

## INTERNAL CELL PHONE POLICY

Date: May 25, 2011  
To: All Administrators  
From: Brett McFadden  
Re: Employee Request for Cell Phone/Smart Phone

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### Summary

According to the Internal Revenue Service (IRS), mobile communication devices are easily used for both business and personal reasons, special tax concerns are raised when an employer either provides mobile communication devices or provides employees a regular allowance for the use of the employee's personally owned mobile communication device.

The District has implemented a process in which the Administrator of a site/department completes and submits a *Cell Phone/Smart Phone Request Form* for an employee to procure a mobile communication device or receive a monthly stipend for both District and non-District cellular use.

It is the internal policy of Pajaro Valley Unified School District to consider the issuance of a cell phone/smart phone stipend when the responsibilities of an employee require him/her:

- to be reachable immediately or available during emergency situations
- to be "on call" outside of normal business hours
- to have immediate access to district e-mail and web content (requires a smart phone)

Approved positions to receive district-funded cell phones/smart phones are Cabinet Members, Directors and Principals. (Charter School stipends will be paid by Charter School Funds.)

Requests for additional site/department cell phone/smart phone stipends must be submitted by a Director or higher level manager and approved by the Chief Business Officer or designee and to be funded by the site/department's budget.

### **Process for Requesting Cell Phone/Smart Phone Stipend** (*See flowchart on page 3*)

Administrator completes and submits a Cell Phone/Smart Phone Stipend Request Form to the Finance department. Director of Finance reviews the form and approves or denies based on funding availability. Once approved or denied, the employee and manager will be notified.

All approved employees will be required to sign and agree to the Cell Phone/Smart Phone Stipend Request form to receive the appropriate stipend. The approved employee will receive a monthly stipend and may purchase any cell phone/smart phone and service provider/ plan they choose.

If the employee is approved to use his/her personally owned cell phone/smart phone & service plan for District business, the District will provide the employee a monthly stipend. Phone number will be published for District business and distributed to appropriate staff via an employee self-managed web portal.

- Employee may purchase any equipment with any service plan and is responsible for all costs incurred.
- A current cell phone bill and/or a copy of the Cell Phone contract must be attached with

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the Cell Phone/Smart Phone Stipend Request Form when submitting to the Finance department for an employee to receive the stipend. The cell phone bill will be used as proof that the employee has a working cell phone for District use.

- The monthly stipend amount will be included in the employee's W-2 and taxed as regular income (taxable benefit).
- For Smartphone stipends the employee must maintain a data plan. The bill or contract submitted with the Smartphone stipend request must show that they have an active data plan that provides Internet access over the smart phone.

### **Annual Renewal Required**

Cell Phone/Smart Phone Stipend Request Form along with a copy of the current monthly cell phone bill for each employee must be submitted annually to receive the stipend. By not submitting a new Cell Phone/Smart Phone Stipend Request Form annually, the employee will not receive a monthly stipend. All renewals must be submitted annually to Finance during the month of *May* (use Cell Phone/Smart Phone Stipend Request Form and include a recent cell phone bill or contract).

### **Employee Leaving Current Position**

Any changes by employee or Administrator must be submitted immediately in writing to Finance. Finance will notify Human Resources or Payroll of the requested change. Any overpayment of the stipend will be reimbursed to the district by the employee.

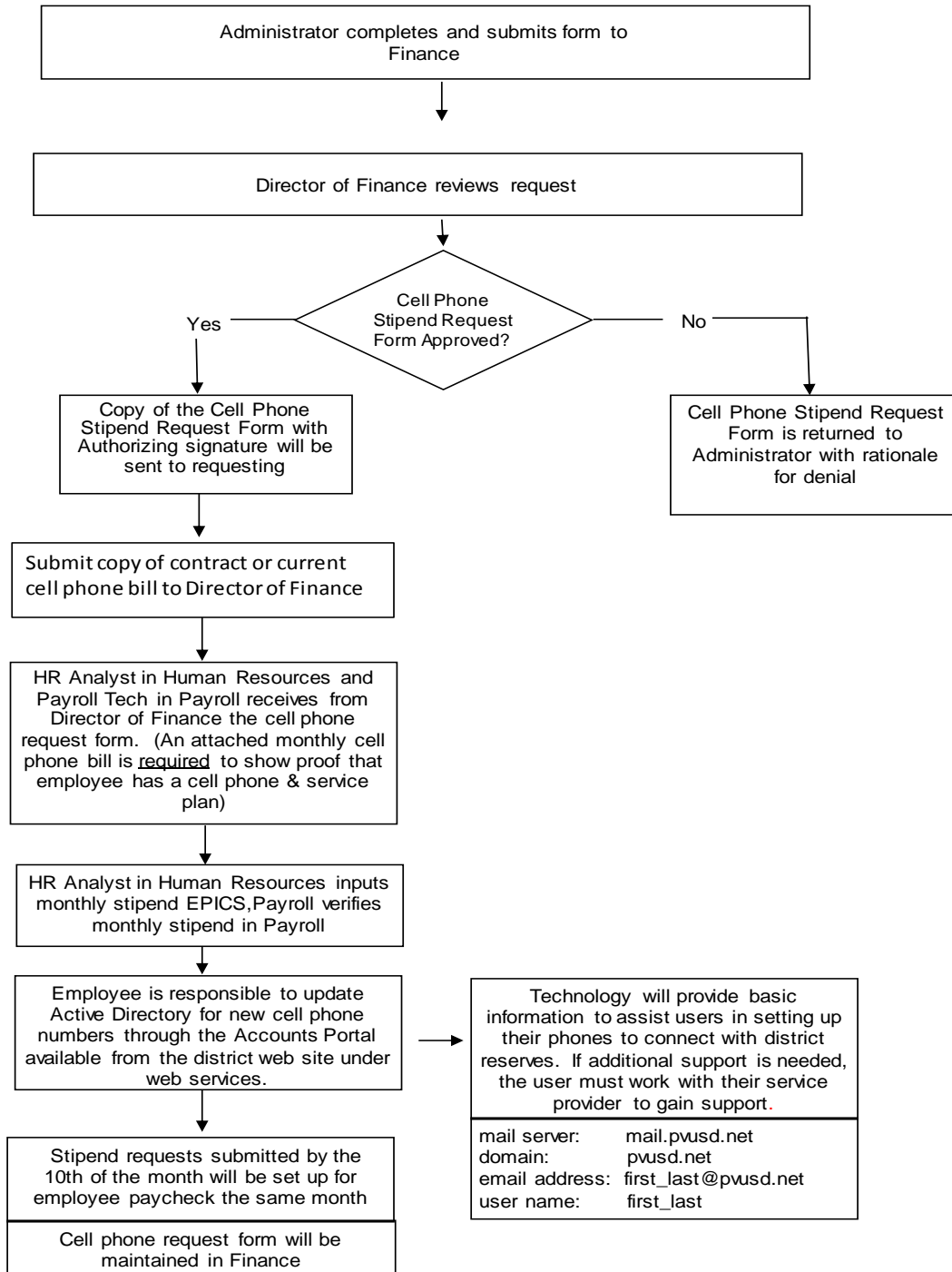
### **Additional Notes**

School site or department personnel using two-way radios/direct connect only, and not the cell phone function, are not required to follow Internal Cell Phone Policy.

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### Cell Phone Request Flowchart

*Note: Download the Cell Phone Request Form and submit to the Finance Department*



Complies with IRS requirement: Taxable Benefit

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### Pajaro Valley Unified School District

In order to comply with the IRS requirement, the District has implemented the Internal Cell Phone Policy. The District has opted to provide a stipend for authorized employees.

The monthly stipend will be reported to on the employee's W-2 – calendar year.

### Administrator

The Administrator fills out and completes a *Cell Phone/Smart Phone Stipend Request Form*.

Items to consider before the *Cell Phone/Smart Phone Stipend Request Form* is submitted to Finance are:

1. Will the employee be required to be available; or will a landline phone be appropriate to reach the employee?
  - a. Determining this in the beginning will assist your decision-making greatly.
  
2. Will my budget be able to pay the stipend? The cost will be the responsibility of the site/department requesting a cell phone/smart phone stipend for employee use. Employee will receive the stipend for months worked. (Example – If the employee does not work in July, he/she will not receive the stipend on their July check.)
  - a. Monthly Stipend – Regular Cell Phone
    - i. \$50 (\$550/\$600) stipend will be paid out of the site/department's budget for every approved employee
  - b. Monthly Stipend – Blackberry/Smart Phone with a data plan
    - i. \$100 (\$1100/\$1200) stipend will be paid out of the site/department's budget for every approved employee

### District Employee

Communicate with your Administrator if you are requested to participate in the Internal Cell Phone Stipend Policy. Consider which option works best for you and your location before the *Cell Phone/Smart Phone Stipend Request Form* is submitted to Finance. See the next page for a guideline.

It will be the responsibility of the employees receiving the stipend to purchase a plan that will adequately meet their business needs. The phone must have adequate range for the area and the employee must have the cell phone or smart phone charged and on at all times throughout the course of the working day or as required by position in order to be accessible to other staff and anyone else that must be able to access them.

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The employee is responsible to ensure the monthly cell phone bill is paid in a timely manner in order to prevent the possibility of the employee not being available during regular business hours because the phone is not in service. Additionally, the employee is responsible for replacing their cell phone in the event it is lost, stolen, or damaged.

If an issue arises, employees are responsible for contacting their cellular provider for a resolution within a timely manner and must immediately notify their supervisor of the issue and provide an alternate method for communication.

The District assumes no liability for loss or damage to employees' personal cell phones or smart phones. Employees assume the risk of loss or damage to personal cell phones or smart phones.

Employees are expected to follow all state and federal laws and safety guidelines regarding cell phone usage while driving. The Pajaro Valley Unified School District prohibits texting and the use of cell phones while driving without a hands-free device.

Employees are expected to use their cell phone during work hours primarily for business purposes. Personal calls should be kept to a minimum. Any abuse of personal calls during work hours shall be subject to disciplinary actions.

The cell phone or smart phone associated with the employee's stipend will have an appropriate business greeting and will identify the employee by name.

The employee is responsible to notify the district if he/she discontinues their cell phone/smart phone service or leaves their position with the district. If the employee has been overpaid, the employee will repay the district for any overpayment by cash or payroll deduction.

### Cell Phone/Smart Phone Support

The District will provide basic information to assist with linking smart phones to District e-mail, calendar and contacts.

No other technical support will be provided by the District. Employees will need to work with their service provider to gain technical support for their cellular phone.

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### **Monthly Stipend**

#### **Cell Phone:**

1. Responsible for purchasing your own cell phone and plan; or
2. Use your existing personal cell phone
3. You may use any service provider of your choice

#### **Cell Phone Number:**

1. Get a new number
2. Use your existing number
3. If you were using a District-paid phone, and want to “port” the District phone number to your own plan, you will need to follow the district-provided instructions and/or gain further assistance from your cellular service provider.

#### **Monthly Bills:**

1. You are responsible for paying your monthly bills.
2. Maintaining monthly bill and cell phone is contingent on receiving monthly stipend.

#### **Taxable Income:**

1. \$50/\$100 per month added to your W-2 (calendar year).