



Memorandum

To: MSU Faculty and Staff
From: Mobile Communications Device Policy Development Committee
Date: August 11, 2006
Re: Mobile Communications Device Policy

MSU is in the final stages of implementing a policy for the use of Mobile Communications Devices. This new policy has already been through the University's formal process of posting and review. The final policy is available at <http://www2.montana.edu/policy/itc/FINAL%20Policy%20on%20Mobile%20Comm%20Devices.htm>.

Several good questions and suggestions surfaced during the review period for this policy. As a result, the policy was modified, and the following questions and answers regarding the policy were prepared for your reference.

Q1. Why was this policy developed?

A. In December 2005, the State of Montana Legislative Audit Division ("LAD") released a report concerning the use of state-funded cellular phones and other mobile communication devices (e.g., BlackBerries) by state employees. The LAD recommended that the State establish a comprehensive cellular device policy which includes (1) the development of formal assignment criteria and justification procedures (i.e., who gets a University-funded device and why); (2) the periodic review of employees' billing statements in order to document all personal use; (3) in order to avoid IRS liability, the establishment of a mechanism by which employees would reimburse the state (or the University, in our case) for all personal use of state-funded communication devices; and (4) the development of measures to ensure security in the use of cell phones and portable email devices for sensitive business.

Q2. What was wrong with our current practice of having the University pay for cell phones?

A. With regard to communications devices, neither the University nor the State had a policy that ensured compliance with State statute regarding the prohibition of personal use of state-owned equipment, or that ensured compliance with IRS guidelines regarding taxability of personal use of employer-provided equipment. The State and University had no formal way of establishing how much personal use occurred. To address the LAD recommendations, stay in compliance with state law, and comply with IRS regulations, a change was required.

Q3. How does the proposed policy affect me?

A. If the University currently pays your bill, when your contract comes up for renewal (or now if you are off-contract), you will need to fill out an allowance authorization form, obtain approval from your supervisor, and submit the form to Payroll & Personnel Services to initiate an allowance. You will then need to change the billing with your mobile communications device company so that you personally are billed for communication services. They will require personal information and they will perform a credit check. The allowance will automatically be added to your paycheck each month, and will be taxed.

If your level of personal communication requires a higher-cost plan than you had for business, you will be responsible for the additional costs, as your allowance will only

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be at the level it would have been for business use. Although you may absorb some costs, you receive the benefit of making personal communications with the device, and do not need to submit your bills to the University for a call-by-call review.

Q4. Who decides the amount of my allowance?

A. Your supervisor determines the appropriate allowance level to approve, just as your supervisor now determines what level of cell phone or other plan to pay for. The amount paid to you cannot exceed what the state would otherwise have paid to a communications provider to meet your business needs.

Q5. What other options were considered?

A. As was recommended by the LAD, the University considered a policy that would enable the University to pay for cell phones and other devices directly. This option would require all bills to be turned in each month, all personal calls identified, and a reimbursement for personal use as a percentage of total use computed and collected from each employee. Because of the administrative time and effort and lack of privacy afforded to employees, this option was rejected.

Q6. Will the University continue to pay for ANY devices directly or do all need to be paid with an allowance?

- A. Yes. In limited circumstances, the University will continue owning and paying for devices. For example:
- If a pool of phones is used and checked out to employees while on-call or out in the field, it is appropriate for the University to own and pay for the phones.
 - Grant requirements indicate that actual phone bills must be submitted, rather than paid with an allowance. For this reason, in the rare instance that a cell phone is charged to a grant, the bill for that phone must be paid directly.
 - If someone is currently on the lowest state plan available, and uses their university-paid phone solely for business, it may be more cost effective to continue to pay for the phone directly; individuals most likely cannot secure a plan as inexpensive as the State's plan. If this is the case, the individual should request an exception to the allowance policy.

In these cases and for any other exceptional circumstances, detailed bills must be submitted to Accounts Payable each month to document that personal use has not occurred. Written requests for exceptions to the allowance method stating the reason for the request must be authorized by the appropriate Vice President, and submitted to University Business Services for approval by the Assistant Vice President for Financial Services or designee.

Q7. What transition issues do you foresee?

- A. There are several areas to consider for employees whose work requires cell phones/BlackBerries:
- Those using a current state contract may generally continue with that same plan, and keep their current phones, with a change in billing and rates (except for the lowest-level state plan as discussed in [Q6](#)).
 - Those who currently contract and pay for a personal communications device on their own, and have been receiving reimbursement from the University, merely need to seek an allowance rather than submitting for monthly reimbursement.
 - Those who need to establish a new plan may seek an allowance which covers the cost of a basic phone, with only the features necessary for business. The cost of additional features may be purchased by the employee, but will not be covered by the allowance. Because the entire allowance is taxed, the phone is considered the employee's private property and bills need not be submitted.

If you have questions, please direct them to vpadmin@montana.edu.