



**Oral Roberts University
Cell Phone and Data Service with Voice
Policies and Procedures
Effective April 6, 2011**

I. Background

This policy enables the University to comply with Internal Revenue Service (IRS) rules regarding the taxability of employee cell phones and devices. The policy also results in each user having both freedom of choice and personal responsibility for her or his cell phone or device plan.

ORU has a program whereby each eligible employee will receive a taxable allowance for an individually owned cell phone or data device. This process eliminates the IRS requirement of detailed documentation; however, employees may maintain business use documentation and deduct documented cell phone or device expenses on his or her personal income tax return.

II. Policy

Employees whose job duties include the frequent need for a cell phone or data device may receive extra compensation, in the form of a taxable allowance, to cover business-related costs. Questions relative to this policy should be directed to the Controller, ext. 6001.

III. Procedures

A. Allowance Request

If a University employee's job duties include the frequent need for a cell phone or data device, the employee may be eligible for an allowance to cover associated expenses. To receive such an allowance, the employee must complete and submit either the attached ***Cell Phone Allowance Request Form*** or the ***Data Service Request Form***. This form is required to be approved by the employee's supervisor and their respective Vice President. Allowances will be paid bi-weekly as part of an eligible employee's paycheck, and the monthly cost will be charged against the employee's respective department operating budget under the salary or wages category. The monthly allowance is taxable income; therefore, the employee will be taxed in accordance with IRS tax regulations.

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

B. Allowance Approval Process

Supervisors and the respective Vice President must approve cell phone allowances. Data service with voice allowances must also be approved by the

employee's respective VP or EVP. The following criteria may serve as a guideline to identify an employee's need for a cell phone or data device and, therefore, eligibility for the cell phone allowance:

1. Safety requirements indicate having a cell phone or data device is an integral part of meeting the requirements of the job description.
2. More than 50% of work is conducted off-campus.
3. Required to be contacted on a regular basis outside normal work hours
4. Required to be on-call (24/7)
5. Job requirements include critical University-wide decision making.

Supervisors are responsible for an annual review of employee business-related cell phone and device use to determine if existing allowances should be continued, modified, or discontinued.

After obtaining the necessary approvals, the completed Cell Phone or Data Service Request form should be submitted to the Chief Financial Officer for final review and processing.

C. Plan Allowance

Employees will be responsible for choosing his or her own voice or data plan, as well as a carrier. Because the employee is personally responsible for the account and the allowance provided is taxable income, the employee may use the account for both business and personal purposes. The employee may also, at his or her own expense, add extra services or equipment features, as desired. The University does not accept any liability for claims, charges, or disputes between the service provider and the faculty or staff member.

Recipients of this allowance must notify ORU of the cell phone number and must continue to maintain the cell phone or device in working order while receiving the allowance. The employee consents to the distribution of the cell phone number to those who may require contact with them for any business matter.

Employees will be responsible for choosing their own equipment. As described below, there is no additional allowance for cell phones. Because the employee is personally responsible for the equipment, any replacement for loss or damage will be at the expense of the employee. Use of the phone or device in any manner contrary to local, state, or federal laws will constitute misuse and will result in immediate termination of the allowance.

D. Determination of Dollar Amount of Allowance

The dollar amount of the allowance should cover the employee's projected business-related expenses. The allowance levels are the least expensive that provides adequate business-related services. Determination of the dollar amount of the allowance is made at the department level but must be within the guidelines and dollar limits established under this policy.

Plan	Monthly Allowance	Per Pay Period	
Cell phones:			
Heavy	\$200.00	\$92.30	
Moderate	\$100.00	\$46.15	
Light	\$60.00	\$27.69	
Data Service			
Light	\$35.00	\$16.15	
Moderate	\$42.00	\$19.38	
Heavy	\$56.00	\$25.84	

ORU will pay only the approved allowance amount, even if actual monthly cost occasionally exceeds the allowance. If the amount of the allowance subsidy needs to be adjusted because of documented business purposes, a new allowance form should be completed and submitted for supervisor approval.

Charges to ORU corporate cards or departmental accounts are not allowed for monthly cell phone or device fees or for related equipment purchases.

E. Support for Cell Phones or Devices

Support for cell phones and data devices will be provided by the carrier. IT may provide consultation on the type of equipment to purchase, especially as it relates to devices that enable email and calendar support.

F. Fees for Contract Changes or Cancellations

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

G. Policy Exceptions

ORU may continue to provide cell phones and devices to certain employees who require specific equipment or similar technology to perform University functions (e.g., public safety etc.) and, rarely, use these phones for personal use. Exceptions must be approved by the employee's respective VP or EVP and the Chief Financial Officer. These "excepted employees" will be required to submit monthly documentation verifying business use to the Accounting Office. Such

monthly documentation shall be in the form of a copy of the employee's respective phone usage logs, as shown in the monthly billing statement from the provider. Immediate supervisors will be required to approve all charges, attesting that all calls were business related, by initialing the copy of the usage logs. If an employee fails to submit the required documentation within 30 days of receipt of the monthly billing statement, the phone or data device must be returned to the University, and the cost of service will be added to the employee's taxable income as wages.

ORU reserves the right to switch any employee to the allowance program if excessive personal calls are made or if required documentation is not submitted in a timely manner. Restitution for personal calls must be made to the University within a 30-day period.

H. Cell Phone Usage While Driving

Use of a cellular telephone while operating a vehicle may be illegal in other states and must be avoided as a general practice even if features such as headsets or voice activation are in use. If the driver must use a cell phone while driving on University business or while driving an ORU-owned vehicle, the vehicle must be stopped safely before a call is answered or placed. There is increasing evidence that the dangers associated with cell phone use outweigh those of other distractions. Safety experts also acknowledge that the hazard posed by cell phone conversations is not eliminated, and may even be increased, by the use of hands free sets.

- I. **Managers/Supervisors should apply a high standard of necessity when evaluating who qualifies for Cell Phone/Data Service allowance. Managers/Supervisors should also take appropriate steps prior to Allowance Form submission, to incorporate, review, and adjust, budgets to ensure budget levels will support allowances.**

**Oral Roberts University
Cell Phone Allowance Request Form**

Date	
Employee Name	
Employee Z #	
Job Title	
Department	
Account Number to Charge	
Allowance Amount (from chart below)	

Check provision of policy (subsection B) under which you qualify for allowance:

⑨ B1. Safety ⑨ B2. 50% Off Campus ⑨ B3. After Hours ⑨ B4. 24/7 ⑨ B5. Critical Position

Describe how you qualify under 1 or more of the criteria above.

Check One	Cell Phone Plans	Monthly Allowance	Per Pay Period	
⑨	Heavy	\$200.00	\$92.30	
⑨	Moderate	\$100.00	\$46.15	
⑨	Light	\$60.00	\$27.69	

All allowance payments are charged to your department's budget and are considered other compensation. The cell phone allowance will start on the next scheduled monthly pay date.

Appropriate payroll taxes on the allowance amount will be withheld from the paycheck, and the amount of the allowance will be included on the eligible employee's year-end W-2. The allowance does not constitute an increase to base pay, and will not be included in the calculation of percentage increases in base pay due to annual raises, job upgrades, benefits based on a percentage of salary, etc.

Employee Certification and Signature:

I certify that I have read, understand, and will comply with ORU's Cell Phone and Data Service with Voice Policy.

Employee Signature _____ **Date** _____

Supervisory Certification and Signature:

I have reviewed the policy provisions under which this request is made. I concur with the employee's description of the need, and I recommend that this request be approved.

EVP/Vice President Signature _____ **Date** _____

Budget Approval _____ Chief Financial Officer _____ Payroll Processing _____

Start Date _____ Cell # if Known _____

Copy: HR Department

**Oral Roberts University
Data Service Request Form**

Date	
Employee Name	
Employee Z #	
Job Title	
Department	
Account Number to Charge	
Allowance Amount (from chart below)	

Check provision of policy (subsection B) under which you qualify for allowance:

⑨ B1. Safety ⑨ B2. 50% Off Campus ⑨ B3. After Hours ⑨ B4. 24/7 ⑨ B5. Critical Position

Describe how you qualify under 1 or more of the criteria above.

Check One	Data Service with Voice Plan	Monthly Allowance	Per Pay Period	
⑨	Data Plan 1	\$35.00	\$16.15	
⑨	Data Plan 2	\$42.00	\$19.38	
⑨	Data Plan 3	\$56.00	\$25.84	

All allowance payments are charged to your department's budget and considered other compensation. The data service allowance will start at the next scheduled pay date.

Appropriate payroll taxes on the allowance amount will be withheld from the paycheck, and the amount of the allowance will be included on the eligible employee's year-end W-2. The allowance does not constitute an increase in base pay, and will not be included in the calculation of percentage increases in base pay due to annual raises, job upgrades, benefits based on a percentage of salary, etc.

Employee Certification and Signature:

I certify that I have read, understand, and will comply with ORU's Cell Phone and Data Service with Voice Policy.

Employee Signature _____ **Date** _____

Supervisory Certification and Signature:

I have reviewed the policy provisions under which this request is made. I concur with the employee's description of the need, and I recommend that this request be approved.

EVP/Vice President Signature _____ **Date** _____

Budget Approval _____ Chief Financial Officer _____ Payroll Processing _____

Start Date _____ Cell # if Known _____

Copy: HR Department