

Western Carolina University Mobile Communication Device Allowance Policy Procedures

The Western Carolina University mobile communication device (MCD) allowance plan serves to compensate designated employees for business use of their personal cell phone and/or personal digital assistant (PDA) device. The MCD allowance is a best business practice recommended by the PACE study. An allowance will be provided for designated employees at Western Carolina University whose job responsibilities require that a mobile communication device (cell phones and/or PDA devices) be carried to fulfill their official state business obligations. This category extends beyond administrators and can include employees working in security, facilities services, or the medical profession.

These employees are:

1. Members of the Western Carolina University Executive Council that must be available 24 hours a day, seven days a week (24/7);
2. Employees that must be available 24/7 to meet information technology service needs, campus security requirements and continuity of facilities services;
3. Employees that work in the legislative arena;
4. Employees whose job descriptions require at least 20% of their time in travel status; in addition to job requirements to conduct official state business while on the road;
5. Other employees as approved by the Provost, Chancellor's Chief of Staff, or the appropriate Vice Chancellor as special requests.

The initiative provides an effective way to compensate designated employees for the business use of their personal cell phone and/or PDA device that benefits both employees and Western Carolina University by:

1. Eliminating the need for an employee to carry multiple MCD devices,
2. Streamlining the MCD bill payment processing to a single payroll transaction monthly,
3. Eliminating the chance that an employee might accidentally make a personal call on a business cell phone and violate State regulations,
4. Allowing Western Carolina University to achieve a 20% net savings (based on the approved allowance option) on cell phone service,

5. Providing a cost neutral solution for cell phone and PDA applications.

WCU would end all of our current service agreements with Verizon Wireless. Existing University provided cell phone and PDA services would be discontinued on **January 10, 2011**. The allowance will be re-certified by management annually. If qualifying employees would like their current Western Carolina University cell phone number transferred to a personal cell phone, they can contact WCU Telecommunications Office to coordinate this transfer.

The benefits of the allowance program are fourfold:

1. First, the employee is able to choose a communication device and plan which corresponds to the needs of their family and other personal contacts, as well as for business communications.
2. Second, the IRS substantiation requirements are eliminated so that employees and their supervisors are relieved of the responsibility of documenting calls and submitting each staff member's monthly telephone bills for payment.
3. Third, an employee does may not have to change phone numbers to begin the allowance option.
4. Fourth, the employee need only carry a single device for both business and personal purposes.

Guidelines:

1. Western Carolina University's MCD allowance will be included in the employee's paycheck and paid as an unaccountable taxable fringe benefit according to the IRS (no documentation of business use is required).
2. Allowances will be treated as taxable income and are subject to all regular payroll taxes. The allowance will be reported on the employee's W-2.
3. The MCD allowance will not be considered as part of the employee's benefit base salary and will not be included in the employee's state retirement computation.
4. Allowances are provided to offset approved necessary voice communication plans, but any additional MCD features or service will be the sole financial responsibility of the employee. Cell phones or other MCDs purchased under the approved allowance tier shall be owned by the employee.
5. For cell phone usage prior to implementing this policy, those employees who may have made personal phone calls using their business phones must contact

the WCU Telecommunications Office to reimburse the University for personal phone calls from their business phone

6. Requirements for the MCD user:

- a. The designated employees who receive allowances will be reasonably expected to have their MCD with them; handy, charged, and operational at all times and make a timely response to any received call.
- b. The agreement requires the employee to return communication as soon as possible once contacted.
- c. Employees who do not agree to the MCD policy and conditions herein may not be eligible for the allowance; agreement but failure to adhere to the MCD policy and conditions may result in the employee's forfeiture of the allowance.
- d. An employee who allows MCD service to lapse while receiving the allowance will not be eligible to participate in the Allowance Plan for a period of six months.
- e. Being contactable based on the MCD policy is unrelated to any other policy dealing with "on call" employees.
- f. Designated employees should understand that the funding for MCD Allowance Plans originate from state sources; thus, it is the opinion of OSBM that records created through the use of the MCD device, such as text message logs, telephone call logs, telephone contact lists, *et cetera*, could be considered Public Records as defined by North Carolina General Statute § 132.
- g. Cell phone numbers must be kept with the department, as well as kept by and provided to other university personnel as necessary to complete official university business.
- h. An employee receiving an MCD allowance is ineligible and will not be reimbursed for business or personal phone calls while in travel status as outlined in [OSBM Budget Manual Section 5.11.3](#).

7. Who Qualifies:

- a. Authority to designate which employees will receive an allowance is delegated to the Provost, Chancellor's Chief of Staff, or appropriate Vice Chancellors.

- b. Deans, Assistant and Associate Vice Chancellors who request the MCD allowance will be subject to approval by the Provost, Chancellor's Chief of Staff, or appropriate Vice Chancellor.
- c. Participants must have a valid business reason, justified by official job description requirements for participating in the program, and that they will be routinely required to make a significant number of business calls while away from their office telephone.
- d. Participants must complete a Western Carolina University MCD Application form and obtain the proper signatures in order to receive the allowance. The signatures of the employee and his/her immediate supervisor on the Application for the personal MCD Allowance will serve to verify that the employee's job responsibilities require that the employee be immediately accessible by university personnel on a continuing basis. Once approved by the appropriate official, a WCU personnel action request form must be submitted via BANNER HR for each person indicating the appropriate MCD allowance amount.
- e. Departments will be responsible for budgeting for MCD allowance expenses. No exceptions to this policy are allowed without the written approval of the appropriate party/body with authority for approval.
- f. A compelling justification for the need to be contactable in case a need *might* arise is one that, if approved, would only provide the minimum allowance, but will ensure the university that the individual is reachable.

8. Quality Control:

- a. The university will require MCD-allowance recipients to re-qualify annually.
- b. If an employee feels s/he is eligible for a higher allowance based on the tier of use that employee will be responsible for presenting at least three consecutive months of phone bills to demonstrate evidence of required business need for adjusting their tier.
- c. All individuals who qualify to receive an allowance will start with the minimum use amount tier unless that person can prove by private phone records or through previous use of a university-owned phone that s/he belongs in a higher allowance tier.

9. Tiers:

- a. When determining the level of required business use, *it should be noted that network-to-network in-calling (Verizon) does not consume calling plan minutes, and nights and weekends are free as well.* All university cell phone plans currently paid by WCU are through Verizon Wireless. In-calling can therefore serve to extend the available number of plan

minutes; for example, the 450 minute basic voice plan may effectively result in 550 minutes by using in-calling. Western Carolina University will use three tiers, as well as, a separate allowance for Data/Voice plans:

- i. For persons who use an MCD for 100-450 required business minutes per month, they will be paid \$30.00 each pay period.
 - This amount will be included in the employee's taxable income.
 - This tier will accommodate the occasional user as well as those employees who are in a "must reach" category should their services be needed.
 - It is quite possible that some employees could use their phones far less than 450 minutes but nonetheless need to be reachable by university supervisors.
 - ii. The second tier involves university personnel who use their MCD for 451-900 required business minutes per month.
 - This tier will be compensated \$40.00 per pay period and will be included in the employee's taxable income.
 - iii. The third tier involves university personnel who use their MCD on a monthly average in excess of 900 business required minutes per month.
 - These individuals will be compensated \$50.00 a pay period.
 - This amount will be included in the employee's monthly taxable income.
 - b. Administrators approved for use of a PDA with Data/Voice Plan.
 - i. For business purposes will be compensated \$60.00 per pay period.
 - ii. This amount will be included in the employee's taxable income.
10. Western Carolina University will develop regulatory guidance to manage this program and revise the MCD allowance policy as necessary.
 11. Employees must re-certify MCD allowances through this approval process annually by May 31st to be continued into the new fiscal year.