

**PERALTA COMMUNITY COLLEGE DISTRICT
Board of Trustees Agenda Report
For the Trustee Meeting Date of December 9, 2008**

ITEM # 30

ITEM TITLE:

Consider Approval of District Cellular Telephone (Cell Phone) ~~Policy~~ *Procedures*

SPECIFIC BOARD ACTION REQUESTED:

Approval is requested of a District Cellular Telephone (Cell Phone) Policy for the business use of cell phones by District essential personnel, managers and Trustees.

ITEM SUMMARY:

The purpose of the policy is to comply with Internal Revenue Service code for cell phones and to provide cell phones to key personnel who are required to be accessible by phone when they are away from their offices or outside working hours. Under the policy, the District will provide two different cell phone options for the employee to select from:

Option 1 – Incidental Use Option – The employee uses his/her own personal cell phone for incidental business use. Under this option, the employee will only provide his/her cell phone number to his/her manager and key District personnel. The District will only call the employee for emergencies and at critical times. The District would not regularly compensate the employee unless the District's use becomes more than incidental, in which case there are provisions for reimbursement of additional charges beyond the employee's monthly rate plan.

Option 2 – Monthly Stipend Option – The employee accepts a monthly stipend of \$50 (exceptions will be granted for a higher stipend, if need is verifiable) from the District, and in return agrees to allow the District to publish the employee's cell phone number for official use. The cell phone is owned by the employee and the employee is responsible for selecting his/her own cell phone plan and for all cell phone charges. In accordance with IRS regulations, the stipend is considered a benefit to the employee, and the employee is responsible for all income taxes associated with the stipend. The amount of the stipend will appear as taxable income each month on the employee's paycheck.

BACKGROUND/ANALYSIS:

The District recognizes that it is important for employees with certain job functions to be accessible when away from the office or during times outside scheduled working hours. The cell phone policy was drafted to meet these needs and to comply with Internal Revenue Service codes.

ALTERNATIVES/OPTIONS:

Not applicable.

EVALUATION AND RECOMMENDED ACTION:

Approval of a District Cellular Telephone (Cell Phone) Policy for the business use of cell phones by District essential personnel, managers and Trustees is recommended.

SOURCE OF FUNDS (AND FISCAL/BUDGETARY IMPACT):

District General Funds.

OTHER DEPARTMENTS IMPACTED BY THIS ACTION (E.G. INFORMATION TECHNOLOGY):

YES _____ No X

COMMENTS:

No additional comments.

WHO WILL BE PRESENTING THIS ITEM AT THE BOARD MEETING?

Vice Chancellor Ikharo

DID A BOARD STANDING COMMITTEE RECOMMEND THE ITEM? Yes _____ No X

IF "YES", PLEASE INCLUDE THAT INFORMATION IN YOUR SUMMARY.

PLEASE ACQUIRE SIGNATURES IN THIS ORDER:

DOCUMENT PREPARED BY:
Prepared by: Sadiq B. Ikhano Date: 12-02-08
Dr. Sadiq B. Ikhano
Vice Chancellor of General Services

DOCUMENT PRESENTED BY:
Sadiq B. Ikhano Date: 12-02-08
Dr. Sadiq B. Ikhano
Vice Chancellor of General Services

FINANCE DEPARTMENT REVIEW
 Finance review required Finance review *not* required
If Finance review is required, determination is: Approved Not Approved
If not approved, please give reason: _____
Signature: Thomas Smith Date: 12.2.08
Thomas Smith
Vice Chancellor for Finance and Administration

GENERAL COUNSEL (Legality and Format/adherence to Education Codes):
 Legal review required Legal review *not* required
If Legal review is required, determination is: Approved Not Approved
Signature: Thuy T. Nguyen Date: 12/2/08
Thuy T. Nguyen, General Counsel

CHANCELLOR'S OFFICE APPROVAL
 Approved, and Place on Agenda Not Approved, but Place on Agenda
Signature: Elihu Harris Date: _____
Elihu Harris, Chancellor



DEPARTMENT OF GENERAL SERVICES

Purchasing Department

Date: December 2, 2008
Subject: Cell Phone Policy

Policy

Peralta Community College District Cellular Telephone (cell phone) Policy

Purpose

In order to comply with Internal Revenue Service code for cell phones, and to provide cell phones to key personnel who are required to be accessible by phone, the District has provided this cell phone policy for the business use of cell phones.

Scope

This policy applies to all District personnel and Trustees (collectively referred to as "employees"), who use cell phones for District business use.

Intent

The District recognizes that it is important for employees with certain job functions to be accessible when away from the office, or during times outside scheduled working hours. For this reason, the District will provide two different cell phone policy options for the employee to select from: 1) Incidental Use Option, and 2) Monthly Stipend Option.

Option 1—Incidental Use Option

The employee uses his/her own personal cell phone for incidental business use. The District recognizes that many employees already own their own personal cell phones and do not wish to carry an additional phone for the District. Under the incidental use option, the employee will only provide his/her cell phone number to his/her manager and key District personnel. The District will only call the employee for emergencies and at critical times. There are no Internal Revenue tax consequences for the employee.

Under this option, the District does not regularly compensate the employee for business use of the phone and the employee is not required to publish his/her cell phone number to the District (other than to his/her manager and key personnel). If the District's use becomes more than incidental, which causes the employee to incur additional charges (above and beyond his/her monthly rate plan), the employee shall give notice to his/her manager (within 30 days of receiving his/her monthly cell phone bill), and the manager will then allow the employee to submit an expense requisition for that month's business call(s) that caused the employee to incur additional charges. The expense requisition must:

- Be submitted within 30 days of the employee's receipt of the monthly cell phone bill.
- Highlight the business calls on his/her phone bill, and itemize the cost to the District.
- Highlight cell phone calls for only the preceding month's charges. (The District will not retroactively reimburse the employee for prior month's charges that the employee chose not to itemize and charge the District).

Should the reimbursement exceed the amount of the monthly stipend plan, the District may require the employee to switch from the incidental use option to the monthly stipend option (Option 2).

Option 2—Monthly Stipend Option

The employee accepts a monthly stipend from the District, and in return agrees to allow the District to publish the employee's cell phone number for official use. The employee receives a fixed monthly stipend regardless of the actual cost of the employee's cell phone charges or business usage of the cell phone. That is, the stipend amount is fixed and it is the employee's choice as to select a cell phone plan and how to allocate the amount towards a monthly rate plan and usage charges. The employee is responsible for any charges above and beyond the monthly stipend amount. The District employee will be responsible for all state and federal income taxes associated with the stipend, and must manage his/her cell phone calls so that cell phone charges do not to exceed the amount of the stipend. Below are the program guidelines:

- A. **Ownership of the Phone:** The cell phone is owned by the employee. The District will not pay for any equipment. The employee needs to qualify for the phone (with the cell phone providers) based on his/her own social security number and credit history. The District will not co-sign for any cell phones for employees.
- B. **Amount of Stipend:** \$50 per month (exception will be granted for a higher stipend, if need is verifiable). This amount is considered a benefit to the employee, (by IRS regulations) and the employee is responsible for all income taxes associated with this stipend. The amount of the stipend will appear as taxable income each month on the employee's pay check.
- C. **Type of Cell Phone Plan:** Each employee is responsible for signing up for his/her own cell phone plan with any cell phone service provider. The employee is responsible for all cell phone charges. The District's stipend is intended to cover the cost of a basic cell phone plan. The employee may purchase a plan with additional minutes, and add-on additional upgrades such as texting or Internet use; however, the District's stipend is the fixed amount as stated above, and any additional charges and taxes are the responsibility of the employee.
- D. **Eligibility for the Stipend:** Only employees authorized by the Department Manager and the Vice Chancellor of General Services are authorized to receive the monthly stipend. The employee must fill out the Employee Acknowledgement section below and register his/her phone number with the District, to be eligible to receive the monthly stipend. The employee must obtain his/her manager's signature and forward the form to the Vice Chancellor of General Services for final approval. The stipend is not automatic, and will not be retroactively paid. All approved forms will begin receiving a monthly stipend from the date the form was approved by the Vice Chancellor of General Services.
- E. **Employee's Responsibility:** If the employee chooses to accept a cell phone stipend, the employee agrees to carry his/her cell phone and to be accessible via cell phone.
- F. **Cancellation of Phone by the Employee:** If the employee cancels his/her cell phone, the employee must immediately notify his/her Manager and the Vice Chancellor of General Services, so that the stipend can be canceled. Failure to notify the District within 30 days of cancellation may be cause for disciplinary action. The District will not pay any cancellation charges.
- G. **Cancellation of the Stipend:** The District may cancel the stipend with or without cause by giving the employee 30 days notice to cancel. In this case, the employee may

choose to retain his/her personal cell phone without receiving any further stipend amount or choose to cancel his/her personal cell phone. If the employee chooses to cancel his/her personal cell phone due to the District's cancellation of the stipend, and such cancellation results in the employee being charged a cancellation fee, the District will reimburse the employee for cancellation fees up to a maximum of \$200. To receive this reimbursement, the employee must submit an expense requisition within 30 days of the employee's receipt of the bill and highlight the cancellation charge on his/her phone bill.

H. **Termination of Employment:** Cell phone stipends will automatically terminate with employees' termination of employment. The District will pay no cell phone cancellation charges.

Employee Acknowledgement:

Name: _____ Department _____

I choose the following option:

_____ Incidental Use Option (Option 1)

_____ Monthly Stipend Option (Option 2) Personal Cell Number _____

I have read and agree to comply with the above District's Cellular Telephone Policy.

Signature: _____ Title _____ Date _____

Manager's Approval:

Signature: _____ Title _____ Date _____

Vice Chancellor of General Service's Approval:

Signature: _____ Title _____ Date _____