



COLORADO COLLEGE

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Colorado College Fringe Benefit Policy -- Cell Phones

Approved by: Robert G. Moore, Vice President for Finance & Administration
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I. PURPOSE

In addition to other types of equipment, the Internal Revenue Service (IRS) classifies cell phones as listed property¹ (items whose use can be either business or personal). In order to meet the IRS' expectations regarding the use of listed property, employees who use Colorado College sponsored cellular devices are required to document:

- ✚ The amount of the expense;
- ✚ The time and place of the call;
- ✚ The business purpose of the call;
- ✚ The business relationship related to the expense

Rather than expend the resources necessary for the employee as well as the College to administer this type of plan, the College has adopted a cell phone allowance plan.

Under this plan, the College will no longer own cellular devices or contract with cellular providers for monthly service. Rather, the College will provide a taxable allowance to those employees whose job responsibilities require them to have cell phones. This approach prevents the College from being required to document the items listed above. Yet it allows the College to meet IRS expectations and accommodate those employees who have a documented business need for a cell phone.

II. POLICY

Colorado College will provide a "cellular allowance" for employees whose job duties necessitate the use of a cell phone or "smart phone". The allowance will be added to payroll and applicable taxes will be deducted. The employee will be responsible for selecting, contracting, and paying for the cellular service they desire. This will allow employees to choose a plan that fits both their professional and personal lives. Employees will not be required to itemize their professional versus personal calls or turn in monthly documentation. Employees should retain proof of purchase and detailed monthly service plan records to document their eligibility for participation in the program.

Recipients of a cell phone allowance must provide their Senior Staff leader with their cell

phone number and must continue to maintain the cell phone while in receipt of the allowance.

III. PROCEDURE

A. Establishment and Payment of Allowance

If a direct supervisor determines it is necessary and appropriate (see eligibility guidelines below) for an employee to receive a cellular allowance, the supervisor may sign and submit the *Cellular Allowance Request Form* for approval by the appropriate senior staff member, to Payroll. The form will be retained in the employee's file and, should the employee change positions, a new form must be submitted.

The monthly allowance will be split evenly and added to each semi- monthly paycheck beginning not less than two weeks after receipt of the completed Cellular Allowance Request Form. This allowance does not constitute an increase to base pay, and will not be included in the calculation of percentage increase to base pay due to annual raises, job upgrades, etc...

B. Eligibility Guidelines

- Safety requirements indicate having a cell phone is an integral part of performing duties of job description.
- More than 50% of work is conducted in the field.
- The employee must be readily accessible for frequent contact with the public or with college faculty, staff, or students.
- The employee is required to be mobile across campus and off campus for a significant portion of their work hours.
- The employee is required to provide extended hour support for critical services at the college or is responsible for operational or decision making for critical services at the college both during the work day and beyond normal work hours. (The extended hour support for critical services eligibility criteria does not ordinarily apply to faculty/student communications, even though these communications may occur outside of regular business hours.)

- Supervisors are responsible for an annual review of employee eligibility to
- * determine if existing allowances should continue, change, or discontinue.

C. Allowance Levels

- ** Equipment allowance is a one-time allowance for new enrollees who do not have previously issued college-owned cell phones.

As identified by appropriate divisional Senior Staff.

Note: The purpose of the allowance is to defray the business costs associated with owning these devices. It is not intended to cover 100% of the cost of owning and using a cell phone or smart phone. Any costs not covered by the allowance are the employee's responsibility, including parts, service and accessories.

D. Support

All support for cellular phones will be provided by the cellular service company chosen by the employee. For smart phone's, the Information Management Division will provide product recommendations and support for using those devices with local IT services such as calendaring, E-mail and wireless network connections.

1. Internal Revenue Code Section 280F
(d)(4)(A)(v)