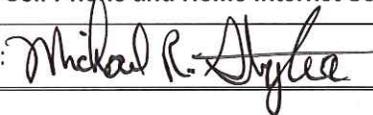


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POLICIES & PROCEDURES - <i>Miscellaneous</i>	Subject: <b>Cell Phone and Home Internet Service</b>	
Michael R. Styler, Executive Director	Signature: 	

I. PURPOSE

The purpose of this policy is to provide guidelines regarding the procurement and use of cell phones and home internet service for the Department of Natural Resources (department). This policy is not intended to take the place, but to work in conjunction with NR-97-B-3 (Telecommunication Policy).

II. DEFINITIONS

- **Cell Phone** – A portable telephone that uses wireless cellular technology to send and receive phone signals, including but not limited to iPhones, smart phones, Blackberries, and Personal Digital Assistants (PDAs).
- **Handheld Wireless Communication Device** – A handheld device used for the transfer of information without the use of electrical conductors or wires. Includes: wireless telephone; text messaging device; laptop; or any substantially similar communication device that is readily removable from the vehicle and is used to write, send or read text or data through manual input.
- **Home Internet Service** – A cable, phone line, or other type of service that allows access to the internet from the employee’s home.
- **Employee** – Includes employees, board members, interns, volunteers, consultants, and contractors or anyone to whom a state agency provides the services or allowance for the services covered under this policy.

III. POLICY

The division director, or designee, is responsible for determining if the need is valid for each employee requesting the purchase and use of a cell phone or home internet service.

Each employee requesting use of a state-provided cell phone, personal cell phone, or home internet service must read, understand, and abide by **Administrative Rule R895-7, Acceptable Use of Information Technology Resources** and **DTS Policy 5000-0003, Enterprise Mobile Device Policy**, and **UCA 41-6a-1716**.

Additionally, each employee requesting use of a state-provided cell phone, personal cell phone or home internet service must complete an applicable agreement annually. Each agreement must be signed by the employee and division director, or designee, and will be retained by each division. These agreements are as follows:

**State-Provided Cell Phone** – Department of Natural Resources State-Provided Cell Phone Agreement

**Personal Cell Phone** - Department of Natural Resources Personal Cell phone Allowance Agreement

**State-Provided Home Internet Service** – Department of Natural Resources Home Internet Service



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Agreement

**Personal Home Internet Service** – Department of Natural Resources Personal Home Internet Service Allowance Agreement

IV. PROCEDURES

A. Procurement

It is the responsibility of the division to keep records (current provider, plan and phone number) of who has state-provided cell phones and to have terminating employees return cell phones at the conclusion of employment.

B. Use of Cell Phones

**State-Provided Cell Phones**

These phones are generally intended to be used for state business only. If additional costs are incurred to the state for personal use then the user is to determine those costs and work with the respective accounting/fiscal section to reimburse the State of Utah.

Upon implementation of this policy, cell phone invoices paid by the State of Utah will be randomly audited to insure compliance with this policy.

**Personal Cell Phones**

Employees may be reimbursed for the use of personal cell phones to conduct state business provided that:

- 1) It is determined that business requirements justify the employee's need for access to a cell phone.
- 2) Reimbursement never exceeds the cost of service.
- 3) The employee and division agree upon a reimbursement rate, based on required usage. Reimbursement rates cannot exceed those established by the Department of Administrative Services.
- 4) The employee keeps a copy of their cell phone bills on file for at least one year for audit purposes.
- 5) The original agreement is reviewed and initialed by the employee and division at least once each year. A new agreement should be completed when changes to the plan or business need occur.



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- 6) Reimbursement shall be entered each pay period by the division's payroll technician. The agreed-upon recurring allowance shall be entered on the Time Entry Screen of the Payroll System, using the nontaxable Wage Type 1182 (Telephone Reimbursement) **OR** request State Payroll to set up a recurring payroll payment

The employee is responsible for providing their own cell phone and typically will not be reimbursed for equipment purchases.

The allowance is non-taxable to the employee using the cell phone and the personal vs. business use of the cell phone does not need to be documented if:

- a) The allowance is provided for business reasons;
- b) The service plan fits the business need and does not include extra features not needed for work; and
- c) The allowance is not provided for compensation or as an incentive.

C. Home Internet Service

**State-Provided Home Internet Service – No Personal Use - Nontaxable**

Home internet service may be provided to employees within the department if management within each division determines it is necessary to conduct state business and provided they:

- 1) Identify the business requirements necessitating an employee's need for the home internet service.
- 2) Determine the most cost effective way to provide the employee with the needed service.
- 3) Complete an agreement form documenting the business need, the cost of the service, the way the service will be provided, the payment method and any related conditions.
- 4) For the state-provided internet to be nontaxable to the employee, the internet service must be on a dedicated line or computer separate from the employee's personal home internet service. The employee must agree that the state-provided internet service will not be used for personal reasons and the employee agrees that the separate dedicated internet service may be monitored or audited by the State to verify that it is not used for personal reasons.
- 5) The original agreement should be reviewed and initialed by the employee and division at least once each year or a new agreement should be completed when changes to the plan or business need occur.
- 6) Use FINET to pay for the state-provided home internet service using object code



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6132 Communication Services.

**Personal Home Internet Service (taxable)**

The Department recognizes that in some cases employees may need home internet service to conduct state business. Employees may be reimbursed for home internet service provided that:

- 1) It is determined that business requirements justify reimbursement for the employee's home internet service.
- 2) A "Department of Natural Resources Home Internet Service Agreement" is completed and signed by both the division and the employee annually, documenting the business need, the cost of the service, how the service will be provided, the reimbursement amount, payment method and any related conditions. Attach a copy of the original bill used to calculate the allowance to the signed agreement and maintain a file of these agreements for audit purposes.
- 3) Reimbursement never exceeds the cost of service.
- 4) The employee and division agrees upon a reimbursement rate, based on required usage, not to exceed the following:

Up to \$23 per pay period (\$50 a month.)

Divisions may set a higher or lower allowance amount for an employee or group of employees depending on their business needs, costs, and other applicable factors. The allowance must never be higher than the actual cost of the service and should be calculated on the services needed for business purposes, and not include extra services used for personal reasons. Any allowance amount that is greater than \$23 per pay period (\$50 per month) for home internet service must be approved by the Director of the Division of Finance. The employee must keep a copy of their home internet bills on file for at least one year for audit purposes.

IRS regulations require that any employer-paid cost or allowance for home internet service be taxable unless thorough and accurate records are kept of all business use vs. personal use. **Due to the administrative burden of keeping and auditing these records, state provided home internet service or allowances paid to an employee for home internet service will be treated as taxable to the employee and be processed through the State's payroll system, except for the situation described in "Personal Home Internet Service – Nontaxable exception" below.**

Reimbursement shall be entered each pay period by the division's payroll technician. The agreed-upon recurring allowance shall be entered on the Time Entry Screen of the Payroll System, using the taxable Wage Type 1121 (Equipment Rental) **OR** request State Payroll to set up a recurring payroll payment.

**Personal Home Internet Service – Nontaxable exception**



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State-provided home internet service which is dedicated exclusively for business use and **never used for personal use** is not taxable to the employee. For example, if an employee works at home full-time and the State provides a dedicated internet service separate from their personal home internet service, the value of the service would not be taxable. The employee must sign an agreement stating that they have a separate personal home internet service and that the state-provided home internet service is never used for personal reasons. The employee must agree that the State may review or audit the use of the state-provide internet service to verify that it is not being used for personal reasons.

- D. Occasional Reimbursement of Actual Expenses  
Employees may be reimbursed for approved state expenses incurred by the employee on their own cell phone or home internet service. To be eligible for reimbursement, the employee must incur out-of-pocket costs that must be approved by their supervisor and must submit the original bill or other valid receipt substantiating the costs. These reimbursements will be processed through FINET or the payroll system as a **nontaxable** amount using amount using form F148.

When an employee receives an allowance or reimbursement for business use of their personal cell phone or home internet service, their personal information is considered private. However, because personal data is comingled with business data, the personal data may be viewed by a state officer or court in response to a GRAMA request or court action related to the business data.

## V. DOCUMENTATION

### **Cell Phones:**

#### **State-Provided Cell Phone**

A "Department of Natural Resources State-Provided Cell Phone Agreement" must be completed and signed annually by both the division and the employee, documenting the business need.

#### **Personal Cell Phone**

A "Department of Natural Resources Personal Cell Phone Allowance Agreement" must be completed and signed by both the division and the employee annually, documenting the business need, the cost of the service, how the service will be provided, the reimbursement amount, payment method and any related conditions. A copy of the original bill used to calculate the allowance must be attached to the signed agreement and maintained by the division for auditing purposes.

Reimbursement shall be entered each pay period by the division's payroll technician. The agreed-upon recurring allowance shall be entered on the Time Entry Screen of the Payroll System, using the nontaxable Wage Type 1182 (Telephone Reimbursement) **OR** request State Payroll to set up a recurring payroll payment.

#### **State-Provided Home Internet Service**



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A "Department of Natural Resources State-Provided Home Internet Service Agreement" must be completed and signed annually by both the division and the employee, documenting the business need.

**Personal Home Internet Service (taxable)**

A "Department of Natural Resources Home Internet Service Allowance Agreement" is completed and signed by both the division and the employee annually, documenting the business need, the cost of the service, how the service will be provided, the reimbursement amount, payment method and any related conditions. A copy of the original bill used to calculate the allowance must be attached to the signed agreement and maintained by the division for auditing purposes.

Reimbursement shall be entered each pay period by the division's payroll technician. The agreed-upon recurring allowance shall be entered on the Time Entry Screen of the Payroll System, using the taxable Wage Type 1121 (Equipment Rental) **OR** request State Payroll to set up a recurring payroll payment.

**Personal Home Internet Service – Nontaxable exception**

State-provided home internet service which is dedicated **exclusively for business use and never used for personal use** is not taxable to the employee. For example, if an employee works at home full-time and the State provides a dedicated internet service separate from their personal home internet service, the value of the service would not be taxable. The employee must sign an agreement stating that they have a separate personal home internet service and that the state-provided home internet service is never used for personal reasons. The employee must agree that the State may review or audit the use of the state-provide internet service to verify that it is not being used for personal reasons.

VI. SAFETY

Except as defined in UCA 41-6a-1716, employees shall not use handheld personal or department issued wireless communication devices while driving, unless they use a hands-free device. When receiving or sending messages from a handheld wireless communication device, the employee shall park their vehicle in a safe manner.

Employees found in violation of this policy will be subject to disciplinary action in accordance with the Department of Human Resource Management rules.





## State-Provided Cell Phone Agreement

The Department of Natural Resources, Division of \_\_\_\_\_, (Division) has determined that \_\_\_\_\_, (employee) must have cell phone service for the following business reasons (attach additional pages if necessary):

- 1) The Division needs to be able to contact the employee outside of normal business hours for business purposes.
- 2) The Division requires that the employee be available to communicate with customers and department management and respond to important emails while away from the office.

The Division has determined that the most cost effective means of providing the employee with the needed access is to provide the employee with a state-paid cell phone for business purposes. Because the phone is provided to the employee for valid business reasons and the type of plan and coverage selected is reasonably related to the State's needs, the value of the cell phone service is not taxable to the employee. The employee does not have to keep track of how many minutes are used for personal reasons.

The following conditions apply:

- The employee agrees to use the cell phone substantially for business purposes.
- Use of the state-provided cell phone will be terminated and the cell phone returned to the State when the business need for cell phone service is no longer justified or the employee leaves employment with the division.
- The employee agrees to report lost or stolen devices to the division immediately.
- Personal use of the cell phone shall be minimal and shall not increase the cost of the service to the State. The employee agrees to pay for any personal use that increases the cost of the service, including any "extra" services not needed for business purposes.
- Employee understands that any data (personal or business) on the phone may be reviewed and disclosed in the event of a GRAMA request.
- Employee has read, understands, and will abide by Administrative Rule R895-7, Acceptable Use of Information Technology Resources and DTS Policy 5000-0003, Enterprise Mobile Device Policy.
- This agreement shall be reviewed annually by the employee and the division.

Employee Signature(s):	Date:    /    /
Supervisor's Signature:	Date:    /    /
Division Director's Signature:	Date:    /    /



## Personal Cell Phone Allowance Agreement

Page 1

The Department of Natural Resources, Division of \_\_\_\_\_, (Division) has determined that \_\_\_\_\_, (employee) must have cell phone service for the following business reasons (attach additional pages if necessary):

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The Division has determined that the most cost effective means of providing cell phone service to the employee is for the employee to use their personal cell phone service for business purposes and give the employee an ongoing allowance to cover the business use. This allowance is NOT taxable to the employee because the allowance is provided to the employee for valid business reasons, the allowance is calculated on the services needed for business purposes and does not include extra services only needed for personal reasons, and the allowance does not exceed the cost of the service. The employee does not have to keep track of how many minutes are used for personal vs. business reasons.

**Allowance Amount Calculation:**

**Voice Only Plan – Up to \$30 per pay period (\$65 per month)**

Cost of employee's voice only plan: \$ \_\_\_\_\_ per month

\$ \_\_\_\_\_ per month X 12 months = \$ \_\_\_\_\_ per year

\$ \_\_\_\_\_ per year / 26 pay periods = \$ \_\_\_\_\_ per pay period

Authorized allowance per pay period: \$ \_\_\_\_\_

**Voice and Data Plan – Up to \$50 per pay period (\$108 per month)**

Cost of employee's voice and data plan: \$ \_\_\_\_\_ per month

\$ \_\_\_\_\_ per month X 12 months = \$ \_\_\_\_\_ per year

\$ \_\_\_\_\_ per year / 26 pay periods = \$ \_\_\_\_\_ per pay period

Authorized allowance per pay period: \$ \_\_\_\_\_



## Personal Cell Phone Allowance Agreement

(Page 2)

**The following conditions apply:**

- The employee agrees to use their cell phone for business purposes stated above
- The employee will notify the employer if the cell phone service cost drops below \$\_\_\_\_\_ per month.
- Allowances paid under this agreement will be discontinued when the business need for cell phone service is no longer justified or the employee is no longer employed by the Division.
- Employee understands that personal data on the phone may be reviewed by management or a court due to a GRAMA request.
- Employee has read, understands, and will abide by Administrative Rule R895-7, Acceptable Use of Information Technology Resources.
- This agreement will be reviewed and initialed annually by the employee and the division.
- The employee will keep copies of their monthly cell phone bills on file for one year for audit purposes.
- The cell phone bill used to calculate the allowance amount is attached to this agreement.
- The authorized allowance is **not** intended to cover the employee's total cost for their cell phone service but to compensate for costs associated with business use.

Carrier, phone, plan type, and estimated monthly cost:

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Employee Signature(s):	Date: / /
Supervisor's Signature:	Date: / /
Division Director's Signature:	Date: / /
Needed only if allowance amount exceeds policy limits of up to \$30 per pay period for a voice only or data only plan or up to \$65 for a combined voice and data plan:	
Finance Director's Signature:	Date: / /



## Personal Home Internet Service Allowance Agreement

The Department of Natural Resources, Division of \_\_\_\_\_, (Division) has determined that \_\_\_\_\_, (employee) must have home internet service for the following business reasons (attach additional pages if necessary):

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The Division has determined that the most cost effective means of providing home internet service is to give the employee a recurring allowance for using their personal internet home service periodically for business purposes. The allowance amount is based on the cost of services needed for business purposes and doesn't include an allowance for extra services used only for personal reasons.

**Allowance Amount Calculation:**

**Personal Home Internet Service – Up to \$23 per pay period (\$50 per month)**

Cost of employee's home internet service: \$ \_\_\_\_\_ per month

\$ \_\_\_\_\_ per month X 12 months = \$ \_\_\_\_\_ per year

\$ \_\_\_\_\_ per year / 26 pay periods = \$ \_\_\_\_\_ per pay period

Authorized allowance per pay period: \$ \_\_\_\_\_

**The following conditions apply:**

- The employee agrees to use their personal home internet service for the business purposes stated above.
- This allowance is **TAXABLE** to the employee and will be paid through the state payroll system as a taxable item.
- The employee will notify the employer if the home internet service cost drops below \$30 per month.
- Allowances under this agreement will be discontinued when the business need for home internet service is no longer justified or if the employee is not longer employed by the division.
- Employee understands that personal data on the computer may be reviewed by management or a court due to a GRAMA request.
- Employee has read, understands, and will abide by Administrative Rule R895-7, Acceptable Use of Information Technology Resources.
- Employee has read, understands, and will abide by and *DTS Policy 5000-0003, Enterprise Mobile Device Policy*.
- This agreement will be reviewed and updated by the employee and division annually.
- The employee will keep copies of their monthly home internet service bills for 1 year for audit purposes.
- A copy of the bill used to calculate the allowance is attached to this agreement.

Employee Signature(s):	Date: / /
Supervisor's Signature:	Date: / /
Division Director's Signature:	Date: / /
Needed only if allowance amount exceeds policy limit of up to \$23 per pay period (\$50 per month):	
Finance Director's Signature:	Date: / /



## State-Provided Home Internet Service Agreement

The Department of Natural Resources, Division of \_\_\_\_\_, (Division) has determined that \_\_\_\_\_, (employee) must have home internet service for the following business reasons (attach additional pages if necessary):

- 1) The employee works at home full-time and must be able access business related systems, files, and information through the internet while working at home.

The division has determined that the most cost effective means of providing home internet service is for the division to provide and pay for the internet service directly. **The state-provided internet service will not be used for any personal reasons and will be a separate line, cable, or service from the employee's personal home internet service.**

**The following conditions apply:**

- The employee will only use the state-provided home internet service for business purposes. **No personal use is allowed by the employee or any member of their family.**
- This service will be discontinued when the business need for home internet service is no longer justified.
- The employee agrees that the state-provided home internet service may be monitored or audited by the State to verify that it is not being used for personal reasons.
- Employee understands that any data (personal or business) on the computer may be reviewed and disclosed in the event of a GRAMA request.
- Employee has read, understands, and will abide by Administrative Rule R895-7, Acceptable Use of Information Technology Resources.
- Employee has read, understands, and will abide by and *DTS Policy 5000-0003, Enterprise Mobile Device Policy.*
- This agreement will be reviewed and updated by the employee and Division.

Employee Signature(s):	Date: / /
Supervisor's Signature:	Date: / /
Division Director's Signature:	Date: / /