

REED COLLEGE

Mobile Communication Allowance Policy for Cell Phones, Handheld Devices, and Personal Broadband Services

Policy

Reed does not purchase cell phones and wireless handheld devices for individual employees nor pay directly for employee service plans for cell phones, handheld devices or personal broadband access. For employees whose job duties require the frequent need of these devices or services the college may provide a taxable allowance. Employees not receiving an allowance for cell phone, wireless, or broadband access may request reimbursement for business-related calls under the college's normal business expense reimbursement policy.

The allowance does not constitute an increase to base pay, and will not be included in the calculation of future raises, salary adjustments, retirement contributions, or other benefits.

Administration of Allowance

If a Vice President approves a Supervisor's request for an employee in his/her department to receive a cell phone, handheld device, or broadband allowance he/she must submit written authorization to the Business Office, indicating the individual and level of allowance to be received, as per the limits identified below. Attached to this policy is the Mobile Access Allowance Request Form that must be used.

Limits:

- an equipment allowance for the purchase of a handheld device may be up to \$400 and the employee may be eligible for this allowance no more frequently than every three years.
- a monthly allowance for voice only mobile device service may be up to \$30.
- a monthly allowance for combined voice and data mobile device service may be up to \$75.

The equipment purchase receipt and/or a monthly service contract need to be submitted along with the Mobile Access Allowance Request Form to the Business Office to document device and service contract allowance amounts.

Reed will not provide direct payments to a vendor for the purchase of equipment or monthly service charges. Additionally, the college will not enter into contracts with vendors for employee use of these devices or services on behalf of employees. Given that a taxable allowance is provided for service fees, the employee will be the direct holder of the contracts and will therefore be responsible for lost, damaged or malfunctioning equipment.

Vice Presidents are responsible for an annual review of these allowances to determine whether they should be continued, adjusted, or discontinued. The Business Office should be notified promptly of any changes.

The employee must retain an active electronic service contract as long as this type of allowance is being paid. Use of these devices or services in any manner contrary to local, state, or federal laws will constitute misuse, and will result in immediate termination of the allowance and other actions as appropriate. The employee must agree to use these devices and services in a safe manner at all times.

Payroll Processing

After the Business Office receives and approves the request to initiate an allowance, the allowance will be added to that individual's payroll check. Employees must submit a copy of their most recent electronic access bill to initiate an allowance. Appropriate payroll taxes on the allowance amount will be withheld from the paycheck, and the amount of the allowance will be included on the individual's year-end W-2 form.

Fees for Contract Changes or Cancellations

The employee will be responsible for any fees associated with a change or termination of the contract caused by a personal decision by the employee, employee misconduct, or misuse of the device or service.

If, prior to the end of the service contract, the decision is made to discontinue the allowance to the employee (for example, the employee's supervisor has changed the employee's duties and the device or service is no longer needed for College purposes), or the employee leaves the College's employ, the employee may be eligible for reimbursement of all or a portion of the service contract cancellation fees. If the employee does not want to retain the current contract, a request for reimbursement of the cancellation fees must be submitted to the College within three weeks from the time of either the decision to discontinue the allowance or the employee's last date of employment. An invoice from the service provider indicating the service has been cancelled and the amount of the cancellation fees must accompany the request. The College will reimburse the employee for that portion of the fees that represents the College business use. The College will reimburse fees for the cancellation of contracts with no more than two years remaining; fees will be prorated on contracts with greater than two years remaining.

Shared Phones

On rare occasions a department may make a cell phone available for multiple individuals to use. If a cell phone is not assigned to a specific individual and no personal calls are made on these phones, the phones may be used by individuals without using the taxable allowance program. All such phones must be pre-approved in writing by the Controller.

Special Phones

There may be situations where departments, such as Facility Services, Community Safety and Campus Events, determine that a cell phone or similar device provides a more reliable and cost effective solution over a two-way radio that would normally be provided by the college. In these situations the college will provide the cell phone with the understanding that it will be used mainly for college business. However, if the employee exceeds the use limits provided (the college determines the use limits provided), the employee will reimburse the college for any charges for extra usage.