



**TOWN OF DEWEY-HUMBOLDT  
ADMINISTRATIVE REGULATION**

**AR No 08-01**

**Subject: *Town Cell Phones***

**Effective Date: October 2, 2008**

1. Scope. This policy applies to employees in all Town programs, agencies and authorities.
2. Purpose. To establish principles regarding the provision and usage of Town-owned cellular telephones or eligibility for in-lieu stipends.
3. Overview. The Town recognizes that certain job functions require that an employee be accessible by phone when they are not in the immediate Town Hall area. The Town Manager has the option of providing a Town funded cellular telephone at all times or, alternatively, may opt to provide a monthly stipend to partially defer the cost of an employee's personal cell phone used for Town-related activities. This policy outlines the specific requirements and restrictions related to Town-owned cellular telephones and it establishes eligibility criteria for employees who may receive a monthly in lieu stipend.
4. Definitions. For the purpose of this policy the following definitions apply:
  - 4.1. Cellular Telephone. Any device capable of communication via a wireless telephone service provider and normally accessible within the operational area of the Town, and having the characteristics or capabilities determined by the Town Manager, e.g., cell phones, Blackberries, Smartphone PDAs, or satellite telephones.
  - 4.2. Eligible Employees. As determined by the Town Manager, certain Town employees may be required to be accessible at all times due to the nature of their position, job function or duties (e.g., Public Works Director or Building Inspector), for emergency personnel (Building Official), and for management.
  - 4.3. Stipend. A stipend is defined as a fixed sum of money paid periodically for services or to defray expenses. The fact that remuneration is termed a "fee" or "stipend" rather than salary or wages is immaterial. Wages are generally subject to employment taxes and should be reported on Form W-2, Wage and Tax Statement. Refer to Publication 15, Circular E, Employer's Tax Guide, section 5, Wages and Other Compensation, for rules on accountable and non-accountable plans for employee business expenses.
5. Issuance of a Town-Owned Cellular Telephone. Employees are responsible to report any damaged or misplaced cellular equipment to their supervisor and finance within one business day of the damage or loss. A replacement phone will be issued as soon as possible. Employees may be responsible to pay for the replacement of damaged or lost equipment if it is determined that the loss or damage was due to the employee's negligence. Normal wear and tear is to be expected and will not be considered negligent use.
6. Cellular Telephone Stipend Program. When the use of existing personal staff cell phones is a lower cost alternative to providing the service entirely through a Town-owner cellular telephone, the Town may provide the employee with a nominal monthly stipend to assist in offsetting the cost of using their personal cellular telephones to conduct Town business activities
  - 6.1. The stipend is to partially offset the cost of an employee's personal cellular telephone used for Town business. This stipend will also help reduce the Town's direct and indirect cost to provide and maintain Town-owned cellular telephones.
  - 6.2. The stipend will be paid on a bi-monthly basis included in the employee's paycheck and is considered by IRS to be non-cash compensation.

- 6.3. The Stipend is an alternative to the Town-issued phone. Under the Stipend option, the employee will be expected to purchase, maintain, and replace as needed his or her cellular phone. Employees are responsible for the security and care of their own personal property. Employees are responsible for purchase of new equipment or repairs to existing equipment.
- 6.4. If business reasons dictate that a specific carrier is preferable (e.g. a specific carrier for better coverage or for 2-way access), the employee will be required to contract with that provider. If no business requirement exists, the employee is free to contract with any cellular provider.
- 6.5. In order to receive the stipend, eligible employees are required to provide their own cellular telephone and maintain an active cellular telephone account for as long as they receive the Stipend.
- 6.6. Employees under the stipend program may be asked to show proof of a cellular telephone account, such as a monthly bill, at any time.
- 6.7. Any change to an employee's personal cellular telephone number is to be reported to their immediate supervisor and finance within 24 hours of the change.
- 6.8. The stipend will be calculated at the difference in cost between the employee's existing plan and the plan having the next increment of minutes plus any features specifically required by the Town in writing. If the employee already has enough minutes, the Town will pay the difference between the next level of minutes and the existing level.
7. Emergency Reimbursement. A Non-Eligible Employee who nevertheless use his or her cell phone during emergencies or while traveling on Town business may recover the actual costs for the minutes for documented business calls.
8. Maintaining or Losing Program Eligibility. Annually, at the beginning of the budget process, the Finance Department will provide each Town program with a list of the employees who have either been issued a Town-owned cell phone or who are receiving a Stipend. Program managers will review these lists to determine if the employees should continue to be issued a Town-owned cell phone or should continue to maintain a their stipend program eligibility. In the event that it is determined that an employee is no longer required to carry a Town issued cell phone, the employee will be notified by their supervisor of the change and the employee will be required to turn in the Town cell phone to their supervisor within three business days after notification. If the employee was receiving a Stipend the department will notify the Finance Department within the next 24 hours that the stipend is to be cancelled. The stipend cancellation will take effect at the next pay period.
9. Required Form of Commitment. Personnel receiving a Town Cell Phone or the Stipend must file with the Town Clerk a form acknowledging the obligations of this policy and consenting to the potential loss of privacy associated with potential public records disclosure. The employee must consent to have the cell phone number distributed to all staff and all elected and appointed officials. The number may also be given out on occasion to the public and published on the employee's Town business card. The employee must acknowledge that the employee understands and consents to the risk that the phone records will be "public records," under the Arizona Revised Statutes § 41-1350.

