CALS Best Practices

Cell Phone Payments

Business Services - Rates and Review Team

Established February 15, 2014

Revised July 24, 2018
Best Business Practices are developed through a thoughtful and intensive review of a business activity. They are established to guide units in a consistent and endorsed-approach to business operations.

A Best Practice is not a mandate, but will usually be the first and best choice in most situations.

Dean Burgess expects units to follow best practices unless an alternative practice can be proven to be better based on compelling, documented, and justified business reasons. Units are responsible for ensuring risks associated with any practice are minimized and responsibly managed.

Best Practices may be updated from time-to-time.
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I. Best Practice Recommendation

Cell phone and mobile communication plan charges in FY2013 amounted to more than $226,000 college-wide, and represented 23% of the total communication costs in the College. In FY2015, this expense has dropped to $130,000 and 15% of total costs. Cell phone payments made through UAccess Financials dropped to $106,874 for FY2016.

Business Services recommends that CALS employees with a legitimate, compelling, and documented business justification for a cell phone and mobile communication plans be compensated using a Technology Allowance.
Technology Allowance

The administrative burden is significantly decreased in using Technology Allowances versus direct payments to vendors for Communication Service Plans. An allowance is taxable income to the employee and is also charged ERE. Employees receiving an allowance must review and sign a copy of the Technology Allowance Form annually.
II. Reasons for Recommendations

A University Communication Service Plan has a number of problems over a Technology allowance:

- The business office will have to ensure that users are compliant with the terms stated in the CALS Communication Usage Agreement. A best practice would be to include call details as backup to transactions (payments made with PCard must have the invoice and the call details). Obtaining this information often requires business staff to bird-dog employees.

- Occasional personal use is acceptable as long as the personal use is minimal and does not result in additional charges to the University. Determining business activity from personal activity on the monthly phone bills is laborious and has often not been done.

- Employees have no financial burden to properly maintain the highest value phone plan, resulting in the potential for expensive and unnecessary roaming and data charges.

- Employees engaging in inappropriate or illegal activity on their cell phone make the UA complicit if charges are paid with U of A funds.
II. Reasons for Recommendations Cont’d

The process for Technology Allowances is streamlined:

- Allowances are taxable income and not a cost reimbursement. Thus, monitoring cell phone bills and call details is not required.
- Employees have the flexibility of applying the payment into existing plans, such as family plans and bundles.
- Employees are paying their own cell phone bills so the onus is on them to update and ensure they have a plan that best meets their needs.
- The administrative burden of reviewing, reconciling, and approving invoice payments and is lifted.
- Allowance amounts covers just the estimated amount of monthly business activity, including a portion of the equipment’s wear and tear.
- The UA retains a hands-off distance from inappropriate or illegal activity that may be conducted with a personally-paid cell phone.
III. Expectations

- All employees receiving a Technology Allowance must have a compelling, reasonable, and justified business purpose to be “on-call.” The justification must be documented and reviewed annually. **Allowances are not entitlements or “work perks.”** All costs must be based on the **business** use of the phone.

- Neither convenience nor use of faculty-generated revenues are acceptable justifications for an allowance. All dollars at the U of A are taxpayer dollars. All expenses must have a clear business purpose.
III. Expectations

- Allowances must be reasonable in amount. It is highly unlikely that an allowance would exceed $100 per month. Based on normal business usage, many will likely be in the $35 to $50 per month range.
- Allowances are subject to change based on the justified business purpose, reasonable cell plan costs, and changes in inflation.
- **The U of A will not purchase a cell phone for the employee.** The allowance is intended to reimburse the business use of a personal phone.
III. Expectations

There may be rare cases when direct payments of cell phone bills are a better option. In these rare cases, users must:

- Review and sign the [CALS Direct Payment Communication Agreement](#). The signed copy must be kept on file in the business office of the employee’s home department. The employees must be provided with a copy of the signed document.
- Provide cell phone bills and call details to the business office the monthly. Occasional personal use is acceptable as long as the personal use is minimal and does not result in additional charges to the University. Any charges above the contracted plan must be reimbursed to the university for the personal calls portion.
- Review cellphone plans annually to ensure that they have the most economic phone plan.
III. Expectations

The purchase of mobile devices with university funds is strongly discouraged. The tracking of ownership of UA cellphones and proper disposal through Surplus Property has not been done consistently and requires additional administrative work.

- The purchase of mobile devices must be approved by the unit head and must have a cellphone plan that is also paid by the University.
- The information for the equipment being provided must be included in the CALS Direct Payment Communication Agreement. The signed copy must be kept on file in the business office of the employee’s home department.
- The user must return any equipment to the Business Office that is no longer needed. The equipment must be disposed of through UA Surplus.
- For lost equipment, users must submit a property loss claim to Risk Management.
IV. References

Applicable Policies:

- 9.10 Requisitions/Reimbursements
- 9.17 Technology Allowances
V. Implementation Assistance

We suggest the following implementation steps:

1. A notification email be sent to faculty and staff by the unit head describing the practice change.

2. Business officer(s) and affected employee(s) should jointly review business purposes, along with a determination of the appropriate amounts for approved technology allowances.

3. Unit heads must review and approve all business purposes and amounts annually.

4. Employees receiving UA funds for cell phone costs must review and sign the corresponding forms and return all U of A paid cell phones for surplus.
   - CALS Direct Payment - Communication Usage Agreement
   - Technology Allowance Form

5. Business office personnel will process allowances through UAccess Employee after receiving the required supporting documents.
VI. Questions?

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