

MEMORANDUM

January 4, 2008

To: NC A&T State University Unit Heads
From: Division of Information Technology (DoIT)
Subject: Mobile Communication Device Allowance Policy

Effective February 1, 2008, the NC A&T State University will implement a mobile communication device (MCD) allowance plan to compensate employees for business use of their personal cell phone and/or personal digital assistant (PDA) devices. The MCD allowance plan is a "best business practice" recommended in the UNC PACE Report. It has also been adopted by several agencies of the State of North Carolina. The initiative provides an effective and efficient way to compensate employees for the business use of their cell phones and/or PDA devices that benefits both employees and NC A&T State University by:

1. Eliminating the need for an employee to carry multiple MCD devices.
2. Streamlining the payment processing to a single monthly payroll transaction.
3. Eliminating the chance that an employee might accidentally make a personal call on a business cell phone and violate State regulations.
4. Providing, at a minimum, a cost-neutral solution for cell phone and PDA applications with a potential of an overall savings of approximately 65%.
5. Affording employees with the choice of a vendor as well as the device in meeting their electronic MCD needs. (Please note that University employees currently receive a discount on Alltel service plans and accessories).

An allowance will be provided to designated employees at the University who are required to carry mobile communication devices (cell phones and/or PDA devices) to fulfill their job responsibilities. The determination of the MCD allowance will be the responsibility of the Vice Chancellor/Unit Head. In order to ensure IRS and auditing compliance all requests must be signed off by the Vice Chancellor-DoIT prior to final execution of any cellular service regardless of funding source.

The guidelines for the MCD Allowance are determined as follows:

1. Senior-level employees which include the Chancellor, Vice Chancellors, Deans, General Counsel, Special Assistant to the Chancellor and any other position so designated by the Chancellor.

Other senior employees in the academic as well as administrative area including the administrative assistants to the chancellor, designated directors of principal academic and administrative units, and any other position so designated by the University. However, this group of employees should only be considered under exceptional

circumstances and must have the recommendation of the Chancellor or the appropriate division head.

In all cases a primary factor of consideration ~~must~~ shall be that the employee's need to be available 24 hours a day, seven days a week (24/7).

2. Employees that must be available 24/7 to meet information technology service needs.
3. Employees that are in travel status at least 30% of the time. Review of more efficient and cost effective means of communication should be considered before authorizing employees in this classification.

Please use the attached MCD allowance request form to establish your MCD allowance. The form must be received and approved by December 20, 2007 so that proper cancellations of our current service agreements are maintained. The allowance will need to be recertified annually. Existing University provided cell phone and PDA services will be discontinued on January 31, 2008. All equipment will need to be returned by January 31, 2008 to the Telecommunications Administration Office, located at 1020 Wendover Avenue, Suite 207. Employees receiving MCD allowance will be required to purchase an MCD prior to January 31, 2008. If you would like your current University cell phone number transferred (ported over) to your personal cell phone, please contact Glenda Durant to coordinate this transfer.

The MCD allowances for FY 2008-2009 are as follows:

1. Cell phones: \$39.00 per month
2. PDAs (Voice and data plans): \$49.00 per month

The University's MCD allowances will be paid through payroll and it has been designated by the Internal Revenue Service as an unaccountable taxable fringe benefit and no documentation of business use is required. Since the allowance includes equipment depreciation, the University will not purchase nor replace cell phone or PDA equipment for employees receiving the allowance.

Employees receiving allowances will be required to have their cell phones and/or PDAs with them, charged and operational at all times. Anyone receiving the allowance will be required to notify their respective unit head, if or when they discontinue cellular services to remove the MCD allowance from their payroll. Failure to notify the university of such occurrences will be subject to applicable charges and penalties. The allowance and records of associated business use will be subject to the Public Records Act (N.C.Gen.Stat. §132, *et. seq.*), as well as other subpoena powers of the federal and State judiciaries.

This new NC A&T State University Mobile Communications Device Policy will be effective February 1, 2008.