Carleton College

FAQs – Cellular Device Policy and Procedures

Frequently asked questions about the Cellular Device Policy:

**Does the College expect me to have Cellular device?**

The college assumes most employees currently use and maintain a cellular device plan for personal use. Employees are encouraged to share this number with their supervisor for emergency contact purposes.

**Will the College reimburse me for use of my personal cellular device?**

Incidental use of a personal cellular device for business purposes which does not result in additional expense for the employee will not be reimbursed.

If an employee incurs additional cost on their personal plan because of business use, they will be reimbursed for business minutes in excess of their base plan (i.e. Base Plan 300 minutes; Total Monthly Minutes 320; 10 business minutes documented; Employee is eligible for reimbursement of 10 minutes * current reimbursement rate).

Employees who are expected to maintain a cellular device plan primarily for business purposes may be eligible for a “cellular allowance”.

**Why does the College want me to own my cellular device?**

The IRS considers cellular devices to be “listed property”. They require all business and personal use of a College owned cellular device be documented in detailed manner. Undocumented use is considered personal and must be taxed as wages.

Personal ownership of the phone minimizes this documentation requirement for both the college and the employee.

**I have used a College owned cellular device for a long time with no problem, why the change?**

This policy was created to establish consistent guidelines for employees throughout the college; ensure compliance with IRS regulation and stabilize spending within available budgets.
The IRS has increased the number of cellular device plan audits in recent years; necessitating an institutional evaluation of this issue.

The College currently pays for a plan that includes 500 minutes. I never exceed 500 minutes, including personal calls, am I OK?

No. IRS authority says that all calls that are included in the base plan must be documented. Personal calls must be reimbursed, or reported as wages. In order to avoid this, the college has adopted a taxable cellular access device allowance plan.

Can I use a cellular device for personal calls when I purchase it with a taxable allowance from the College?

Yes. Because the cellular allowance is distributed as taxable income, you do not have to document personal calls. You will no longer be required to carry two phones, one for business and the other for personal use.

I currently own my own phone and have my whole plan paid for by the College, does this have to change?

Yes, complete the Carleton Cellular Allowance Form with your supervisor. If you are eligible, you will begin receiving a cellular access device allowance on a monthly basis via the payroll office. If an employee's job duties do not include the frequent need for a cellular device and they are not eligible for an allowance, employees may request reimbursement for their business related cellular calls in excess of personal plan coverage. The individual should make personal payment to the provider, and then should submit a request for reimbursement. When requesting reimbursement, a copy of the cellular bill, detailing the business purpose of calls to be reimbursed must accompany the reimbursement request.

Is the allowance that I receive for my own cellular phone taxable?

Yes. The allowance amount is taxable income. This eliminates the need for detailed documentation and better accommodates the personal and professional use of the phone.

Does everyone get an allowance for a personally-owned cellular device?

No. Only eligible employees who have positions that require you to carry a cellular device where other less expensive means of communication are not adequate or available may receive an allowance for a cellular device. Use of the cellular device devise must be for the convenience of the employer, not the employee.
Do I get retirement contributions or other benefits if I receive a taxable allowance for my cellular device?

No. The allowance is not part of your salary; it is a taxable reimbursement not included when determining benefits.

Which monthly plans have the best price?

You should speak with the vendor representatives and check their websites. Price should only be one factor in your choice. The lowest price carrier may not meet your coverage and other needs.

What if my choice doesn't work out for me?

You should take full advantage of any trial periods offered by the vendors. Pay strict attention to your level of service during that period and return the phone and cancel the plan if you are not receiving the level of service you need. Beware of cancellation fees! Plan changes should be made within contract guidelines in order to avoid fees.

If I am a supervisor, how do I select the correct allowance amount for an employee?

The allowance amount must be based on the business requirements of the employee's position. Amounts may be selected from $45 to $90, based on 3 month’s historical business use. The allowance must be paid for with existing departmental budgets. There are no additional budgets available to support cellular device plans.

Because the allowance is taxable, the actual amount that an employee receives will be less than the selected allowance amount. Departments should consider business usage only and not added personal usage. Upgrades to basic equipment (special cosmetic or technical features, etc.), or cellular device use unrelated to business, cannot be considered.

A goal of the cellular allowance is to release an employee from burdensome and expensive administrative time spent on documenting cellular use. The cost for this benefit is the reduction of the allowance due to employment taxes such as FICA and any federal and state employment withholding based on the employee's current withholding certificate on file. The College will not adjust the allowance for personal tax purposes.

What about smart phones or PDA/Phone combinations?

Eligible employees in consultation with their supervisor may be approved to purchase a PDA all-in-one phone. If you want a smart phone, but your job doesn’t require it, you will pay the difference in the allowance amount and the actual cost of a smart phone or other more expensive device.
Will Carleton ITS support my new device?

The Carleton ITS department will provide support for hose devices that are currently in use and those purchased from the list of recommended equipment. Not all devices will be eligible for ITS support. Please consult with ITS before making your final purchase.

What happens after I send my Allowance form into the Purchasing Department?

Purchasing reviews the request and establishes your monthly allowance payment which will be submitted to Payroll.

If I have questions on the allowance once I receive it who should I talk to?

First talk to your Manager/Supervisor. Contact the Purchasing Department for additional assistance.

Can I switch providers and keep my current phone number? How do I do that?

Yes, you can. First, determine which company you want to go with. Then, contact a company representative and get the details.

If I switch to another provider, can I keep my current device?

In all likelihood, no; current industry standards dictate that each time you switch from one provider to another you must obtain a device from the new provider.

How do I know what cellular telephone or monthly plan to choose?

The device and plan you select will be based on several factors. You should consider both business and personal service coverage. Your job may not require a camera phone, but you may find a camera phone to be a good option for you personally. You should consider your calling patterns. Is unlimited long distance necessary? Would free mobile to mobile minutes be a plus? What are the chances that you may exceed your base plan minutes and be required to pay expensive overage minutes? We recommend that you shop around and speak with the different vendor representatives before making a decision.

Is there an IRS document that outlines their position on the subject of cellular phone taxation?

Yes. The IRS has published an article on their website at the following url: http://www.irs.gov/govt/fslg/article/0,,id=167154,00.html