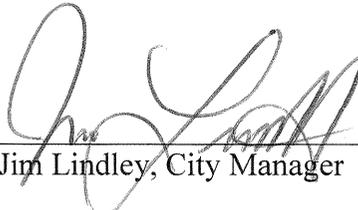




**CITY OF DIXON**

**Mobile Phone Stipend Policy**

APPROVED:

  
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Jim Lindley, City Manager

6-29-12  
Date

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**I. PURPOSE**

The City of Dixon recognizes that the performance of certain job responsibilities may be enhanced by or may require the use of a mobile phone or a Smartphone. IRS regulations removed cell phones and similar telecommunications equipment from the definition of “listed property”, as well as the burdensome substantiation requirements. The value of an employer-provided mobile phone is excludable from an employee’s income as a working condition fringe benefit. (IRS Publication 15-B)

Effective July 1, 2012, the City of Dixon will provide the option of receiving a mobile phone stipend for those employees who hold positions where the duties of that position require the use of a mobile phone. Employees who would rather keep their City provided mobile phone may do so. The benefit of receiving a stipend will be that a single phone may be used for both personal and business purposes.

**II. SCOPE**

This policy applies to all City of Dixon employees who will be receiving a stipend for their personal mobile phone.

**III. POLICY**

Employees who hold positions that include the need for a mobile phone (see eligibility criteria below) may receive a mobile phone stipend to compensate for business-related costs incurred when using their individually-owned mobile phones.

The City will continue to own mobile phones for the use of employees who require them, but do not wish to participate in the stipend program due to privacy concerns for their personal mobile phones.

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#### IV. ELIGIBILITY

- a. Employees whose job duties include the frequent need for a mobile phone may receive extra compensation, in the form of a monthly mobile phone stipend, to cover business-related costs. An employee is eligible for a personal phone stipend if at least one of the following criteria is met:
  - i. The job function of the employee requires considerable time outside of his/her assigned office or work area and it is important to the City that s/he is accessible during those times;
  - ii. The job function of the employee requires him/her to be accessible outside of scheduled or normal working hours where time sensitive decisions/notifications are required;
  - iii. The job function of the employee requires him/her to have wireless data and internet access away from work or outside of work hours; and/or
  - iv. The employee is designated as a "first responder" to emergencies.
- b. An employee who only occasionally is contacted for business purposes is not eligible for a stipend.

#### V. STIPEND PLAN:

- a. If an employee believes her or she meets the eligibility requirements for a mobile phone, as outlined above, s/he may request a stipend in writing through his/her Department Director. The Department Director shall have the discretion to determine whether the employee qualifies for a Mobile Phone Stipend under the terms of this policy.
- b. Once approved, the stipend amount will be added to the employee's regular pay. In order to meet IRS guidelines, any amount added for mobile phone equipment or for mobile phone service will be identified as a non-taxable benefit.
- c. The stipend will be paid as a flat rate per month, based on the selected service and outlined below. The City will pay only the amounts reflected below.
- d. The stipend allowance is neither permanent, nor guaranteed. The City reserves the right to modify the amount of the stipend, remove a participant from the stipend program and/or cancel or eliminate the stipend for business reasons.
- e. The amount of the stipend will be determined based on the type of plan required of the employee's position to perform his or her job responsibilities, and accordingly the City may adjust the amount of the stipend from time to time. A tiered model based on the current \*market rates includes the following options:

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- i. Voice only - \$45 per month
  - ii. Voice & Data - \$75 per month
  - iii. Voice, Data and Wi-Fi hotspot(requires the ability to tether a device such as laptop) \$95 per month
  - iv. In the event an employee pays less than the lowest monthly stipend rate for mobile phone coverage, it is the responsibility of the employee to notify the City of the difference, and arrange for reduction of the stipend amount to an amount that reflects only the actual cost of the employee's coverage. Failure to alert the City that the employee's actual cost for mobile phone coverage is less than the lowest monthly stipend rate shall constitute grounds for disciplinary action up to and including termination of employment.
- f. If an employee's job duties do not include the need for a mobile phone, the employee is not eligible for a mobile phone stipend under this policy.

## **VI. EQUIPMENT PURCHASE**

- a. The City will not pay for the purchase of personal mobile phones, activation fees or insurance.

## **VII. OVERSIGHT, APPROVAL & FUNDING**

- a. Individual departments and department heads are responsible for identifying employees who hold positions that include the need for a mobile phone. Each department is strongly encouraged to review whether a mobile device is necessary, and to select alternative means of communication -e.g., land-lines, pagers, and mobile radios - when such alternatives would provide adequate and less costly service to the City.
- b. The department head is responsible for overseeing employee mobile phone needs and assessing each employee's continued need of a mobile phone for business purposes. The need for a mobile phone stipend should be reviewed annually, upon a change in an employee's job duties, or at any other time as determined by the department head, to determine if existing mobile phone stipends should be continued as-is, changed, or discontinued.
- c. The City Manager will have the final approval authority should the decision of the department head be challenged.
- d. Stipends are funded by the department submitting the request.

## **VIII. EMPLOYEES RIGHTS & RESPONSIBILITIES**

- a. The employee is responsible for purchasing a mobile phone and establishing a service contract with the mobile phone service provider of his/her choice. The mobile phone contract is in the name of the employee, who is solely

responsible for all payments to the service provider.

- b. Because the mobile phone is owned personally by the employee the stipend provided is not considered taxable income (in accordance with IRS Notice 2011-72) and the employee may use the phone for both business and personal purposes, as needed. The employee may, at his or her own expense, add extra services or equipment features, as desired. If there are problems with service, the employee is expected to work directly with the carrier for resolution.
- c. Support from Information Technology (IT) is limited to connecting a personally-owned PDA/Smartphone to City-provided services, including email, calendar, and contacts.
- d. An employee receiving a mobile phone stipend must be able to show, if requested by his/her supervisor, a copy of the monthly access plan charges and business related needs, confirming they continue to have a contract for the mobile phone.
  - i. If the employee terminates the wireless contract at any point, s/he must notify his/her supervisor within five (5) business days to terminate the stipend.
  - ii. Failure of an employee to notify the City that a stipend is no longer necessary on account of the termination or modification of the employee's wireless coverage shall constitute grounds for disciplinary action, up to and including termination of employment.
- e. The City does not accept any liability for claims, charges or disputes between the service provider and the employee. Use of the phone in any manner contrary to local, state, or federal laws will constitute misuse, and will constitute grounds for disciplinary action up to and including termination of employment.
- f. Any mobile phone that has data capabilities must be secured based on current security standards including password protection and encryption. If a mobile phone with data capabilities is stolen or missing, it must be reported to the employee's supervisor, the wireless device service provider, and to IT as soon as possible.
- g. Employees are expected to delete all City data from the mobile phone when their employment with the City is severed, except when required to maintain that data in compliance with litigation hold notice.

## **IX. CITY-OWNED MOBILE PHONES**

- a. The City may own and retain mobile phones for emergency, disaster recovery, and/or other business purposes, including:
  - i. Public Safety

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- ii. On-call department(s) mobile phone(s)
- iii. Supervision mobile phone(s) used by supervisors throughout the day and who may be subject to calls in the off times.

**X. CANCELLATION**

- a. Any stipend agreement will be immediately cancelled if:
  - i. An employee receiving a mobile phone stipend terminates employment with the City.
  - ii. The employee changes position within the City which no longer requires the use of a mobile phone for business reasons.
  - iii. There is misuse/misconduct with the phone.
  - iv. A decision by management (unrelated to employee misconduct) results in the need to end the program or there is a change in the employee's duties.
  - v. The employee does not want to retain the current mobile phone contract for personal purposes.

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