Issuance of university owned cellular telephones to employees or reimbursement for use of personal cellular telephone services used in conducting university business.

This policy is to establish guidelines regarding the issuance of cell phones by the University to employees and/or the method for employees to be reimbursed for use of personal cell phones used in conducting university business. It must be emphasized that the issuance of a University cell phone or other equipment must be for the benefit of the University and is not to be interpreted to provide personal cell phone service to the employee.

This Policy Statement is intended to keep the process as simple as possible without overbearing the employee or the University with undo paperwork or process. We wish to provide the employee and the university with the best possible situation regarding the issuance or reimbursement of cell phone service.

**Authorization:**

Employees seeking the issuance of a university cell phone must make a written request to their immediate supervisor demonstrating the business reason and need to have a university cell phone issued to them. This request must include the type of phone and what services that are needed by the employee (data, email, phone, etc), the monthly service plan (plan minutes), and the total costs (immediate and monthly costs) for the cell phone. Information on cell phone services is available from the Purchasing Office.

If the immediate supervisor approves the request, the request is then forwarded to their Vice Chancellor for approval and, if approved, forwarded to the Chancellor for final approval. Once the Chancellor approves the request, the department will send the approved request to the Purchasing Department along with a requisition to acquire the phone and related services. The cell phone will be issued via a local telecommunications provider via the Purchasing Office and the State Office of Telecommunications. The State Office of Telecommunications regulations require the approval of the Agency Head (Chancellor) for the issuance of all state (university) owned cell phones.
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Product availability, connectivity and maintenance:

To simplify the purchase and maintenance of university equipment, software, including the compatibility with the University’s information technology network, etc only certain brands, makes and models of cell phones may be allowed to be connected to the university network. The Information Technology Services (formerly Computing Services) department will be the office to approve the brand, make, and model of cell phones and related software that can be connected to the university network.

Taxation:

According to the Internal Revenue Service’s current ruling, the cost of personal calls on business phones, including cell phones is considered to be taxable income to the employee. LSUS will handle the taxation of personal calls based upon the employee having a university issued phone or an employee owned phone in the following manner:

1. University issued cell phone: Because of the complicated issues regarding rates and usage of the phone, the university will make the simple assumption that 25% of the calls made on the phone are for the employee’s personal use. Therefore, the Accounting Services Department will calculate this amount only on the base cell phone plan and will exclude any true business costs such as wireless data. Accounting Services will add this calculated amount to the employee’s annual earnings when W-2’s are issued. Employees may be exempt from this tax issue if they provide proof to Accounting Services that they carry a private cell phone in addition to the university issued one and that they provide a written statement that they make no personal calls on the university issued phone.

   Note: The University Police Department has a university cell phone issued to it, but that phone is issued to the department and transferred between on-duty officers on each shift. Because this phone is issued to the department and not issued to an individual, the employees within that department will not be assessed additional income.

2. Personal cell phones: Since the employee only being reimbursed for the specific business use of their personal cell phone, there are no tax issues.

Use of Personal Cell Phones and other Equipment for University Business:

There will be instances where it is more practicable for employees to use their personal cell phone for official university business rather than have a university owned cell phone issued to them. In these instances, the University may reimburse employees for their cell phone service based upon a percentage basis of personal calls versus
business calls multiplied times the base rate plan the employee is paying. The University will pay 100% of additional services (not phone calls or minutes) needed and required strictly for business use - example: Connectivity to wireless data, so the employee may receive university emails.

Calculation example:
A. The employee has a 700 minute plan that costs $70 per month (plus taxes).
B. The employee uses 500 total minutes during the billing cycle – 200 personal and 300 business
C. The employee may request a reimbursement of 60% (300/500) times the monthly rate of $70 + taxes which equals $42+ taxes.
D. The employee also has a charge of $50 + taxes for wireless data service, which the employee is allowed a 100% reimbursement.

Note: Reimbursement for taxes must be at the same percentage rate as the allowable reimbursement. Example: If the employee is eligible for reimbursement phone calls at 60% then the employee is also eligible for reimbursement of 60% of the taxes assessed on those phone calls.

Allowing reimbursement of any cost of an employee’s personal cell phone must be for the benefit of the University.

Please be aware that due to budget restrictions, the Department Head may restrict the amount available to reimburse employees for use of their private cell phones for business use.

**Eligibility for reimbursement for business use of private cell phones:**

To be eligible for monthly reimbursement for business use of a private cell phone, the employee must follow the requirements to have a university cell phone issued to them, as stated above.

Reimbursed process:

1. The employee must attach a copy of the detailed bill listing all calls made on that phone.
2. The employee must identify the personal calls made on that detailed call list, then calculate the amount to be reimbursed (Business minutes divided by the total number of minutes, multiplied by monthly rate (rate plus taxes) and add in any additional approved services to be reimbursed (such as connectivity to wireless data))
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3. Submit a reimbursement request to their immediate supervisor who (if approved) will forward the request to Accounting Services for payment to the employee.

Connectivity of personal cell phones to University systems:

To simplify the purchase and maintenance of university equipment, software, including the compatibility with the University’s information technology network, etc only certain brands, makes and models of cell phones will be allowed to be connected to the university network. The Information Technology Services (formerly Computer Services) department will be the office to approve the brand/make/model of cell phones and related software that can be connected to the university network.

Items and services not reimbursable under this policy:

1. Personal Phone. If the employee is requesting reimbursement of personal cell phone services, the phone is the legal property of the employee and thus the University may not reimburse the employee for the cost of the phone or any accessories for that phone.
2. Phones or any service for other members of the employee’s family. It is understood that an employee may need to provide phone service to the members of their immediate family via their specific personal phone plan. However, the employee is prohibited from requesting any reimbursement for any costs that do not relate to “official university business”.
3. Penalties, contract breaches, upgrade fees, etc, assessed by the phone service provider to the employee, unless the employee can demonstrate that the cost is “business related”.
4. Cell Phone Services not required to be used for business purposes. Example: GPS service, multiple (non-university) email accounts, etc.
5. Directory assistance, roaming charges or other charges that are not business related.

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