

# Cellular Telephone Use

<b>Subject</b>	Cellular (mobile) telephones
<b>Manual</b>	Administrative Policy
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<b>Filing Instruction</b>	Archived on Intranet
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<b>Issued By</b>	Jonathan Feldman, Director, IT Services; Barbara Whitehorn, Director, Finance and Management Services

## Purpose

It is the policy of the City of Asheville to provide mobile telephones and/or handheld communications devices to employees for business use as determined by department directors.

The purpose of this policy is to establish and communicate the responsibilities of departments, define the procedures for the assignment of telephone equipment and services.

## Scope

This citywide policy is intended to communicate the minimum, standard guidelines for mobile phone use. At the discretion of the Department Director, additional requirements and controls consistent with these guidelines may be implemented to enhance operational effectiveness. Each department will work with the Information Technology Services Department to secure mobile service plans that meet their departmental needs (e.g. coverage area, specific provider features),

## Lifecycle

Mobile phone technology is to be made available to employees in positions where the benefits associated justify the additional expense. Mobile phone use should be authorized if there is evidence that the mobile phone aids service delivery and/or increases productivity.

Each Department shall be responsible for reviewing and budgeting for its mobile bill and reconciling discrepancies, in coordination with IT Services, in a timely manner. Payment for new accessories or replacements to any mobile phone will be the responsibility of each Department.

New phones or replacements shall be approved and coordinated through IT Services and budgeted for by the Department that requires the phone. IT Services will work with the employee to acquire a telephone that meets the employee's needs and is also supportable by IT Services. IT Services is responsible for providing a list of supported phones for purchase.

Department Directors or their designees are responsible for approving and assigning mobile phones to employees. Division Directors or the Department Director's designees are responsible for reviewing the billing for mobile charges of each employee to ensure compliance with policy. Periodic internal audits will be conducted by the City's internal auditors to ensure compliance with policy.

When an employee leaves City employment, the Section Administrator or Department Director designee is responsible for recovering City owned communications equipment and canceling service if appropriate.

## Security and safety

1. Security of the mobile telephone is the responsibility of each employee. This includes deterring theft by proper storage when not in use and being careful when on remote job sites. In the event the telephone is stolen or missing, the employee must immediately contact his supervisor and the IT Services Help Desk so that the service can be deactivated and/or remotely erased.
2. Employees shall use a "hands-free" option while motor vehicle is in use. If hands-free *is not available, the employee shall not operate motor vehicle while using mobile phone. Emergency responders may utilize the radio and cellphone while driving during emergency response should the situation require it.*
3. Employees are reminded of NC state law NCGS §20.137.4A, which prohibits texting and email while operating a vehicle. All employees, including emergency responders, shall not operate a motor vehicle while texting, emailing, or using web services on any device.

## General Guidelines for City of Asheville issued equipment

1. Employees shall acquaint themselves with the City's mobile rate plan (Plan). It is the responsibility of each employee to understand that mobile phone usage in a manner not consistent with business needs can result in substantial cost to the City, may be deemed the responsibility of the employee, and therefore be reimbursable to the City.
2. Mobile devices shall be used for appropriate business purposes. Such use is defined to be appropriate when an employee must make a call related to furthering City operations, does not have access to a

conventional telephone, and the call should not wait until returning to the office. The City also expects employees to be good citizens and use mobile telephones to report emergency situations to the appropriate authorities.

3. Mobile telephones may have charges for both incoming and outgoing calls. Local calls may incur airtime charges if Plan minutes are exceeded.
4. Regular maintenance and care of the mobile telephone is the responsibility of the employee to whom the phone is issued. If a mobile telephone is damaged, or fails to work properly, the employee must notify the IT Services Help Desk. Significant damage to the mobile telephone may require the department to bear the cost of the repair, Supervisors may conduct a coaching session or take disciplinary action based on patterns of equipment abuse or loss.
5. Calls to user-pay telephone numbers (e.g. 900) are prohibited at any time, regardless of reimbursement intentions.
6. The mobile phone should only be used by City employees, except in cases where citizens involved in emergencies are allowed to use the phone to make emergency contacts.
7. Telephone users should make every effort to avoid using directory assistance (both local and long distance) since such calls result in charges to the City, Collect calls must not be accepted unless the call is deemed an emergency. The purpose of the acceptance of a collect call should be documented on the invoice.
8. The City's Plan includes unlimited text and data for certain mobile devices, Telephone users without unlimited text services should make every effort to avoid incurring charges for text messages.

### Limited personal use

Calls that are not related to City business, and that increase phone usage over the Plan limit, must be considered for employee reimbursement to the City, Calls that are initiated because of City business do not have to be reimbursed.

**Permitted work-related calls** are those calls that are **directly related** to impacts of the employee's job, and include the following calls:

1. Calls for food delivery when the employee is in the field and a wired telephone is not available.
2. Calls to home or doctor if employee is injured or becomes sick at work.
3. Calls to notify an employee's family or other appropriate parties to inform them of a schedule change caused by official business or transportation schedule changes or delays.
4. Calls made when an employee is required to work overtime without advance notice. The call may be to advise family or other appropriate parties of the schedule change and to make alternate transportation arrangement or child care/dependent care arrangements.

**Personal use (reimbursable) calls** may include:

1. Calls to organizations that can only be reached during working hours such as a physician's office, a garage, a plumber, etc.
2. Calls to speak to a spouse, minor child, dependent parents, or those responsible for their care.

Any personal use of a City of Asheville mobile phone must be of appropriate duration and frequency in order to not adversely affect the performance or duties of the employee. Supervisors may conduct a coaching session or take disciplinary action if an employee's performance is adversely impacted by the duration and/or frequency of mobile phone use for personal reasons.

## Reimbursement guidelines

Employees and their supervisors should follow these steps to determine whether the City is due any reimbursement for personal calls. Personal calls may include incoming and outgoing calls:

1. Determine from the statement whether the number of minutes used for phone calls exceeds the Plan limit for the billing period. If Plan limit is NOT exceeded, no reimbursement is due. If Plan limit is exceeded, proceed to step 2.
2. Identify on the statement all personal calls made during the billing period. If NO personal calls were made, no reimbursement is due. If personal calls are identified, add up the number of minutes used for personal calls and then proceed to step 3.
3. Divide the cost of the monthly service by the number of Plan minutes to establish a "per-minute cost". Multiply the "per-minute cost" by the number of minutes used for personal calls. If the cost of these personal calls is LESS than \$10.00, no reimbursement is due. If the cost of these personal calls exceeds \$10.00, reimbursement of the full amount relating to personal calls is due to the City.

Examples:

### *Employee A*

*In the example below, Employee A reviews her monthly bill and determines that her total minute usage for the billing period is 80. Because her Plan limit is 400 minutes, she owes \$-0-reimbursement to the City for 25 minutes of personal calls detailed on her statement.*

*Employee A*

## Usage and Purchase Charges

Voice	Allowance	Used	Billable	Cost
Share Plan	400 (shared) minutes	80	—	—
Mobile to Mobile	unlimited minutes	321	—	—
Night/Weekend	unlimited minutes	252	—	—

### *Employee B*

*In the following example, Employee B reviews his monthly bill and determines that his total minute usage for the billing period is 1,509. Since he has exceeded his Plan limit of 400 minutes, he identifies all personal calls on his statement.*

*Employee B*

## Usage and Purchase Charges

Voice	Allowance	Used	Billable	Cost
Share Plan	400 (shared) minutes	1509	—	—
Mobile to Mobile	unlimited minutes	394	—	—
Night/Weekend	unlimited minutes	1273	—	—

*There are 40 minutes of personal calls on the statement. He performs the following calculations in order to determine whether to reimburse the City for his personal calls:*

- (\$48.00 monthly cost of his service) divided by (400 Plan minutes) = 12 cents per minute*
- (12 cents per minute) multiplied by (40 minutes of personal calls) = \$4.80*

*Because the cost of his personal calls is less than \$10.00 he owes \$-0- reimbursement to the City for the 40 minutes of personal calls detailed on his statement.*

*If, however, in this second example, Employee B identifies 95 minutes of personal calls on the statement, his calculation to determine whether to reimburse the City for his personal calls Would look like this:*

- (\$48.00 monthly cost of his service) divided by (400 Plan minutes) = 12 cents per minute*
- (12 cents per minute) multiplied by (95 minutes of personal calls) = \$11.40*

*Because the cost of his personal calls exceeds \$10.00 he owes \$11.40 reimbursement to the City for the 95 minutes of personal calls detailed on his statement.*

## Conformity to IRS regulation

IRS regulations, clarified in 2011, state that the business use of an employer-issued cell phone is excluded from gross (taxable) wages:

"When an employer provides an employee with a cellphone primarily for noncompensatory business reasons, the IRS will treat the employee's use of the cell phone for reasons related to the employer's trade or business as a working condition fringe benefit, the value of which is excludable from the employee's income..." (IRS Notice 2011-72)

Furthermore, personal use of an employer-issued cellphone is also excluded from gross (taxable) wages:

"Personal use of an employer-provided cellphone, provided primarily for noncompensatory business reasons, is excludable from an employee's income as a de minimis fringe benefit" (IRS Publication 15-B, 2014)

The IRS defines a de minimis fringe benefit as "any property or service the value of which is...so small as to make accounting for it unreasonable or administratively impracticable" (IRS Code Section 132(e)).

The IRS, therefore, requires the City to neither seek employee reimbursement nor include the value of personal use of employer-issued cell phones in gross wages. However, in order to establish sensible and manageable policy guidelines, the City will recoup from employees certain costs for personal use of employer-issued cell phones, as outlined in the "Reimbursement Guidelines" section of this policy.

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