University of Northern Colorado transition plan for providing reimbursements for cell phone services and devices

Purpose

In the fall of 2010, President Norton invited the University community to participate in an unstructured, anonymous, campus-wide brainstorming effort to generate ideas for sustainable cost savings. The input collected during that informal non-process-process included several comments about perceived unfairness or lack of rationale in the way UNC provided University-funded cell phones to employees. Those comments were the impetus for developing the new procedures explained in this document. Among other things, these procedures are anticipated to generate cost savings and will bring transparency and fairness to the process of reimbursement for University business-related cell phone use.

The practice of providing University-funded cell phones is based on an outdated assumption that personal cell phones are the exception rather than the norm. Because use of cell phones is now commonplace, the shift to reimbursement for business use of personal cell phones is appropriate.

The following principles/beliefs underpin the new procedures and are to be considered when applying them:

- University-funded cell phones are not a perquisite.
- Reimbursement should not be determined by title or organizational hierarchy but rather should consider the nature of an employee’s responsibilities, the speed with which he or she must respond to the needs of the UNC community, and his or her role in campus emergencies as articulated in one’s job description.
- One of the responsibilities of University administrators is that they generally can be reached during non‐working hours in the event of an emergency; this is not justification for a University-funded cell phone.

Timeline

- May 1 thru May 31 – Communication to campus on the new guidelines
- May 1 thru June 30 – Eligible staff for stipend will be transitioned to the new guidelines
- June 1 thru June 30 – Final accounts payable reimbursements for expenses will be made for direct reimbursements.
- July 1 – Business related costs for cellular phones service and devices will only be made through an approved stipend and will be paid through payroll.
University owned phones
Employees eligible for the stipend will have the choice of keeping the university owned cell phone as a “de minimis gift” or turning it in to IMT if they already have a personal phone they prefer to use. Because the phones depreciate so quickly we are estimating that the average value of the existing phones will below the $100 level for reporting the “gift” as income. Employees who keep the cell phones will need to purchase their own calling and data plans. To keep the existing phone number they will need to work with IMT to get this ported over. Employees who are not eligible for the stipend will need to return the phones to IMT.

Cell Phone Stipend - Frequently Asked Questions

1. What is changing with university cell phones?
The university is implementing a communication stipend for applicable positions. University-provided cell phones for individual employees and direct payments to vendors for telecommunication services will be eliminated.

2. Why are these changes taking place?
These new rules will establish guidelines for the eligibility and reimbursement of cellular services and communication devices. These new guidelines will also bring the University into compliance with the certain Internal Revenue Service (IRS) requirements (the frequent and material payments to employees where personal use might be involved). The change to providing a communication stipend will also give employees the benefits of selecting a wireless provider, cell phone, and plan that meet their personal and professional needs as well as allow employees the benefit of carrying one device.

3. When will these changes take effect?
May 1st 2012 thru July 1st 2012. Departments can use this time to complete and approve request forms. Employees have this time to move their UNC line to a personal account, configure an existing personal line, or establish a new personal line. All lines remaining on the university account by June 30th 2012 will be deactivated unless otherwise approved.

4. Will everyone who currently has a university provided cell phone or communication device receive a communication stipend?
No. Eligibility will be evaluated by departments and approved by Vice Presidents. University communication stipends must be based on a valid, university related business. Stipend eligibility is not based on an employee’s job title.

5. What options do approved stipend recipients have for establishing a personal account?
a. Keep current UNC phone line; move to a personal account on the same carrier
b. Keep current UNC phone line; port the number to a personal account on another carrier
c. Use existing personal phone line
d. Activate new personal phone line
Note: Additional charges related to migration to a personal account should be handled through the employee’s department on a case by case basis.

6. Is the stipend that I receive for my cell phone or related communication device taxable?
No. The stipend is not a taxable benefit and is considered non-compensatory as long as it is a “reimbursement” for business use.

7. Can I get a stipend to cover the cost of a cell phone or related communication device?
Stipend recipients may be eligible, based on departmental approval, for a onetime stipend to cover up to the established equipment stipend amount. This stipend is available no more than once and only to new employees.

8. What do I need to do to transfer my university cell phone line to a personal account after I have been approved for a stipend?
Contact the UNC Technical Support Center.

9. What if I decide I do not want to stay with my current university wireless provider?
You are not obligated to stay with your current university provider. During the initial transition process, employees eligible for a stipend electing to keep their number may be permitted to switch to another provider. Employees NOT eligible for a stipend but wanting to keep their university phone number for personal use may be responsible to cover any early termination fees if the line is in contract. Lines in contract will be restricted to the current carrier, but can be released for porting if the employee pays the department for the cost of any early termination fee.

10. How is the dollar amount of the communications stipend determined?
The university sets the stipend amounts based on average costs for cell phones and common plan options available with various carriers.

11. How will communication stipends be paid to employees?
The stipend will be paid once a month in the employee’s paycheck.

12. What support does the University provide for accessing email, calendar or other services using a smart phone?
IMT will provide documentation for connecting to university email, calendar and contacts.
https://help.unco.edu