Christopher Newport University

Policy: Cell Phone Allowances Policy  
Policy Number: 3025

Executive Oversight: Executive Vice President  
Contact Office: Business Office  
Frequency of Review: Biennially  
Date of Last Review: January 2018

A. PURPOSE

This Policy provides requirements for the use of cell phones for business purposes. Employees whose job duties include the frequent need for a cell phone may receive extra compensation, in the form of a cell phone allowance, to cover the business-related costs.

B. POLICY STATEMENT

The Cell Phone Allowance Program is designed to pay the business-use portion of an employee’s bill, given that mobile communication devices are currently being used for both business and personal use.

C. PROCEDURES

1. Establishment and Payment of Allowance

The Cell Phone Allowance will be based on business need. Individuals whose duties include the following may be eligible for an allowance:

- Designated personnel
- Critical decision maker
- Primary job duties include safety or security
- Required by University to spend considerable time outside assigned office or work area and it is important to the University that the employee be accessible at all times
- Required by University to be accessible outside of scheduled or normal working hours on a continuous basis

The employee’s supervisor and appropriate vice president must certify, in writing, that the employee meets at least one of the criteria and that they recommend the employee for an allowance to cover business cell phone expenses. In addition, the President, Chief of
Staff, Provost or Vice President may require an employee to participate in this program because of the nature of their job.

This allowance shall be requested using the Cell Phone Allowance Agreement. The request may be made at anytime during the fiscal year. In order for the cell phone stipend to continue without interruption, each year, a copy of the employee’s cell phone contract (for the initial allowance) or latest cell phone bill (for annual renewal) must be forwarded to the Business Office. Allowances will not be paid retroactive. All allowances will be processed on the first available payroll.

This allowance does not constitute an increase to base pay, and will not be included in the calculation of percentage increases to base pay due to annual raises, job upgrades, etc.

The Cell Phone Allowance Agreement requires the employee to certify that they will comply with the following:

- Employee will purchase cellular phone service and equipment and assume responsibility for vendor terms and conditions. Employee agrees that they are responsible for plan choices, service levels, calling areas, service and phone features, termination clauses and payment terms and penalties.

- Employee agrees that they are responsible for the purchase, loss, damage, insurance, and/or replacement of phone equipment.

- Employee will promptly report to their department head any updates or changes regarding cell phone numbers or plan changes that could impact the access to cellular service.

- Employee will provide the University a copy of their cell phone service agreement and annually a copy of their last cell phone bill.

- Employee agrees to carry the cell phone with them, keep it charged and in operational condition, use it appropriately, and be accessible for business use of the cellular phone device as required by their department head or supervisor.

- Employee agrees that their cell phone number may be distributed for business purposes.

2. Determination of Dollar Amount of Allowance

The dollar amount of the cell phone allowance has been calculated to include the employee’s projected business-related expenses only, which include the cost of basic equipment, and the employee’s cell phone use related to business. Upgrades to basic equipment (special cosmetic or technical features, etc.) or expected cell phone use unrelated to business, cannot be considered. Determination of the dollar amount of the allowance must be within the guidelines and authorized in writing by the Executive Vice
President. Tax considerations have been taken into account when determining allowance levels.

Monthly Allowance based on business needs:

1. Voice Plan Level 1        $40.00
2. Voice Plan Level 2        $80.00  ($35 taxable)

The plan level for employees will be determined by the University, based on University business requirements, not the services an employee chooses to obtain. All Voice Plan Level 2 allowances require the approval of the Chief of Staff.

- Allowance rates will be periodically reviewed.
- A portion of the Level 2 plan will be considered taxable income to the employee.
- The amount will be included in the employee’s paycheck and will appear monthly.

3. Use of Phone

The employee must retain an active cell phone contract as long as a cell phone allowance is in place. The employee may, at their own expense, add extra services or equipment features, as desired.

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.

4. Documentation and Review Requirements

The Executive Vice President is responsible for an annual review of the list of employees receiving the cell phone allowance, to determine if existing allowances should be continued as is, changed, or discontinued, and to determine if any new allowances should be established.

These documents are subject to audit at any time by the Finance Division, Internal Audit, management and external auditors engaged by the state or federal government.

5. Fees for Contract Changes or Cancellations

If, prior to the end of the cell phone contract, a personal decision by the employee, or employee misconduct, or misuse of the phone, results in the need to end or change the cell phone contract, the employee will bear the cost of any fees associated with that change or cancellation. For example, if the employee leaves employment with CNU and no longer wishes to retain the current cell phone contract for personal purposes.
If, prior to the end of the cell phone contract period, a University decision (unrelated to employee misconduct) results in the need to end or change the cell phone contract, the University will bear the one time cost of any fees associated with that change or cancellation. For example, the employee’s supervisor has changed the employee’s duties and the cell phone is no longer needed for University purposes. If the employee does not want to retain the current contract, change or cancellation fees will be reimbursed by the University with the appropriate documentation of the transaction.

6. Departmental Responsibilities

   It is the supervisor’s responsibility to notify Human Resources, in writing, to terminate a cell phone allowance if the employee resigns, is terminated, transfers departments, or no longer qualifies for a University allowance.

   Because the allowance is based on an employee’s primary job, Executive Vice President approval is required if an employee changes their primary job.

7. Infrequent Use of Cell Phones for Business Purposes

   If a University employee’s job duties do not include the frequent need for a cell phone, then the employee is not eligible for an allowance to cover cell phone expenses. Such employees may request reimbursement for the actual extra business expenses of business calls made using their own cell phone (but reimbursement for per-minute “air time” charges is limited to the total overage charge shown on the invoice, i.e., expenses for minutes included in the plan will not be reimbursed.) The individual should make personal payment to the provider, and then should submit appropriate documentation requesting reimbursement from the university. A copy of the invoice must be attached, with the business calls clearly marked along with the purpose of the call. Reimbursements will not be processed for less than $10.00, consequently employees should accumulate calls and submit once they have exceeded this limit. (This may involve submitting phone bills for several months.)

8. Departmental Provided Cell Phones

   There may be instances where a cell phone has multiple users and may be deemed a departmental phone. (e.g. on-call phone) A departmental phone must not be used by or assigned to a specific individual. The department head is responsible for reviewing monthly billing statements for departmental phones and certifying that all usage charges are for business purposes only. The university will continue to provide this service. In addition, the university will pay for data air cards and/or data plans for the Emergency Policy Group only.

9. Exceptions

   Exceptions to this policy may be made by the President or Chief of Staff.
D. APPROVAL AND REVISIONS:

Approved By: Chief of Staff and Executive Vice President, February 1, 2010

Revision #1: Chief of Staff and Executive Vice President, May 1, 2013

Revision #2: Policy Committee, January 10, 2018

E. NEXT REVIEW DATE: January 2020