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
Employee Cellular Services Agreement  
University Owned Cellular Plans and Devices

<table>
<thead>
<tr>
<th>Name (Last, First, MI)</th>
<th>EmplID</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department</td>
<td>Work Telephone</td>
</tr>
<tr>
<td>Work Address</td>
<td>E-Mail Address</td>
</tr>
</tbody>
</table>

The following University owned communication device is approved by the department.

(Initials of Department Head required next to device authorized for business use by employee)

<table>
<thead>
<tr>
<th>Initials of Dept Head</th>
<th>Approved $/One Time</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cellular telephone: Nonrecurring instrument, battery and activation</td>
</tr>
<tr>
<td></td>
<td>Personal Digital Assistant (PDA): Nonrecurring instrument and activation</td>
</tr>
<tr>
<td></td>
<td>Telephone/PDA Combination: Nonrecurring instrument, battery and activation fee</td>
</tr>
</tbody>
</table>

The following monthly recurring communication plan is approved by the department

(Initials of Department Head required next to option selected)

<table>
<thead>
<tr>
<th>Initials of Dept Head</th>
<th>Approved $/Mo.</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>Monthly cellular plan based on ( \text{_______ plan minutes*}. )</td>
</tr>
<tr>
<td></td>
<td>plan minutes, nationwide coverage, caller id, call waiting, and voice mail</td>
</tr>
<tr>
<td></td>
<td>long distance (may be included in plan)</td>
</tr>
<tr>
<td></td>
<td>data plan (option)</td>
</tr>
</tbody>
</table>

\*number of minutes included in cellular plan, excluding overage.

Business justification:

___________________________________________________________________________________________
___________________________________________________________________________________________
___________________________________________________________________________________________
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