

TAB 11

POINT PAPER
Cell Phone Policy
March 9, 2009

Problem: Our current cell phone policy should be revisited to determine if changes are needed to improve the effectiveness associated with administering the policy and to ensure compliance with the latest laws governing cell phone use.

Background:

The City's current cell phone policy 04-03 (see attachment A) was adopted in 2004. Our current policy requires department heads to approve all requests for city-issued cell phones. Our policy requires that all personal calls are to be identified by the employee and reimbursed to the city at a rate established by the City. Staff currently identifies personal calls and reimbursement is being made to the City for personal calls on a quarterly basis. Staff has obtained examples of other cell phone policies to determine if changes are needed to our existing policy. Staff has included a policy from Alachua County (see attachment B) for review and consideration. Before moving forward with specific changes, staff would like to get direction from Commission on a few policy questions.

- Does Commission want to provide the option to employees/departments to issue a city phone or provide an allowance as described in the Alachua County ordinance?
- Is the direct connect functionality a feature that all employees are required to have?
- Can we explore a direct connect option only? This might present a problem if non direct connect customers need to contact a city employee who only has direct connect.

Alternatives:

1. Instruct staff to explore a policy similar to the Alachua County ordinance and bring it back for Commission approval.
2. Modify/update the existing cell phone policy and have staff continue to reimburse the City for personal cell phone usage.

Recommendation:

Staff and Commission to discuss

Budget Impact:

Budget impact is not known at this time. However, staff will try to minimize or reduce costs when drafting revisions to the policy.

Attachment "A"

CITY COMMISSION ADMINISTRATIVE POLICY NO. 04-03

CELLULAR TELEPHONE POLICY

PURPOSE:

The purpose of this policy is to establish efficient and consistent standards and procedures for the acquisition, use, and maintenance of cellular telephone technology, and to manage and control cost associated with acquiring and operating cellular telephones.

POLICY:

The City of Palmetto will acquire and place cellular telephones into service in those instances where such technology will ensure, or enhance, the ability of City employees to carry out the duties and responsibilities of their jobs.

PROCEDURE:

A. Minimum standards:

Department Heads may request the acquisition of cellular phones for the following personnel:

1. City employees and officials whose job duties and responsibilities require that they maintain contact with citizens and other City employees, and who spend their workday away from a conventional telephone.
2. City employees and officials who serve in public safety capacities and who, by job title and responsibility, routinely serve, or are subject to serve, in command or field coordinator roles for incidents and rehearsals for incidents that may threaten public safety and well-being.
3. City employees and officials with whom immediate and direct telephone communication is necessary in the performance of their job responsibilities and organizational duties.

B. Justifying and requesting a cellular telephone:

Department Heads that wish to acquire a cellular telephone for one of their personnel shall make a written request through the purchasing system justifying need and function.

C. Reviewing and approval of cellular telephone requests:

Requests will be reviewed for accuracy by the Department Head and a determination will be made as to whether cellular technology is the most appropriate communications technology for the situation then at hand.

D. Acquisition method:

Due to the evolving nature of cellular telephone technology, the most economically prudent method of acquiring cellular phones may be by purchase or lease. The City will periodically negotiate contractual terms to meet the cellular telephone needs of the City. As a result of such negotiations, the City will, from time-to-time, enter into contracts with successful vendors for the purchase or lease of cellular telephone equipment and service. All approved requests from City departments will be filled from such contracts, and appropriate charges will be assessed against respective departmental budgets.

When preparing annual budget requests, departments should request sufficient funding to cover the cost of approved and in-service cellular phones.

As in the case of conventional telephone equipment and service, budget cost information for cellular telephones will be provided to City departments by the purchasing agent in advance of each budget preparation cycle.

E. Selecting Brands, Models and Features:

Inasmuch as cellular telephones are a contract commodity, brands will be limited to those under contract. Accordingly, upon notification of approval of a cellular telephone request, and based on information contained therein, the Purchasing Agent will work with the Department Head to select the appropriate model, features, etc.

F. Installation and Training:

The Department Head will coordinate and arrange the installation of and training for approved cellular telephones.

G. Billing:

The Department Head will conduct audits of the billing statements and distribute to the appropriate departmental staff for review. Once approved for payment by the appropriate Department Head, statements will be forwarded to the purchasing department for payment against appropriate accounts. Statements should be processed immediately upon receipt.

H. Use of Cellular Telephones:

Like all other City assets and resources, cellular telephones are acquired with public funds to enable City employees and officials to transact the public's business in the most efficient and cost-effective method possible.

Employees shall limit, to a minimum, calls that do not involve City business. This rule applies to both incoming and outgoing calls and to cellular and conventional telephones, but is particularly important in the case of cellular telephones, since airtime is a premium commodity for which substantial charges may be assessed. Employees who are also assigned a digital pager should receive all incoming calls on the pager. Whenever possible, calls can then be returned on a conventional telephone if one is available, thereby reducing unnecessary airtime charges.

All personal calls (non-City-related business) including any calls utilizing airtime made within a flat rate program and/or long distance and roaming shall be the financial responsibility of the employee. All personal calls that fall within a flat rate package or nights and weekends package are to be reimbursed at the rate established by the City based on current rates.

Other costs resulting from misuse, loss or inappropriate use of cellular telephones shall also be the responsibility of the employee.

I. **Monitoring Cellular Phone Usage:**

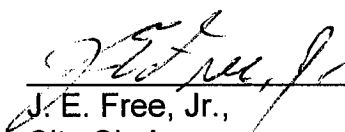
To ensure they are being used appropriately, the immediate Supervisors and Department Heads will monitor the use of cellular phones by reviewing monthly cellular phone activity.

Misuse of cellular telephones or equipment may be the basis for disciplinary action, up to and including termination of employment.

APPLICABILITY:

This Policy applies to all City of Palmetto employees under the leadership of the Mayor and auspices of the City Commission.

Approved by the City Commission: October 18, 2004.



J. E. Free, Jr.,
City Clerk

Administrative Procedure

Regulation Number: 02-09
Review Date: 11/8/07

Effective Date: 1/22/08
Revised Date: 9/27/07

CELLULAR TELEPHONE POLICY

Purpose:

To identify the process for support and usage of cellular telephones for Alachua County business.

Policy:

County Cellular telephones must be used properly and efficiently, for County business to ensure cost-effectiveness.

Procedure:

Cell Phones and Other Wireless Communication Devices

1. **Introduction** - Cellular telephones and other wireless communication devices have become common place and are often necessary for County staff to carry out the responsibilities of their positions in an effective and efficient manner. The cost of the business use of cell phones are subject to scrutiny by the Internal Revenue Service (IRS) and auditors who look for assurance that the costs incurred for cell phone use are only for official business. To support that calls are only for business use, the IRS requires that all calls be specifically and properly identified as to their purpose; business or personal. This requirement significantly increases the record keeping responsibility and has caused the County to look at a second option for covering the cost of cell phone use. This policy provides guidance on the options departments have in providing cell phone service and the responsibilities that cell phone users have regarding the appropriate use and record keeping of cell phone calls.
2. **Cell Phone Authorization Criteria:**

Department Directors will authorize the use of a County cell phone or approval of a cell phone allowance based on an employee meeting one or more of the following criteria:

 - a. Works a significant amount of time (more than 50%) away from an office environment.
 - b. Supervises / oversees personnel in the field, away from a central office area.
 - c. Needs to travel frequently between County facilities.
 - d. The employee spends 35% or more of their time traveling to customer locations.
 - e. Deemed "Critical" personnel if a County emergency is declared.
 - f. Is assigned an after-hours customer service function. Needs to be on-call, taking customer (citizen or employee) calls after normal working hours.
 - g. Travels frequently outside of the County to conduct County business.

3. **Summary of Cell Phone Options** - Departments have the following options of how they provide for the business use of cell phones and other wireless communication devices:
- a. **Option 1 - Monetary Allowances for Employee-owned Devices** - Provide staff that require cell phones and/or other wireless communication devices with a taxable allowance for the acquisition of the device and the monthly service charges. **This option eliminates the need for the detailed record keeping required by the IRS for cell phone use.** It also eliminates the costly processing of reimbursements when a County provided phone is used for personal calls as well as the potential for IRS fines, penalties, and interest for inadequate recordkeeping. These allowances will be provided as taxable income to staff, but will not be considered part of the employees' base salary or be considered for calculation of retirement benefits.
 - b. **Option 2 – County Provided Cell Phones** - Provide County owned cell phones to staff that have a demonstrated and documented need for such equipment and service. Departments must maintain documentation of the justification for the staff's need for the device as well as require a detailed record of all calls made and received (both business and personal). Calls should only be made or received for official County business except in the case of emergencies or special situations, which should be infrequent. Staff should reimburse the County for all personal calls made at the rate of \$.06 per minute, plus any applicable long distance or roaming charges, up to the amount of the total monthly bill.
4. **Option 1 - Monetary Allowances for Employee-owned Cell Phones** - The Allowance Request (see Attachment A) is required to be completed and maintained in the department as documentation for audit purposes.
- a. **Types and Determination of Allowances** - A department may elect to monetarily provide for the staff's purchase and operation of a cell phone when the staff's job duties, in the opinion of the department head, necessitate providing such a device. When paid allowances are provided, they will be provided in one or both of the following forms:
 - i. **Cell Phone Equipment Purchase Allowance** - Provides a periodic monetary payment towards the employee's personal acquisition of a communication device and payment of initial activation fees, upon proof of receipt. A cell phone equipment allowance may be paid no more often than once every two years. The appropriate allowance should be determined and documented by the department head, but should not be more than \$100 for a cell phone or \$200 for a Personal Digital Device (PDA) device. Any extraordinary circumstances that might require exception to these limits would need to be approved by the County Manager or his designee.
 - ii. **Biweekly Communication Service Plan Allowance** - Provides a biweekly allowance for the operation of a cell phone. To arrive at the biweekly amount, analyze the monthly sum of County usage to compile an annual total, and then divide it by 26 (number of pay periods per year). The supplement is provided to the employee for as long as the employee's department head determines that he or she qualifies under this policy. Because the use and needs can vary significantly by the cell phone user, the appropriate allowance should be determined and documented by the department head, but should not be more than \$100 per month. Any extraordinary circumstances that might require

exceptions to this limit would need to be approved by the County Manager or his designee.

iii.

Example:

\$40 Monthly service allowance
x 12 Months
\$480 Annual total
÷ 26 Divided by pay periods
\$18.46 Per pay period

- iv. **Determination of Appropriate Allowance Amounts** - It is the intent of this policy to provide department heads with the latitude necessary to provide fair allowances to staff while maintaining proper budget control. It is not expected that the amount of the allowance will always cover the total cost of the equipment or service plan, since it is expected that the device will be used for personal use as well as business use. Employees are expected to contract with cell phone carriers that offer discounted rates to government employees in order to minimize cost to the County for business usage. The department cell phone designee will have information on available discounted plans.

Department heads should document how they arrived at the amount of the allowances and factor in an additional 20% to cover the average cost of added payroll taxes that the employee will have to pay on the allowances.

Departments providing staff with cell phone allowances should ensure that staff is familiar with the requirements of the Cellular Telephone Policy and that appropriate documentation of how the allowance was determined is maintained by the department for audit purposes.

- b. **Ownership** - A cell phone device acquired by the Allowance method is considered to be the personal property of the employee and accordingly may be used in any way the employee deems appropriate. Any service contract entered into by the staff member related to the acquisition and operation of a communication device acquired by this method is personal to the staff member. Alachua County will have no obligation or make any guarantees with respect to such contracts.

5. Option 2 – County Provided Cell Phones –

- a. **Use of Cell Phones** - County provided cell phones should be used primarily for official business purposes. However, it is recognized that occasions may occur where personal calls may be unavoidable. On such occasions, personal use should be limited in duration and infrequent. To ensure the appropriate use of County provided cell phones, the staff should follow the procedures outlined in this policy. When County owned equipment is provided to staff it remains the property of the County and should be returned to the department head or designee whenever the equipment is no longer needed or if the staff member terminates employment with the County.
- b. **Justification for Cell Phones** - When departments make requests for cell phones, departments should review their cellular telephone contracts relative to their choice of billing plans considering:

- i. The demonstrated need for the cell phone for each specific user;
 - ii. The most economical billing plan for each specific user, and
 - iii. That consistent personal use should not be used as a reason to force the use of higher value services.
 - c. **Review and Approval of Cell Phone Statements** - Cell phone statements showing a detail of cell phone usage are expected to be reconciled by the cell phone user and sent to the appropriate department cell phone billing designee within 30 days of receipt. The department shall review the bills as follows:
 - i. The department cell phone designee shall distribute the applicable portion of the statement, showing the detail of calls made to and from each cell phone user. The cell phone user shall indicate if the calls were business or personal (including detailed explanations as may be required by the department).
 - ii. Once the employee has reconciled his/her cell phone log to the monthly statement it should be sent to the departmental billing designee for review. The Department designee shall review and approve the designation and collect any payments for charges resulting from incidental personal use.
 - iii. The Cell Phone Statement of Use (see Attachment B) must be signed and submitted to the Department designee with the employee's cell phone invoice.
 - d. **Reimbursement for Personal Calls** - Staff must submit a check payable to Alachua County BoCC for the total amount of reimbursable personal use and provide the reimbursement to the department's cell phone designee to be handled in accordance with County's cash handling policies and procedures. Cell phone calls will be reimbursable at the rate of \$.06 per minute, plus any applicable long distance or roaming charges, up to the total amount of the monthly bill.
6. **Departmental Responsibility** - The department is responsible for the following:
- a. Determining whether the staff's position requires a cell phone based upon his or her job responsibilities and maintaining appropriate documentation to support this in the departmental files.
 - b. Determining which of the allowed acquisition methods is most appropriate to a staff member requiring a cell phone.
 - c. If a cell phone allowance is granted to the staff member, to ensure that documentation supporting how the allowance was arrived at is maintained in the departmental files.
 - d. If a cell phone allowance is granted to the staff member, processing the allowance through the payroll system.
 - e. If a County owned cell phone is provided, to ensure that appropriate detail documentation is maintained to support the business and personal use of all calls and in the event that personal calls are made, that appropriate reimbursement is obtained.
 - f. Alachua County provided equipment remains the property of the County and must be turned into the department head or designee when the equipment or cell phone service is no longer needed or if the staff member terminates employment with the County.
7. **Cell Phone User Responsibility** – County cell phone users are responsible for the following.
- a. When salary allowances for cell phone use is granted to staff, the Allowance Request form must be completed in order to document the expected business need and the amount of the allowance. The staff member should also notify their

- department head when there has been a significant change in the need for the business use of a cell phone allowance.
- b. When allowances are granted, paying all amounts due as agreed between the cell phone user and the cell phone service provider.
 - c. For County owned devices, ensuring that the device is used for County business only. The County recognizes that incidental use not initiated by the employee is possible but under any circumstances, it should be both infrequent and non-routine. The County also recognizes that there may be emergency or extenuating circumstances under which the phone is needed for personal use. Those occasions also must be infrequent and non-routine. Reimbursement for incidental personal use should be made when appropriate.
 - d. Ensuring the physical protection of County owned cell phones from damage or unauthorized use.
 - e. Ensuring that County owned cell phones are returned to the County when it is no longer needed or when the staff member terminates employment with the department.
 - f. Providing the County department designee with the current contact phone number or address of the cell phone within five working days of activation.
 - g. Notifying the department head immediately of inactivation of the device. An employee is prohibited from continuing to collect a monthly cell phone plan allowance when the device is no longer active or needed for the performance of the employee's job responsibilities.
 - h. For County owned devices, use for commercial "for profit" activities is prohibited.
 - i. For County owned devices, political use pursuant to current IRS rulings is prohibited.
8. **Effective Date** - This policy is effective upon approval of the County Manager and the Allowance option is effective upon approval of the Board of County Commissioners. Department heads may wait to establish allowances until the expiration of existing contracts if they choose. Appropriate documentation and record keeping procedures should be put in place immediately if the allowance method is not used.

Approved by _____
County Manager

Date _____

Alachua County, Florida Cell Phone Statement of Use

I _____ (print your name), an employee of Alachua County Board of County Commissioners, hereby claim that I have used a County owned cell phone for the period of _____ (print month and year of invoice), and that the phone was used:

(Please check one)

- Solely for the purpose of conducting County business. I claim that there was no personal use of this cell phone during the period stated above.

- Primarily for the purpose of conducting County business. I claim that there was limited personal use of this cell phone during the period stated above as allowed by the County's Cellular Telephone Administrative Policy. Personal calls are highlighted on the attached invoice. I have attached a check to cover the cost of these personal calls at the rate stated in the policy so that there will be no taxable benefit reported on my W-2 statement at the end of the calendar year.

This statement must be attached to the appropriate invoice each month and signed by the County employee who is assigned use of the County owned cell phone. By signing this Statement of Use and attaching it to the associated invoice, you are acknowledging that you have or have not used the phone for personal use, and you understand the appropriate IRS implications for personal use of the County cell phone. Failure to reimburse the County for personal calls will result in a taxable benefit reported on your W-2 for the calendar year.

Signed by: _____ Date: _____