



EL PASO COMMUNITY COLLEGE PROCEDURE

For information, contact Institutional
Effectiveness: (915) 831-6740

DE-4 Cell Phone Reimbursement

APPROVED: September 7, 2005 REVISED:
Year of last review: 2023

AUTHORIZING BOARD POLICY: DE

Classification: Administrative

Vice President or Associate Vice President: Vice President of Financial and Administrative Operations

Designated Contact: Comptroller

OBJECTIVE: To provide guidelines for cell phone usage.

PROCEDURE:

I. General

Cell phone usage may be approved and accessed under the following optional methods based upon usage and the type of work performed for the College:

- A. A monthly stipend may be authorized based on the usage level.
- B. The College may procure a group of cell phones and issue them to a department.
- C. Employees may be reimbursed periodically for using their own cell phone.

In all cases there must be funds budgeted, and a business necessity, and the phone should never be issued solely based upon rank or status within the College. Whenever possible, regular telephones should be used.

II. Approvals

- A. A vice president's approval is required to obtain a cell phone stipend or to procure a group of cell phones for a department. Approval from the president is required for a vice president to obtain a cell phone stipend.
- B. An employee's supervisor may request approval for a stipend after the supervisor has determined that an employee is frequently away from the office on average at least 25% of the day and that there is a need for conducting College business during this time on a cell phone.
- C. Monthly stipend levels are based upon \$10.00 increments up to a maximum monthly stipend of \$80.00 and should be selected on the *Cell Phone Stipend Authorization Form*, which is attached to this procedure. During the year, if usage decreases, the stipend may be adjusted downward, or if usage increases and the budget is sufficient, the stipend may be adjusted upward.
- D. Because of the mobile nature of their work, certain departments (e.g. Police Department, Physical Plant) may request a group of cell phones.

III. Process for Cell Phone Options

- A. Stipend Option -- the stipend method of reimbursement is classified as a "non-accountable" plan by the IRS. This option means that the employee is not required to submit any substantiation of business usage of the cell phone to the College once a stipend has been approved for the employee. This stipend will be included on the employee's W-2 form as taxable compensation.
 - 1. The employee must work with the supervisor to first obtain written approval from the appropriate vice president for receiving the level of stipend needed.
 - 2. The employee is responsible for establishing a cell phone account with a vendor and selecting a plan. If the employee already has an established plan prior to the business need being identified, this step will not be necessary.

3. Proof that the plan is in effect, i.e. a copy of the contract or the first (current) month's bill, must be provided to the supervisor.
 4. The stipend will be effective the first of the month following the approval of the stipend.
 5. The supervisor will retain the supportive documentation and then forward the *Cell Phone Stipend Authorization Form* to the Human Resources Department.
 6. The Human Resources Department will enter the stipend into the Personnel system based upon the *Cell Phone Stipend Authorization Form*.
 7. Rare and/or exceptional items that exceed the approved monthly stipend may also be approved by the president or the vice president for reimbursement through a check request. These items will be considered on an individual basis based upon the supporting documentation.
 8. All costs related to the purchase and usage of the cell phone are the responsibility of the employee.
 9. Stipends must be renewed on a fiscal year basis by submitting the *Cell Phone Stipend Authorization Form*.
- B. Cell Phones Issued to Departments Option – Under circumstances when departments as a regular necessity require cell phones due to the nature of their work, a group of phones may be requested through the Purchasing Department. These phones are usually not issued in an individual employee's name, but rather to a department as a whole where the phones are reassigned daily or frequently (e.g. Police Department, Physical Plant).
- C. Reimbursement Option – Under this option employees are reimbursed periodically through a check request for actual work-related cell phone costs incurred on their cell phones. Supporting documentation is required to justify any reimbursement requests. All costs related to the purchase and usage of the cell phone are the responsibility of the employee.

IV. Stipend Rates

- A. Stipends \$10.00 to \$30.00 – This stipend range is for the employee who has light to moderate usage of the cell phone for business purposes, or may have heavy usage, but primarily in the local calling area.
- B. Stipends \$40.00 to \$50.00 – This stipend is for the employee who has moderate to heavy usage of the cell phone for business purposes, or may have light usage, but frequently travels out of the local/regional area.
- C. Stipends \$60.00 to \$80.00 – This stipend is for the employee who has very heavy local usage of the cell phone for business purposes, or may have moderate to heavy usage, but frequently travels out of the local/regional area.

V. Termination of Service

- A. If an employee receiving a monthly cell phone stipend decides to terminate the service or the service is cancelled, the monthly stipend will also be terminated. The employee is responsible for notifying the Supervisor if the stipend is no longer needed because service has been terminated or cancelled.
- B. When the employee's supervisor becomes aware that the employee's cell phone service is no longer active but the stipend is still being paid, he/she must notify the Human Resources Department by submitting the cancellation of the cell phone stipend to end the stipend.

VI. Lost, Stolen, or Damaged Equipment

The employee receiving the monthly cell phone stipend is responsible for the replacement of any lost, stolen or damaged equipment. For this reason, the employee may want to consider purchasing insurance for the cell phone.

VII. Ending a Stipend

- A. A stipend will automatically end on August 31 or may be ended for the following reasons:

1. Termination or cancellation of the cell phone service.
 2. Determination by the employee's supervisor that the employee no longer has a business need for conducting business via cell phone or the level of service is not as high (in which case the stipend amount may be lowered).
 3. Extended absence (a full month or more) from District duties, e.g. for long-term disability or military service.
 4. Termination of employment.
- B. The stipend will end in the month of the employee's termination or cancellation of service, or the month the business need is determined not to exist (including extended absences).
- C. If an employee terminates employment with the District, whether voluntarily or involuntarily, the employee will have sole responsibility for fulfilling the terms of whatever contract has been established with the cell phone service provider. The District will give no further remuneration for cell phone service.

VIII. Supervisor's Responsibilities

The supervisor is responsible for:

- A. Determining whether there is a significant business need for an employee to have cell phone service and thus receive a stipend.
- B. Obtaining vice president's approval.
- C. Forwarding documentation to start the stipend to the Human Resources Department.
- D. Periodically verifying the cell phone service is still in effect by requesting written verification from the employee or calling the employee on the cell phone.
- E. Determining when there is no longer a business need for the employee to have a cell phone service.
- F. Notifying the Human Resources Department to end the stipend if he/she becomes aware of (a) the employee no longer has the service or (b) there is no longer a business need for the service or (c) the employee has terminated employment.

IX. Employee's Responsibilities

The employee is responsible for:

- A. Selecting a cell phone service plan and provider that will satisfy the level of service needed to effectively conduct College business.
- B. Purchasing any equipment, service, or insurance including, but not limited to, installation or mounting in a vehicle, hands free equipment, the phone instrument, etc.
- C. Submitting documentation to the employee's supervisor to establish the stipend.
- D. Supplying proof of continued service, if requested.
- E. Notifying the Human Resources Department if the service is terminated or cancelled.
- F. Completing the financial and all other commitments for any active cell phone service contract still in effect at the time of termination of employment and/or the stipend.

X. Human Resources Department Responsibilities

Human Resources Department responsibilities include:

- A. Verifying that the appropriate approval and documentation have been received to establish the stipend.
- B. Completing the stipend set-up.
- C. Terminating the stipend on the payroll system when evidence is provided that the cell phone service has been terminated or cancelled, the stipend is no longer needed, or the employee has been terminated.

XI. Penalty for Fraud

The penalty to an employee for accepting a stipend based on fraudulently representing having an active cell phone line may include up to, but is not limited to, repayment of the stipend and/or termination.



EL PASO COMMUNITY COLLEGE

- ☐ New Service
☐ Revision
☐ Cancellation

For College Procedure
DE-4 Cell Phone
Reimbursement

CELL PHONE STIPEND AUTHORIZATION FORM

Employee Name: _____

Employee Identification Number: _____

Budget Organization No. (Fund-Org-Account): _____ -71228

Stipend Effective Date: ____ / ____ / ____

Cell Phone Number: (____) ____ - ____

Stipend Amount: _____

Stipend Amounts:

- \$10 to \$30 – Light to moderate usage of the cell phone for business purposes, or may have heavy usage, but primarily in the local calling area.
\$40 to \$50 – Moderate to heavy usage of the cell phone for business purposes, or may have light usage, but frequently travels out of the local/regional area.
\$60 to \$80 – Very heavy local usage of the cell phone for business purposes, or may have moderate to heavy usage, but frequently travels out of the local/regional area.

Employee Certification

I certify that the above stipend will be used toward expenses that I incur for cell phone usage for business purposes. I further certify that should the business usage significantly decline for a sustained period, that I will notify my supervisor and the Human Resources Department, in writing, as soon as practicable. I understand that this stipend will be included on my W-2 form as taxable compensation. I further understand that the College is not responsible for the tax consequences of the stipend or the business use of my personal cell phone.

I certify that I have read the corresponding College Procedure (DE-4 Cell Phone Reimbursement) and certify that I understand that the penalty for an employee's accepting a stipend based on fraudulently representing having an active cell phone line may include up to, but not limited to, repayment of the stipend and/or termination.

Employee's Signature Date: _____

Supervisor's Signature Date: _____

President's/Vice President's Signature Date: _____

Processing subject to timely submission to Human Resources.