

<b>SUBJECT:</b>  Cellular Telephone Acquisition and Use	<b>Effective Date:</b> 04/18/12	<b>Policy Number:</b> 4-009.2
	<b>Supersedes:</b> 4-009.1	<b>Page      Of</b> 1            6
	<b>Responsible Authority:</b> Chief Human Resources Officer	

DATES OF INITIAL ADOPTION AND EFFECTIVE DATES: 1-1-08, 5-20-08

#### APPLICABILITY/ACCOUNTABILITY

This policy applies to all university employees.

#### POLICY STATEMENT

Employees whose job requires them to use a cell phone for university business, as outlined in this policy, will be eligible to receive an allowance for the purchase of a cell phone and a monthly reimbursement for the cost of cell phone service, a university-provided cell phone in lieu of receiving reimbursement for using a personal cell phone service, or reimbursement for business calls made with an employee-owned cell phone.

#### DEFINITIONS

**Cell Phone.** Any device that is used to make or receive wireless calls, including any smart phone that provides email and Web functions, such as iPhone, Blackberry, and Droid, plus accessories.

**Authorizer.** President, vice presidents, vice provosts, deans, or their designees.

#### BACKGROUND

On September 14, 2011, the Internal Revenue Service (IRS) issued Notice 2011-72, simultaneously with a Memorandum to all IRS Field Agents, which provides that if a cell phone is provided to an employee primarily for "noncompensatory" business purposes (the cell phone is not considered part of the employee's compensation, but intended to facilitate work outside the office or office hours), both the business and personal use of the phone will be nontaxable and substantiation requirements will be deemed to be satisfied.

As a result, the university will now allow direct purchase of cell phones and payment of monthly service charges by the university, as well as continue to reimburse employees who personally purchase cell phones and pay the monthly service charges. Because reimbursements for monthly service charges are no longer taxable, any gross-up for taxes previously included in service reimbursements will be discontinued. Reimbursement for equipment purchases continues to be taxable so equipment reimbursements will be made with a gross-up for taxes.

## PROCEDURES

1. Departments or units will have the following options for providing cell phones and similar wireless communication devices to employees:
  - a. **Option 1 - Reimbursement Through Payroll for Employee-Owned Cell Phones** - Employees whose job duties, in the opinion of the Authorizer, necessitate the regular use of a cell phone may personally purchase the cell phone, pay the monthly charges, and be reimbursed, with a gross-up for taxes, for the cost of purchasing the device and without a gross-up for taxes for the monthly service charges. The opinion of the Authorizer should be based upon substantial noncompensatory business reasons. The reimbursements will be made through the payroll process.
    - I. A Cell Phone Allowance Request form shall be completed and maintained in the department as documentation for audit purposes, with a copy submitted to Human Resources.
    - II. Reimbursement for purchase of a cell phone may be made no more than once every two years. The appropriate reimbursement should be determined and documented by the Authorizer, but should not be more than \$300 (not including any gross-up costs), absent approval by the dean or appropriate vice president.
    - III. Reimbursement for monthly service charges should not exceed \$57.50 bi-weekly without approval of the appropriate dean or vice president.
    - IV. It is the intent of this policy to provide Authorizers with the latitude necessary to provide fair reimbursements to employees while maintaining proper budget control. It is not expected in most cases that the amount of the reimbursement will cover the total cost of the equipment and/or service plan because it is expected that the device will be used for personal use as well as business use.

- V. Authorizers should document how they arrived at the amount of the reimbursement and the noncompensatory business purpose. Departments should ensure that employees are familiar with the requirements of the cell phone policy and that appropriate documentation of how the allowance was determined is maintained by the department for audit purposes.
  - VI. A cell phone acquired by this method is considered to be the personal property of the employee and may be used in any way the employee deems appropriate. Any service contract entered into by the employee related to the acquisition and operation of a cell phone acquired by this method is personal to the employee. The university will have no obligation nor make any guarantees with respect to such contracts. However, the university will provide a letter to any cell phone provider that the cell phone is to be used for the conduct of university business, if the cell phone provider will provide discounts or university rates.
- b. **Option 2 - University Provided Cell Phones** – The department may directly purchase a cell phone for its employees and directly pay the monthly service charge for those employees who have a demonstrated and documented need for a cell phone. Departments must maintain documentation of the justification for the employee’s business need for the cell phone.
- I. A Cell Phone Request form shall be completed and maintained in the department as documentation for audit purposes, with a copy submitted to Finance and Accounting.
  - II. University provided cell phones should be used primarily for official business purposes. However, it is recognized that personal calls are unavoidable. When university-owned equipment is provided to an employee, it remains the property of the university and should be returned to the Authorizer or designee whenever the cell phone is no longer needed or if the employee transfers or terminates employment with the university.
  - III. Payments will be made through Accounts Payable. If changes in the required business use of the communication device occur, modifications may be required.
  - IV. New equipment should be purchased no more than once every two years.

- c. **Option 3 - Reimbursement for Business Use of Personal Cell Phone** –  
A department may reimburse an employee for business calls paid for by the employee using personal cell phone service where the employee does not receive a monthly cell phone reimbursement. Written evidence, such as a monthly phone bill and a statement describing the business purpose of the call, is required for reimbursement.
  - I. A copy of the personal cell phone bill is required to be provided to the departmental office manager with the calls identified as being business related and the business purpose.
  - II. A memo requesting reimbursement and a copy of the personal cell phone bill charges being reimbursed should be forwarded to Accounts Payable to support the payment.
- 2. **Department and Authorizer Responsibility** - The Department and Authorizer are responsible for the following:
  - a. determining whether the employee’s position requires a cell phone based upon his or her job responsibilities;
  - b. maintaining appropriate documentation to support the need for a cell phone and the cost of acquisition and monthly service charge;
  - c. determining which of the options described above is most appropriate for an employee requiring a cell phone;
  - d. processing the direct purchase or reimbursement through the Accounts Payable, PCard or Payroll system as appropriate;
  - e. ensuring that a university-provided cell phone remains the property of the university and is turned into the Authorizer or designee when the equipment or cell phone service is no longer needed, or if the employee transfers or terminates their employment with the university;
  - f. for cell phones paid from a grant or contract or overhead or balance account, obtaining approval from the Office of Research and Commercialization.
- 3. **Employees Responsibility** - Employees are responsible for the following:
  - a. In the case of a reimbursement for a personal cell phone:
    - I. provide the Authorizer with appropriate information or documentation to support the expected business need and the amount of the reimbursement;
    - II. notify the Authorizer when there has been a significant change in the business need for cell phone reimbursement.

- b. For a university-owned cell phone:
  - I. ensure that the cell phone is used primarily for university business;
  - II. ensure the physical protection of the cell phone from damage or unauthorized use;
  - III. ensure that the cell phone is returned to the university when it is no longer needed or the employee transfers or terminates employment with the department;
  - IV. provide the university department with the current access number or address of the communication device within five working days of activation;
  - V. notify the Authorizer within five days of inactivation of the device. An employee is prohibited from continuing to collect a monthly communication plan reimbursement when the device is no longer active or needed for the performance of the employee's job responsibilities;
  - VI. ensure that the cell phone is not used for commercial or political activity.

## CONTACTS

Finance and Accounting, 12424 Research Parkway, Suite 300, Orlando, FL 32826-3249. Main number: (407) 882-1000.

Human Resources, Attention: Payroll, 3280 Progress Drive Suite 100 Orlando, FL 32826-3229. Main number: (407) 823-2771.

Computer Services and Telecommunications Service Desk, [servicedesk@ucf.edu](mailto:servicedesk@ucf.edu) or (407) 823-5117

## RELATED INFORMATION

[http://hr.ucf.edu/web/forms/alpha\\_index.shtml#P](http://hr.ucf.edu/web/forms/alpha_index.shtml#P)

<http://www.research.ucf.edu/Compliance/CellPhones.html>

<https://publishing.ucf.edu/sites/itr/cst/pages/telecomCellphones.aspx>

[http://www.fa.ucf.edu/Forms/Forms.cfm#FOrms\\_Vendor](http://www.fa.ucf.edu/Forms/Forms.cfm#FOrms_Vendor)

INITIATING AUTHORITY

Vice President for Administration and Finance and Chief Financial Officer

**POLICY APPROVAL**  
(For use by the Office of the President)

Policy Number: 4-009.2

Initiating Authority: Walter J. Mentzer Date: 4-19-12

Policies and Procedures  
Review Committee Chair: John S. Lewis Date: 4-19-12

President or Designee: John C. Hill Date: 4/23/12