

California State University, Fresno Association, Inc.
Electronic Communications Policy
Updated: October 20, 2016

I. Purpose

This policy applies to all auxiliary organizations that the Association has agreements with to provide management services, which include: California State University, Fresno Foundation; Agricultural Foundation of California State University, Fresno; Fresno State Programs for Children, Inc.; Associated Students of California State University, Fresno and The Maddy Institute.

The IRS considers electronic communication devices to be a working condition fringe benefit, the value of which is excludable from the employee's income. As such, the IRS requires that the employee must maintain the type of cell phone coverage that is reasonably related to the needs of the employer's business, and the reimbursement must be reasonably calculated so as not to exceed expenses the employee actually incurred in maintaining the cell phone.

II. Policy

Reimbursement

- For employees who frequently need to use their personal communication device(s) for business purposes.
- The employee chooses the device and service plan. The contract is between the employee and the service provider.
- The monthly reimbursement amount is determined based upon business need: Low (\$1-\$25), Medium (\$26-\$50) and High (\$51-\$75). The employee will not be reimbursed for an amount greater than the employee's current service plan (documentation is required).
- Reimbursement amounts will be reviewed annually to determine if they adequately compensate for the cost of business usage. Any adjustments to the reimbursement levels will require the approval of the supervising manager, and if applicable, the Executive Director.

III. Responsibilities

It is the responsibility of the Unit Director/Manager to do the following:

- Determine the appropriate reimbursement amount necessary for the employee to perform the expected business tasks;
- Review reimbursement amount annually to determine if adjustments are necessary;
- Notify Auxiliary Human Resources when an employee is separated or no longer is required to carry a cell phone for business purposes.

It is the responsibility of the Employee to do the following:

- The employee must notify the supervisor immediately if the employee discontinues his or her communications device plan while receiving the reimbursement. The employee must certify annually to the Auxiliary that the monthly reimbursement amount does not exceed the total amount of the employee's basic service plan.
- The employee shall provide his or her contact number to the Auxiliary and the employee's supervisor. The employee shall promptly notify the Auxiliary if the number changes.
- The employee is required to provide supporting documentation, if requested.
- The employee is expected to avoid using the communication device under any circumstances where such use might create or appear to create a hazard. Usage of a communications device in a motor vehicle must be in compliance with current CSU and University policies, federal, and state laws.

IV. Procedure

A. Criteria for Reimbursement

The approving manager should use the following criteria in evaluating the business-related reason for providing a reimbursement for employees whose jobs entail the following responsibilities:

- Travel – Employees who frequently travel or are out of the office and need to be in contact with students, faculty and staff, managers, or other Association stakeholders.
- Work Location – Employees who typically work in the field or at job sites where access to communication devices are not readily available.
- Emergency or Non-Business Hours Response – Employees who need to be contacted and/or respond in the event of an emergency or are required to be available during non-business hours.

B. Determining the Amount of the Monthly Service Reimbursement

Please follow these steps to help determine the appropriate reimbursement amount:

- Estimate the amount of business related usage as a percentage of the total monthly cost of the employee's personal cell phone service contract, **excluding** the following: amounts representing the purchase price of a device, optional charges (e.g. purchase price of applications, ring tones purchase, etc.) warranty or insurance plan costs or deductibles, and "family plan" monthly service charges that exceed the monthly service charge for a single user. Employee must certify annually that the reimbursement amount does not exceed the employee's basic monthly service plan. If the basic monthly service plan drops below the reimbursement amount, the employee must contact his/her manager and adjust the reimbursement amount.

Reimbursements are not a means of providing additional compensation to employee and must follow the guidelines above.

C. Establishing a Reimbursement:

Complete the Agreement for Employee Reimbursement (Appendix A) and submit to Auxiliary Human Resources for eligibility review.

D. Tax Issues:

This reimbursement is non-taxable income and will not be reported on the employee's W-2. Reimbursements must not exceed the amount of the employee's basic service plan or they may become fully taxable.

E. Payment:

Payment will be made once a month. The reimbursement does not constitute an increase in base pay and will not be included in any percentage calculations for any increases to base pay.

F. Personal Use:

Since the cell phone contract is personally owned by the employee, it can be used for both personal and business calls. An employee with a cellular telephone reimbursement must maintain an active cell phone contract for the life of the reimbursement.

Using a phone or other communication devices in ways inconsistent with CSU and University policies, local laws, state laws or federal laws will result in immediate cancellation of the communications device stipend.

The employee is responsible for the purchase of the communication device. The Auxiliary will not pay for the communication device.

It is the authorizing manager's responsibility to do the following:

- Annually review if reimbursement should be changed, continued or discontinued.
- If required, obtain documentation from employees that the reimbursement amount does not exceed the service plan amount.

**Appendix A – Auxiliary Services
Agreement for Employee Reimbursement**

| | | |
|---------------------------------|----------------------------|---------------------|
| Employee Name | | Employee ID# |
| | | |
| Unit Name/ Cost Center # | Device Phone Number | Email |
| | | |

| Check | Description of Service | Monthly Cost |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <input type="checkbox"/> | Communication Device: <input type="checkbox"/> Low (\$1-\$25) <input type="checkbox"/> Med(\$26-\$50) <input type="checkbox"/> High(\$51-\$75) | |
| <input type="checkbox"/> | Other: | |
| <input type="checkbox"/> | | |
| | *Amounts greater than \$80 require vice-president approval | |
| Reimbursement Start Date: | Reimbursement End Date: | |

Justification:

| | |
|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> | <i>Travel</i> – Employees who frequently travel or are out of the office and need to be in contact with staff, clients, managers, or other Association business associates. |
| <input type="checkbox"/> | <i>Work Location</i> – Employees who typically work in the field or at job sites where access to communication devices are not readily available. |
| <input type="checkbox"/> | <i>Emergency or Non-Business Response</i> – Employees who need to be contacted and/or respond in the event of an emergency or are required to be available during non-business hours. |
| <input type="checkbox"/> | <i>Other</i> – Provide justification below (reimbursement in excess of “High” and reimbursement for Laptop Connect Cards/Services require AVP/Executive Director approval): |

I agree that this reimbursement is provided to me to reimburse me for the official business usage of my personal device. My level of service is to be reviewed annually to determine if the reimbursement is sufficient. I certify that this reimbursement amount is adequate reimbursement for Auxiliary business conducted on my device and is not greater than my monthly basic service plan and that I will notify my manager when my basic service plan is reduced below my reimbursement amount.

These reimbursements will not be included on my W-2 form as taxable income. I understand that my Employer is not responsible for the tax consequences of the reimbursement or the business use of my personal communication devices. However, reimbursement presumes predominant business usage. Reimbursement for data and/or laptop connect card services may not exceed the basic monthly service amount.

I agree to notify the Auxiliary if my business usage significantly declines for a sustained period, I will notify my manager in writing, as soon as practicable and the reimbursement amounts may be adjusted. If the Auxiliary determines that there is no longer a business need for me to receive the reimbursement, the reimbursement will cease, and I may retain the device. If my employment is separated, I will retain the device. The phone number assigned to my device will remain my property.

I will exercise appropriate care and caution while using this device, and that I will be in compliance with current CSU and University policies, state laws and federal laws while using a communications device in a motor vehicle.

I have read and understand "Electronic Communications Policy" and agree to its provisions.

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|------------------------------------------------------------------------------|--|
| Employee Signature | |
| Manager/Director Signature | |
| AVP/Executive Director Signature | |
| Vice-President Signature (Required for amounts greater than \$80) | |