Recertification will be required every year at the beginning of the fiscal year through annual contract, recertification form or other documentation.

E. Fees for Contract Changes or Cancellations

If the employee decides to cancel the contract prior to the end of the term, or employee misuse or misconduct of the cell phone results in the need to end or change the contract, the employee will bear the cost of any fees associated with that change or cancellation.

If a departmental decision (unrelated to employee misconduct) results in the need to end or change the cell phone contract, the department will bear the cost of any fees associated with that change or cancellation. For example, if the employee's duties have changed and the cell phone is no longer needed for business purposes, the change or cancellation fees will be reimbursed by the department.

Once the purchase allowance is given for an employee to purchase a device, the device remains the property of the employee. However, upon termination, the department must discontinue the monthly service allowance immediately.

F. Consultation with Information Technology Services (ITS) relating to associated services and the Controller's Office concerning allowance calculations

Information Technology Services is available to consult with departments in their selection of associated services equipment. When an allowance for associated services equipment is requested, ITS should be consulted to ensure compatibility with the available services. The Controller's Office is available to consult with departments concerning the employee allowances.

II. Infrequent Use of Cell Phones for Business Purposes

If an employee with no cell phone allowance needs to make business calls while on official University business, a University calling card should be used.

III. Processing Cell Phone and/or Cell Data Service Allowance

Original allowance forms must be sent to Human Resources. Once received, it may take up to two weeks to process. The allowance, which is not considered base salary, will be included in the employee's paycheck.