

## **1004 - CELL PHONE STIPENDS**

### **I. PURPOSE**

The purpose of the Zumbro Education District Cell Phone Stipend Policy is to establish criteria for employee eligibility to receive the stipend benefit, ensure compliance with the Internal Revenue Service (IRS) regulations, and establish procedures associated with processing the expenses related to the use of cell phones for District business.

Effective July 1, 2016, the Zumbro Education District will no longer own cell phones or contract with cell phone service providers for monthly phone service plans. Instead, District employees who are eligible under this policy, will be provided with monthly taxable supplemental compensation (a stipend) to defray some of the costs of the business use of their personal cell phone.

### **II. ELIGIBILITY REQUIREMENTS**

The Executive Director will determine which positions are eligible for the cell phone stipend based on the guiding principle that the use of a cell phone during business hours by an employee is for the primary benefit of the District, rather than for the convenience of the employee. Additionally,

1. The employee's job requires him/her to be readily accessible for frequent contact with the public and/or with District staff; and
2. The employee's job limits his or her access to regular land-line telephones that would otherwise satisfy the required business communication needs.

Recipients of monthly stipends must notify the District of their cell phone number and must continue to maintain and use a cell phone while receiving the stipend.

### **III. GENERAL GUIDELINES FOR RECEIVING A STIPEND**

All employees eligible to receive the stipend for the use of their personal cell phone must carefully read this policy to ensure understanding of and compliance with the outlined procedures. The employee must complete and sign the Wireless Device Compensation Form. The Executive Director must also sign the Wireless Device Compensation Form. The form is then routed to the Business Office.

Eligible administrative staff will receive a \$40 monthly stipend. Eligible certified staff will receive a \$30 monthly stipend. Staff that work less than full-time will receive a prorated stipend. The monthly stipend is taxable income. Appropriate payroll taxes will be withheld from the stipend and the amount of the compensation will be included on the employee's year-end W-2. The compensation does not constitute an increase to an employee's base pay.

Staff who are currently being supplied with a cell phone and cell phone plan through the district may continue to utilize that cell phone and plan at the district's expense until June 30, 2016. Staff may discontinue use of district provided phones prior to June 30, 2016, however, the supplemental compensation for use of a private cell phone will not begin until July 1, 2016. Additionally, as of July 1, staff utilizing district provided cell phones may choose to retain possession of the phone, or they can choose to return the phone to the Business Office. Staff will be allowed to port the cell phone number they have been using to the carrier of their choice.

If there is a change in an employee's responsibilities that would disqualify him or her from continuing to receive the stipend, the Executive Director must contact the Business Manager immediately to cease the payment of the stipend, effective with the date the employee's responsibilities changed.

#### IV. USE OF CELLULAR DEVICES

Use of cell phones in any manner contrary to local, state, or federal laws or rules will constitute misuse, and will result in immediate termination of the stipend. Phones must not be used while driving a vehicle. If necessary, the employee should let someone else talk on the phone or pull over to the side of the road.

#### V. REVIEW

The Executive Director will review the policy and the stipend amounts at least every three years. Any proposed changes will be presented to the Governing Board for approval.

## Wireless Device Compensation Form

As an employee of the Zumbro Education District who is eligible to receive a cell phone stipend, I am requesting said stipend for the use of my personal cell phone for Zumbro Education District business. I waive any and all additional communications expense reimbursement. I understand that this compensation is taxable and paid to me through payroll. I also understand that by accepting the wireless device compensation I am subject to periodic internal audits to assure the District of policy compliance. I have read the Zumbro Education District Policy #1004 – Cell Phone Stipends in its entirety and certify by signing below that I will abide by the guidelines in the policy.

Employee Printed Name: \_\_\_\_\_

Cell Phone Number (with area code): \_\_\_\_\_

Service Provider: \_\_\_\_\_

Employee Signature: \_\_\_\_\_

Date: \_\_\_\_\_

I certify that the requesting employee named above meets the eligibility requirements and is approved to receive the cell phone stipend.

Executive Director's Signature: \_\_\_\_\_

Date: \_\_\_\_\_