AP 6450  Wireless or Cellular Telephone Use

References:
Vehicle Code Sections 12810.3, 23123, and 23124;
Internal Revenue Code (I.R.C.) Sections 274(d)(4) and 280(d)(4)

The Santa Clarita Community College District has identified the need for selected employees to use cell phones, wireless handheld devices, and hands-free devices for College business purposes. The District will provide eligible employees with either an allowance for approved phone service and equipment or a District owned cell phone plan and equipment, based on the recommendation from the employee’s Executive Cabinet level supervisor. This procedure is intended to limit the number of eligible employees where a business necessity exists.

Note: An option NOT adopted by the District was to reimburse employees for use of their own wireless or cellular telephones. This option would have required the employee to account for their expenses pursuant to the Internal Revenue Service Accountable Plan guidelines by keeping a record of all calls on their personal phone. In this case, the reimbursements would have been excluded from wages.

Determining Eligible Employees

Employees may be recommended for a cell phone based on:
- The nature of work performed by the employee;
- The need to maintain contact during work hours and non-work hours;
- The need for after hours calls for facilities and critical systems;
- Emergency responder status;
- Jobs that require a considerable amount of time to be spent out of the office.

The Chancellor of the District is automatically eligible for two cell phone allowances as well as an allowance for an alternative mobile wireless internet device in order to ensure cell phone reception and connectivity in all areas of the State. Cell phone (smart phone) allowances will be valued based on the “Voice and Data” rates on page 3. The alternative mobile wireless internet device allowance will be valued based on the “Voice or Data” rates on page 3. The Chancellor will be eligible for equipment reimbursements for two phones, an alternative mobile wireless internet device, and the related accessories. Equipment reimbursement will be calculated so that the after tax reimbursement equals the total cost of the equipment. The standard equipment reimbursement provisions on page 3 will not apply to these phones and the mobile wireless internet device.

Members of Executive Cabinet are automatically eligible for one cell phone with a voice and data plan and a hands-free device. The Executive Cabinet Member in charge of Campus Safety is automatically eligible for a second cell phone allowance and equipment reimbursement, for a phone to be used by the on-duty officer at the Valencia Campus. Equipment reimbursement for this second phone will be calculated so that the after tax reimbursement equals the total cost of the equipment. The standard equipment reimbursement provisions on page 3 will not apply to this phone.

Cell Phone Allowance vs. District Cell Phone

Once an employee has been identified as requiring a cell phone, the Executive Cabinet level supervisor will evaluate the employee’s projected usage and equipment needs to determine which option is the most appropriate for the employee:
Option 1: Personal Cell Phone - Payroll Allowance (Majority of Employees)

- Taxable allowances for monthly cell phone plan for voice only or voice and data.
- Taxable allowances for equipment (cell phones/wireless hand-held devices/hands-free devices).

Option 2: District Owned Cell Phones (Selected Employees or Departments)

- Equipment and monthly cell phone plan is to be provided by and paid for by the District. This option requires the employee to log all calls and reimburse the District for a pro-rated amount of all personal calls.

Option 1: Personal Cell Phone - Payroll Allowances

- Monthly cell phone service plan allowance will be provided to employees through the payroll system, coinciding with the first pay period of the month following the month of use. The type of service plan will be determined as voice only or voice and data. Allowances should be approved with an effective date on the first of the month closest to the date employee is eligible for allowance. For example, if an employee is eligible for a cell phone allowance effective on a date falling within the 1st through the 15th of a month, the allowance will be effective on the 1st of the month. If an employee is eligible for a cell phone allowance effective on a date falling within the 16th through the 31st of the month, the allowance will begin effective on the 1st of the following month. Cell phone allowances will not be pro-rated for partial months.

- When estimating business usage to determine which level (low usage, medium usage or high usage) of allowance is appropriate and which equipment will be approved, consideration should be given to spikes in usage the employee may regularly experience due to emergencies, shutdowns, and travel (including roaming charges), as well as the need for data and text capabilities. If the employee's job is such that these spikes are expected to occur on a regular or frequent basis, the employee should be assigned an allowance amount that, on average, will cover these costs.

- As changes occur in the employee’s usage or if the original estimate was not accurate, the employee may ask the Executive Cabinet level supervisor to re-evaluate their approved cell phone service plan and/or equipment allowance by providing the Executive Cabinet level supervisor details of their actual charges for business related calls, data and text messages. The Executive Cabinet level supervisor may re-determine eligibility or adjust the amount of allowance for an eligible employee as needed, based on actual business usage. If an employee changes job responsibilities and/or Executive Cabinet report, the current Executive Cabinet report should review the cell phone allowance to ensure it is still applicable to the employee’s current job responsibilities. The current Executive Cabinet report should submit a Personnel Action Form to indicate the allowance was reviewed and give direction to Human Resources and Payroll to 1) continue the allowance as previously determined, 2) indicate a change in the allowance level, or 3) discontinue the allowance because it is no longer applicable to the employee’s current job responsibilities.

- In exceptional cases, an employee may be approved for a retroactive increase in their allowance amount if the original allowance was not sufficient to cover business charges, or a one-time increase in their allowance amount due to additional costs incurred as a result of an unanticipated spike in business usage due to an emergency situation. Employee should consult their Executive Cabinet level supervisor for approval.

- Authorization to pay on-going monthly allowances for cell phone services and/or initial purchase must be submitted to Human Resources for Board approval using a Personnel Action Form. Any changes in a current allowance should also be submitted using this form, including discontinuance of the allowance.
• Authorization to pay equipment reimbursement payments must be submitted to Human Resources for Board approval using a Personnel Action Form.

Upon termination (including retirement), payroll will remit a final cell phone allowance based on the termination date. If the termination date is between the 1st and the 15th of the month, there will be no stipend for that final month of employment. If the termination date is between the 16th and the 31st, the employee will be paid the cell phone allowance for that final month of employment.

**Allowances – Paid as taxable additional compensation:**

<table>
<thead>
<tr>
<th>Cellular Monthly Service Plan Allowance Levels:</th>
<th>Voice or Data</th>
<th>Voice &amp; Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Usage: Averaging up to 600 minutes</td>
<td>$ 50</td>
<td>$ 85</td>
</tr>
<tr>
<td>Medium Usage: Averaging 600 through 1,000 minutes</td>
<td>$ 61</td>
<td>$ 96</td>
</tr>
<tr>
<td>High Usage: Averaging more than 1,000 minutes</td>
<td>$116</td>
<td>$151</td>
</tr>
</tbody>
</table>

**Cell Phone Equipment Reimbursement:**

Employees receiving monthly cell phone service plan allowances may also submit equipment reimbursement requests for the cost of cell phones, data devices, and hands-free devices less any rebates based on their approved allowance level.

**A. Initial Conversion Equipment Reimbursement**

(Optional-see interim procedures section if you prefer to take ownership of your current district owned cell phone).

Not to exceed $100   Employees authorized for **Voice Only** usage level

Not to exceed $200   Employees authorized for **Voice & Data** usage level

Not to exceed $75    Hands-free device (Executive Cabinet Members Only)

*Original receipts must be submitted for reimbursement.*

**B. Subsequent Equipment reimbursement (minimum every two years):**

Not to exceed $100   Employees authorized for **Voice Only** usage level

Not to exceed $200   Employees authorized for **Voice & Data** usage level

Not to exceed $75    Hands-free device (Executive Cabinet Members Only)

*Original receipts must be submitted for reimbursement.*

**Employee Responsibilities – Employee Owned Plans and Equipment**

• Eligible employees are responsible for selecting their own cell phone service provider, purchasing their own cell phone, establishing a service plan, and paying the monthly statement for their service plan. When the employee is first determined to be eligible, the employee will receive a one time reimbursement for equipment as determined and approved by the Executive Cabinet level supervisor.
• No more frequently than every two years, the employee may receive subsequent reimbursement for a new cell phone, data device, or hands free device, less any rebates, based on their approved allowance level. Receipt dates will be used to determine if the two year minimum requirement has been met between purchase reimbursements. In order to receive reimbursement, the employee should submit a Personnel Action Form (with original receipts attached) to the appropriate Executive Cabinet member for approval. Employees are encouraged to consider purchasing an insurance plan to assure they can retain an active cell phone number (required by this policy) while receiving a cell phone allowance. If the phone/device breaks prior to the grace period described below, the employee will be responsible for any related costs, including paying the fee to replace the phone.

Note: A grace period of up to two months may be allowed under certain circumstances (i.e. equipment deterioration/breakage or a service provider’s special promotion/early upgrade incentive). Employees must receive Executive Cabinet member approval to use the grace period. Upon approval to use the grace period, the employee’s next eligible reimbursement date will be updated based on the new receipt date.

• Questions about which equipment will be compatible with the District’s e-mail server should be directed to Computer Support Services prior to your purchase. Computer Support Services will assist those employees purchasing equipment capable of data services to connect to the District’s e-mail server.

• **Employees must retain an active cell phone while receiving an allowance. The phone number must be updated in Web Advisor within five working days of activation.** Contact Human Resources if you need assistance with Web Advisor. Employees must work with their Executive Cabinet member to define specific expectations for availability via cell phone based on their job responsibilities. Since the employee owns the cell phone, there is no restriction on personal use. The IRS, however, considers the allowance a taxable benefit to the employee. As such, the allowance is reportable to the IRS by the Santa Clarita Community College District and the employee. The allowance is not an increase in base pay and will not be included in calculations of salary increases or retirement benefits.

• Lost or stolen cell phones, as well as problems with the service or equipment, must be reported to the service provider. District support will be limited to assistance with connection to the campus network for retrieval of e-mails.

• Motor vehicle drivers may not use wireless or cellular telephones while operating their vehicles without a hands-free listening device. Drivers may use a wireless or cellular telephone to contact a law enforcement agency or public safety entity for emergency purposes. Drivers of motor trucks or truck-tractors, farm vehicles, tow trucks, a listed or described implement of husbandry, or a commercial vehicle, used in commercial agricultural operations may use a digital two-way radio service that utilizes a wireless or cellular telephone.

• In the event the Santa Clarita Community College District makes a decision that results in the employee terminating their cell phone contract, it will provide the employee with an allowance equaling the cost of any fees associated with early cancellation if the employee wishes to cancel the phone service. An example of this would be the District changing an employee’s duties and the new duties no longer require a cell phone approved allowance. Executive Cabinet level supervisor would
submit the employee’s receipt for reimbursement of the cancellation fee and a Personnel Action Form to Human Resources for Board approval.

- If a personal decision by the employee results in termination of the employee’s cell phone contract, the employee will bear the cost of any fees associated with early cancellation. For example, if an employee quits and no longer wants to retain the current cell phone contract for personal use, the employee would be responsible for any early cancellation fees on the contract.

**Option 2: District Owned Cell Phones**

The Chancellor shall determine if it is in the best interests of the District to provide a cellular or wireless phone at District expense. Cellular telephones provided by the District are classified by the Internal Revenue Service as “listed property” and may be included as employee wages, unless they are used exclusively for business purposes.

Employees shall maintain supporting documentation regarding personal and business use, to permit the District to include a pro rata share of the value of the phone and the monthly services charges for personal wireless or cellular telephone use. Failure to document such usage will result in the classification of the value of the wireless or cellular telephone and the monthly service charges as employee income. The District shall monitor the wireless or cellular telephone usage of its employees to ensure their compliance with this policy. These rules do not apply to wireless or cellular phones owned by employees.

Executive Cabinet members will request District owned cell phones for selected employees/departments by contacting the Telecommunications Department.

**Employee Responsibilities – District Owned Cell Phone Service Plans and Equipment**

- This option requires the employee to maintain supporting documentation regarding personal and business use through a log of all calls made with the District owned phone. The employee must reimburse the District for a pro-rated amount of all personal calls. The log must be completed from the 11th – 10th of any given month (i.e. 1/11/09 – 2/10/09). The Department’s Administrator needs to approve the monthly usage and submit the log to Fiscal Services by the 15th of the month.

- Any calls not logged will be considered personal by the IRS and the District will be required to invoice the employee for pro-rated charges for these calls. The employee must remit the required payment for personal charges within 30 days of receipt of invoice, or the District owned cell phone will be revoked.

- Motor vehicle drivers may not use wireless or cellular telephones while operating their vehicles without a hands-free listening device. Drivers may use a wireless or cellular telephone to contact a law enforcement agency or public safety entity for emergency purposes. Drivers of motor trucks or truck-tractors, farm vehicles, tow trucks, a listed or described implement of husbandry, or a commercial vehicle, used in commercial agricultural operations may use a digital two-way radio service that utilizes a wireless or cellular telephone.

**Interim procedures for employees transitioning from a District owned cell phone to an individually-owned cell phone**

- Employees wishing to keep their current cell phone number may:
- Continue service with T-Mobile by converting to a personal account OR
- Transfer T-Mobile phone number to a new service provider
- See detailed instructions attached (Cell Phone Service Transition Information)

- Employees wishing to take possession of their District owned phone equipment must e-mail the Payroll Supervisor, Mimi Spankroy, in order for a W-2 adjustment based on fair-market value to be processed.

- Employees who opt to turn in their District owned cell phone and purchase a different cell phone are eligible for a reimbursement for equipment as approved by their Executive Cabinet level supervisor.

**Initial Transition Timeline**

- Upon Board approval of the District’s new Cell Phone Policy, the District will arrange for all District owned cell phones not being retained to be disconnected within 30 days – pursuant to the approved Policy and related Procedure.

**District Paid Pagers**

The District will provide district-paid pagers for Nursing Instructors for health and safety reasons. This is necessary since students must have the ability to reach their instructors for assistance while in the lab environment at hospital sites, and hospitals do not allow cell phone usage within patient areas but will allow pagers.

Pagers will be disbursed from the Nursing Office, under the supervision of the Dean of Allied Health. The District will provide pagers to Nursing Instructors under the following provisions:

1. Nursing Instructors are authorized to use their assigned pagers to communicate with nursing students while assigned to clinical sites.

2. No personal use of pagers will be permitted.

3. Any instructor found to violate this procedure will be asked to relinquish their pager.

The District-paid pager service is invoiced as a flat “pager air service fee” each month regardless of usage. Usage is not itemized on the invoices. Since the District is unable to audit the pager call usage to verify business versus personal use, each Nursing Instructor is required to sign a Nursing Instructor Pager Agreement to acknowledge that they will not use their assigned pager for personal use.

**District Paid Wireless Internet Devices**

The District will provide a limited number of employees with district-paid mobile wireless internet devices based on job necessity. An example of a mobile wireless internet device is a PC wireless card, which is used to access the internet from on or off campus locations where the network internet connection is not available. All employees using a district-paid mobile wireless internet device will be required to certify monthly that all wireless data charges were incurred due to official college e-mail and internet business.

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