

ELECTRONIC COMMUNICATION DEVICE POLICY

California State University, Dominguez Hills Foundation

Background

California State University, Dominguez Hills Foundation recognizes that the performance of certain job responsibilities may be enhanced by or may require the use of a cellular (cell) phones, smartphones, tablets or other mobile computing devices, hereafter referred to collectively as cell phones, unless indicated (see definitions below). The IRS considers these devices to be "listed property." As such, IRS regulations (IRS Section 274 (d) 4) require detailed record keeping including (a) the amount of the expense, (b) the time and place of the call, and the business purpose for the call. The IRS can declare that all undocumented use of a cell phone is personal and should be taxed as wages, even if the majority of the calls are for business purposes.

In order to comply with IRS rules regarding the taxable nature of cell phone usage by employees, the Foundation shall endeavor to provide cell phone Stipends to individual employees as opposed to issuing Foundation-owned cell phones whenever possible. The Foundation will issue a Stipend for those employees who hold positions where the duties of that position require the use of a cell phone or mobile device. This Stipend is meant to off-set the overall costs of the mobile device ownership, not cover those costs in full. The benefits of such an approach include: 1) a call log is not required; 2) monthly reporting is not required; 3) a single phone may be used for both personal and business purposes. The Stipend is not considered taxable income to the employee and will be issued via Accounts Payable.

Policy

Employees who hold positions that include the need for a mobile device (see eligibility criteria below) may receive a Stipend to compensate for business-related costs incurred when using their individually-owned cell phones. The Foundation will not own mobile devices for the use of individual employees. All Foundation owned phones will be paid directly through the University's cell phone provider and not subject to this policy.

Definitions

Cell Phone – A cell phone refers to a mobile phone up to and including features such as a keyboard or basic applications. It does not include internet connection capabilities, email access, or other "smart" features.

Smartphone – A mobile phone that does include features such as internet connection, WiFi, e-mail access, applications and a web browser.

Tablet – Mobile devices usually consisting of a large (6"+) touch screen, internet connectivity and other smart features. It does not include telephony services (though may include applications capable of making calls or writing text messages). This does not include Tablet PCs, running full versions of desktop operating systems, or laptops which can be converted to a tablet mode.

Mobile Hot-spot – a device that creates a local WiFi network the carrier's wireless telephone network.

Eligibility Requirements

Employees whose job duties include the frequent need for a mobile device may receive a monthly Stipend to cover business-related costs. An employee is eligible for a stipend if at least one of the following criteria is met:

- The job function of the employee requires considerable time outside of his/her assigned office or work area and it is important to the Foundation that s/he is accessible during those times;
- The job function of the employee requires him/her to be accessible outside of scheduled or normal working hours;
- The job function of the employee requires him/her to have wireless data and internet access; and/or
- The employee is designated as a “first responder” to emergencies on campus.

For tablets and/or mobile hot-spots, there is the additional requirement that:

- The specific form factor and/or functionality of the tablet (e.g. larger screen) or mobile computing device (e.g. connectivity while commuting) is crucial to that employee’s ability to perform the needed service or job function.

An employee who occasionally requires a mobile device for business purposes is not eligible for a stipend; however, s/he may submit a record of these expenses for reimbursement.

Stipend Plan

If an employee meets the eligibility requirements for a mobile device, as outlined above, a Stipend may be requested using the *Mobile Device Stipend Agreement* form. The request may be made any time during the fiscal year.

Once approved, the Stipend amount will be paid as a reimbursement via Accounts Payable. As per IRS guidelines, any amount paid will not be taxable.

This Stipend does not constitute an increase to base pay, and will not be included in the calculation of percentage increases to base pay due to annual raises, job upgrades, bonuses, benefits based on a percentage of salary, etc.

The Stipend will be paid as a flat rate per month, based on the selected service(s) and usage level(s) outlined below. As a Stipend, the Foundation will pay only the agreed upon amount, even if monthly costs exceed that amount. A new request form must be submitted if the Stipend amount needs to be changed because of documented business purposes.

The Stipend and equipment allowance are neither permanent nor guaranteed. The Foundation reserves the right to remove a participant from this plan and/or cancel the plan if there is insufficient budget to meet the plan costs.

Stipend Options

The amount of the Stipend will be determined based on the business contact required of the employee’s position and the minutes/texts/data needed for the employee to perform his or her job responsibilities (see

Oversight, Approval, & Funding section below). Cell phones and Tablets are subsidized at flat rate regardless of amount of usage. A tiered model based on the current market rates* is used for Smartphones. The current market generally requires voice, text and data when a user subscribes to a Smartphone. Each tier is defined by the upper limit of usage per month of *any combination of service(s)* that is for required work-related purposes.

For example, if no more than 10% of all text messages for an average month are for work-related issues, then the “Occasional” tier would be appropriate; if 5% of texts and 10% of minutes are for work-related purposes, the “Regular” tier would suffice.

Cell phone	Smartphone			Tablet	Hotspot
	<i>Occasional (10%)</i>	<i>Regular (25%)</i>	<i>Extensive (40%+)</i>		
\$40	\$20	\$40	\$60	\$30	\$30

The Stipend amount selected should cover all reasonable and appropriate business use, and may be comprised of one or more services each with its own usage level. The stipend amount will not exceed the monthly charge for the use of the device (eg – if a promotion causes the monthly fee to be \$30 even for an “extensive” user, then the stipend will be \$30).

** The Stipend rates will be evaluated, and if appropriate, adjusted annually to align to current market rates.*

Equipment Allowance

The Foundation may, at its sole discretion, assist with paying the net purchase cost of a cell phone or mobile device up to once every 2 years. This allowance is taxable income to the employee. Employees must show a bill or purchase receipt for their mobile in order to receive this allowance. The mobile device will belong to the employee, not the Foundation; the employee can choose a cell phone or tablet with more features and pay the difference if he/she chooses. The Foundation will not pay for activation fees or insurance.

Directors may approve as many mobile device purchases per employee as deemed appropriate as per the eligibility requirements.

Allowance amounts differ based on type of device:

- Mobile Hot-Spot: Up to \$40
- Cell Phone: Up to \$25
- Smartphone: Up to \$150
- Tablet: Up to \$200

Oversight, Approval, & Funding

Individual departments and Directors are responsible for identifying employees who hold positions that include the need for a mobile device. Each department is strongly encouraged to review whether a mobile device is necessary, and to select alternative means of communication (e.g., land-lines, pagers, and mobile radios) when such alternatives would provide adequate and less costly service to the Foundation.

The Director is responsible for overseeing employee mobile device needs and assessing each employee's continued need of a mobile device for business purposes. The need for a Stipend should be reviewed annually, to determine if existing stipends should be continued as-is, changed, or discontinued.

Stipends are funded by the department submitting the request and subject to final approval of the Director of Business and Finance and Chief Financial Officer.

Employee Rights & Responsibilities

The employee is responsible for purchasing a mobile device and establishing a service contract with the provider of his/her choice. The contract is in the name of the employee, who is solely responsible for all payments to the service provider. The employee purchases service and equipment; determines plan choices, service levels, calling areas, service and features; and accepts termination clauses and payment terms.

Because the mobile device is personally owned, the employee may use the phone for both business and personal purposes as needed. The employee may, at his or her own expense, add extra services or equipment features, as desired. If there are problems with service, the staff member is expected to work directly with the carrier for resolution. Support from the University is limited to documentation provided for connecting a personally-owned mobile device to Foundation-provided services, including email, calendar, and contacts.

An employee receiving a Stipend must be able to show, if requested by his/her supervisor, a copy of the monthly access plan charges and business related use to determine if the amount of Foundation compensation is appropriate. If the employee terminates the wireless contract at any point, s/he must notify his/her supervisor within 5 business days to terminate the Stipend.

Foundation does not accept any liability for claims, charges or disputes between the service provider and the employee. Use of the mobile device in any manner contrary to local, state, or federal laws will constitute misuse, and will result in immediate termination of the Stipend.

Devices covered by this policy are used in part to conduct Foundation business and/or to create, receive, send, or store Foundation data and/or education records of students. As a result, information contained on devices covered by this policy are also subject to Federal and State data maintenance and protection laws (e.g., FERPA, records retention requirements), as well as all Foundation policies, including those pertaining to data security, acceptable computing use, and email. An employee receiving a Foundation Stipend must comply with Federal, State, and Foundation requirements, and assist the Foundation in providing access to information about or contained on the mobile device covered by this policy in response to requests for such data or information by third parties as required by Federal and/or State law.

Any mobile device that has data capabilities must be secured based on current Foundation security standards including password protection and encryption. If a device with data capabilities is stolen or missing, it must be reported to the employee's supervisor, the wireless device service provider, and to OIT as soon as possible.

Employees are expected to delete all Foundation data from the device when their employment with the Foundation is severed, except when required to maintain that data in compliance with a litigation hold notice.

Foundation-Owned Cell Phones

The Foundation may own and retain a limited number of cell phones for emergency, disaster recovery, and/or other business purposes, including:

- Shared department cell phone: Arrangement involving multiple individuals sharing one cell phone that does not leave the campus and is turned in by each employee at the end of his/her shift.
- On-call department cell phone: Used for business purposes only, this arrangement involves multiple individuals that take turns being on call and share one phone.
- On-call individual cell phone: This arrangement involves an individual that is call.

Requests for Foundation-owned cell phones must be approved by the department's Director and the Chief Financial Officer, and service and equipment must be obtained through the University. Departments requesting a Foundation-owned phone should consider whether there are other options that might meet their needs, and must demonstrate how a Foundation-owned cell phone is the only/best solution. All costs associated with the Foundation-owned phone, including equipment and monthly service, will be charged back to the requesting department.

Reimbursement for Business Calls

If an employee's job duties do not meet the criteria for a mobile device, the employee is not eligible for a Stipend. Such employees may request reimbursement for the actual extra expenses of business use on their mobile devices. Reimbursement for per-minute "air time" charges for voice service is limited to the total overage charge shown on the invoice; expenses for minutes included in the plan will not be reimbursed. Similarly, reimbursements for data overages applies to the total overages shown on the invoice for that section. The individual should make personal payment to the provider, and then should submit a request for reimbursement. Reimbursement documentation should identify the business purpose.

Cancellation

Any Stipend agreement will be immediately cancelled if an employee receiving a cell phone Stipend terminates employment with the Foundation. Any such Stipend will also be cancelled if an employee changes job positions. In case of a change in job positions, a new *Mobile Device Stipend Agreement* must be submitted to the Foundation to establish the continued business need for a cell phone.

If, prior to the end of the cell phone contract, a personal decision by the employee, employee misconduct, or misuse of the phone results in the need to end or change the cell phone contract, the employee will bear the cost of any fees associated with that change or cancellation.

If, prior to the end of the cell phone contract period, a department decision (unrelated to employee misconduct) results in the need to end or change the cell phone contract, the department will bear the cost of any fees associated with that change or cancellation. The original billing statement indicating the early termination charge billed must be submitted in order to be reimbursed in these circumstances.