

**Policy: LYNX Executive Team Member Cellular Telephone/SmartPhone Use and Allowance**

**Issuing Dept: Human Resources**

**Effective Date: January 1, 2010**

**Approved By:**



**Linda Watson  
Chief Executive Officer**

**SCOPE**

This policy applies to all LYNX Executive Team Members.

**POLICY**

The Internal Revenue Service (IRS) considers cell phones to be "Listed Property" and treats employer-provided cell phones and monthly charges paid by the employer to be taxable income to the employee unless the employee can show that the cell phone was used for business purposes pursuant to IRS Section 274(d)(4). This requires the employee to maintain detailed records regarding each cell phone call, including the amount of the expense, the time and place of each call, and the business purpose for each call.

The IRS can declare that all undocumented use of a cell phone is personal and treat the monthly cell phone charges as wages even if the calls were for business purposes. Employees whose job duties include using a cell phone may receive extra compensation in the form of a cell phone allowance as reimbursement for business-related costs of purchasing cell phones and paying monthly fees. All other employees may submit infrequent business-related cell phone expenses for incidental reimbursement.

**DEFINITIONS:**

**Cell phone.** Any device that is used to make or receive wireless calls, including any device that provides e-mail and Web functions such as an I-phone, BlackBerry or Treo™.

**Authorizer.** Chief Executive Officer or his/her designee.

## PROCEDURES:

The Authority will provide authorized employees with an allowance for the payment of monthly service charges. This allowance will be provided as taxable income to the employee, but it will not be considered part of the employee's base salary nor will it be considered in the calculation of retirement benefits.

The authorizer may, at his or her sole discretion, authorize the payment of a taxable allowance to an employee if the employee's job duties necessitate the use of a cell phone for Authority business.

Each employee who will receive an allowance for the purchase of a cell phone or monthly service charges must complete a *Cell Phone Allowance Request Form* annually. The form must be approved by the authorizer and forwarded to the Human Resources Division for processing. The authorizing department must maintain a copy as documentation for audit purposes.

LYNX Information Technology must verify functionality with the LYNX Mobile Server prior to use, as **not all** phones are capable of synchronizing email and PIM and or may require additional services from the phone provider. LYNX shall not be responsible for the synchronization of LYNX employee's personal email, appointments, and contacts.

## Allowances

It is the intent of this policy to provide a fair allowance to employees for the business use of their personal cell phones while maintaining proper budget control. An allowance may be allowed to defer a portion of the monthly personal cell phone service plan cost. The allowance provides a monthly payment towards the cost of maintaining cell phone service for business purposes. The monthly supplement amount is established at \$50. The supplement is provided to the employee for as long as the authorizer determines that the employee qualifies for it.

The authorizer is responsible for:

- determining whether the employee's position requires a cell phone based upon his or her job responsibilities and maintaining appropriate documentation to support this in the departmental files
- ensuring that employees are familiar with the requirements of the *Cellular Telephone Use* policy

Employees are responsible for:

- providing the Authority with the current access number or address of the cell phone within five working days of activation
- notifying his or her authorizer when there has been a significant change in the need for the business use of a cell phone allowance
- notifying the authorizer within five working days of inactivation of the device; an employee is prohibited from continuing to collect a cell phone service plan allowance when the device is no longer active or needed for the performance of the employee's job responsibilities, or plan payments are not kept current.

The Authority is responsible for:

- LYNX IT shall ensure the LYNX Mobile Server is configured and operational in order to provide services of Synchronization for employees who are authorized to use a personal SMARTPHONE or iPhone.
- LYNX IT shall also provide technical assessments of personal phones for specification requirements to ensure the phone is capable of synchronizing.
- LYNX IT shall provide information to the LYNX employee on any additional services which may be required by their service provider in order to synchronize.
- LYNX IT has received the previously issued LYNX phone utilized by the employee (if applicable)
- LYNX Accounts Payable staff to verify that the LYNX cellular phone bill previously utilized by the employee (if applicable) has been discontinued.
- LYNX Human Resources and Payroll staff to ensure the applicable allowance has been included in the employee's bi-weekly payroll.

### **Ownership of cell phones**

The cell phone utilized by the employee in this policy is considered to be the personal property of the employee and any service contract entered into by the employee is personal to the employee. The Authority will have no obligation, make no guarantees with respect to such contracts, and will not be held liable for misuse or abuse of any type.

### **Availability**

The LYNX Mobile Server shall be available to LYNX employees for 99% out of 8760 hours in one year.

### **Performance Reporting**

LYNX Information Technology will report availability once a year through the LYNX Mobile Server Equipment Outage Report.

### **Problem Reporting**

All LYNX employees using authorized personal SmartPhones and iPhones shall use the LYNX IT HelpDesk to report trouble with the synchronization of LYNX Email and PIM data. LYNX IT shall determine the trouble and resolve or respond to the LYNX employee that it is a service provider issue.

### **Related Sources:**

Administrative Employee Handbook