Facilities and Operations

Guidelines for Issuance and Use of Cellular Phones

Foreword

Current University policy, Standard Practice Guide (SPG) 512.2, discourages employees from using University phone lines to make personal long distance phone calls. Likewise, it is the University’s policy to discourage employees from using University facsimile machines for personal use.

In keeping with the spirit of the current University policy, this document attempts to define parameters for the issuance and subsequent use of Cellular Phones. It is recognized that certain job duties necessitate the use of a cellular phone, and often these duties are carried out in the field as opposed to the home office. Where the employee’s use of the cell phones is a requirement of the employer, it may be appropriate and mutually beneficial to allow incidental personal use of the cellular phone.

The Facilities and Operations Lead Team desires to have consistent Cellular Phone guidelines for all units within Facilities and Operations (F&O).

Below are specific, but not all-inclusive, F&O guidelines. If an item is not covered in this document, please refer to the current SPG 512.2.

Facilities & Operations Guidelines: Issuance and Use of Cellular Phones

Business Rationale

The University’s exemption from Michigan Use Tax presumes that cellular phones are intended for University business purposes and not personal use. If additional costs are incurred because of personal calls then the University is obligated to collect a reimbursement from the employee. Additionally, the University is required by law to remit to the State of Michigan an amount equal to 6% (current sales and use tax rate) of the cost of the personal calls. This amount should also be included in the reimbursement to the University.

The administrative burden associated with reimbursements and State remittances necessitate that personal usage be kept to a minimum. More importantly, the University must not be perceived as gratuitously extending its tax-exempt status beyond its primary activities. Therefore, cellular phone purchases and contracts, where the University of Michigan is the official billing entity, should be issued only for those situations where the employer and employee intend for the phone to be used primarily for University business purposes.

Cellular Phone Package Plans

The cellular phone service industry has adopted package plans that allow for a maximum number of minutes for certain fixed price thresholds. The package plan selected for the employee should largely represent the need for making and receiving University business calls. It is the responsibility of the manager or director to be aware of the realistic need and not allow for the issuance of grossly exaggerated calling plans.
**Personal Use**
Allowing some personal usage on the University-issued cellular phone is advantageous for both the employee and the University. Without this flexibility, it remains burdensome for employees to access a personal phone or find other accommodations to make or take personal calls. This burden also represents lost productivity for the University.

Employee reimbursement of personal cell phone calls is **not** required provided the conditions below are met:

1. The number of calls made and the number of minutes consumed are primarily University business related.

   *Special consideration should be given to those individuals who use the cell phone primarily for two-way radio communication. The use of this feature does not constitute a call and is not traced in any fashion by the cell phone vendor. However, the general need for this feature should be considered when reviewing the proportion of business use as compared to personal use.*

2a. All calls are within the allowance of the package plan as previously approved by the unit manager or director.

   **or**

2b. If consumption exceeds the package plan allowance then the manager or director’s approval of additional costs is required.

**Employee reimbursement (including the aforementioned 6% use tax) is required for calls not meeting the conditions above.**

**Other Guidelines**

- To reduce overall costs, employees are encouraged to take advantage of the features of the equipment and service plan.

- All cellular phones should be purchased through *(a proposed)* F&O cellular phone contract. Those departments that have a current contract with a different vendor should purchase new phones through the assigned F&O provider as soon as their contract expires.

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