



**The City of South Bend  
Cell Phone Policy  
October 2008**

**Policy**

The City of South will not own cell phones for the use by individual employees, with the limited exceptions outlined below. Employees who have a demonstrated need for a phone to handle business calls will be given a monthly allowance that is fully taxable to the employee. This allowance is to be used to cover business-related calls.

Exceptions will include those phones which will be not be used for personal use under any circumstances. This includes the following: phones that are necessary for data connection in the utility department and EMS; phones for code enforcement inspectors that carry specific code enforcement software for daily use in their inspection jobs; phones that set for direct-connect only; and public safety personnel who must have in order to carry out their duties effectively as a public safety employee. These exceptions do not apply to those in administrative positions that have no real demonstrated need for a phone and can be reached by radio or other means.

Please be aware that even though the city is providing an exception to allow these personnel to acquire a city owned phone or continue with current city contracted phone service, there are no exceptions under the IRS laws for these personnel. Personnel who are allowed phones under these exceptions are still required to provide the necessary substantiation required by the IRS to the Administration & Finance Department. This is why the exceptions will be limited to those who must absolutely have a phone to carry out very specific city duties. Again, these phones may not be used for any personal calls. If substantiation records show personal use, the phones will be converted from city owned service to employee owned service.

**Procedures for the Allowance Policy**

Generally, the allowances will not exceed \$55.00 per month. Allowances should only be implemented for an employee if the employee is regularly on-call or is out of the office the majority of time because job duties require such. Where radios and other devices

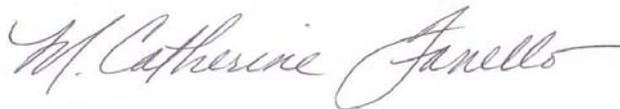
exist to communicate, cell phones should not be used. There may be limited instances where a cell phone allowance may exceed \$55.00.

Allowances will be paid monthly and will be taxed in accordance with IRS payroll tax regulations. At the same time the allowance is paid, it will be charged to each department's budget. Initially, all cell phone allowance requests must be submitted by the Department Head to the City Controller for approval. Please remember that total cost to the city includes the allowances plus the employer's share of payroll taxes. In those limited instances where the allowance requested exceeds the monthly \$55.00, the City Controller will also seek the Mayor's approval.

The employee may purchase whatever type of equipment they choose at their own cost. There will be no allowances for equipment purchases because 1) the current phone is available for purchase at fair market value and 2) the majority of carriers actually offer phones at no charge with most service plans. Any replacement or damaged phones will be at the expense of the employee. Support for cell phones will not be provided by city IT personnel, although they may assist you in determining if the phone will synchronize with city calendar and email software.

**Reimbursement for business calls on personal cell phones for those who do not receive an allowance**

It is expected that the city will not be providing an allowance for each employee that may have had a cell phone in the past due to the limited nature for why employees need cell phones and to limit city payroll taxes. For those employees who only make occasional business calls on their own personal phones, they may submit a request for reimbursement. Reimbursement for "air time" charges will be limited to the total overage charge shown on the monthly invoice; expenses included in the plan will not be reimbursed. The employee should make personal payment to the provider and then submit a request for reimbursement with all the record-keeping required by the IRS regulations.



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City Controller, Department of Finance & Administration