

Central Accounting System Processing Standards

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Pre-audit

Process B

The Financial Control Division recognizes that the so-called "free minutes" granted under a cellular phone contract do have value. If an employee uses those minutes to conduct State business, and has authority to do so from his or her supervisor, the employee's agency may reimburse the employee. This paper provides guidelines (standards) for making that reimbursement.

Reimbursing Employees for Business Use of Personal Cell Phones

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Introduction

The Financial Control Division recognizes that the so-called “free minutes” granted under a cellular phone contract do have value. If an employee uses those minutes to conduct State business, and has authority to do so from his or her supervisor, the employee’s agency may reimburse the employee. This paper provides guidelines (standards) for making that reimbursement.

Section 1. Calculating the Amount to Reimburse an Employee

The reimbursement shall be calculated by multiplying the fixed fee for the free minutes by the ratio of the total number of minutes used to conduct State business over the total number of free minutes. For example, if the cellular contract provides 60 free minutes a month at a cost of \$20 a month, and the employee used 30 of those minutes to conduct State business, the agency should reimburse the employee \$10 ($30/60 \times \20), plus applicable taxes and surcharges.

To receive reimbursement, an employee must provide a copy of his or her cellular phone statement. The statement must list calls in chronological order, itemizing all incoming and outgoing calls. The employee must clearly indicate on the statement those calls that were for State business and the name of the party called.

If a statement includes charges for calls made under the cellular phone contract’s free minutes provision and charges for calls made in excess of those free minutes, an agency should calculate the reimbursement as follows: 1) calculate the reimbursement amount for the free minutes used, and 2) add the amount charged for the excess minutes used. Continuing our example from above, if the cellular

contract allows for a charge of \$.30 a minute for excess minutes and the employee used ten excess minutes to conduct State business, then the agency would reimburse the employee \$13 (\$10 + 10 minutes X \$.30), plus applicable taxes and surcharges. Under no circumstances should the State pay for excess minutes incurred for personal calls.

Accordingly, this policy allows only for reimbursement of **actual** expenses. It does not allow, therefore, an agency to fabricate a rate (for example, by assuming all personal calls are free minutes and all excess minutes are attributable to the business calls). The rate an agency uses to reimburse an employee must be verifiable by reading the charges on the cellular phone statement.

The following is an example of a cellular phone statement with the amount of reimbursement calculated to demonstrate the above policy, which is effective immediately.



Your VoiceStream Statement

Statement For: [REDACTED]
 Mobile Number: [REDACTED]
 Account Number: [REDACTED]

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[REDACTED]
 [REDACTED]
 ATTN: [REDACTED]
 [REDACTED]
 [REDACTED]



Important Information
 Thank you for being a VoiceStream Customer!

Summary of Charges	
Previous Balance	\$ 22.67
Payment Received -Thank You	\$ (22.67)
Late Fees	\$ -
Monthly Service Charges	\$ 54.97
Total Balance Due	\$ 54.97
Total Balance Due by	3/20/02

Monthly Service Summary
 Monthly service charges from 1/25/02 - 2/24/02

Service Plan	Service Charges	Adjustments	Call Charges	One Time Charges	Tax Summary	Total Charges
Personal	\$ 19.95 ✓	\$ -	\$ 30.37 ✓	\$ -	\$ 4.65	\$ 54.97

Available Service	Type	WHENEVER	WEEKEND
Personal	Free Minutes	Minutes 60	-
-First Free Incom Min	First Free Incoming Min	Minutes Unlimited	-

Used Service	Type	WHENEVER	PEAK	OFF PEAK	WEEKEND
Basic Voice Mail	Minutes	-	6	-	3
Included Plan Minutes	Minutes	-	139	7	47

Σ ✓ = 50.32

PLEASE DETACH THIS PORTION AND RETURN WITH YOUR PAYMENT PLEASE MAKE SURE ADDRESS SHOWS THROUGH WINDOW.



VOICESTREAM WIRELESS
 PO BOX 790047
 ST. LOUIS, MO 63179-0047

Statement For: [REDACTED]
 Mobile Number: [REDACTED]
 Account Number: [REDACTED]

Amount Due By 3/20/02	Amount Enclosed
\$54.97	

- To pay this invoice using your credit card - check box and complete the reverse side
- For EasyPay Option - check box and complete the reverse side
- If you have changed your address - check box and record new address on the reverse side.

[REDACTED]

Statement For: [Redacted]
 Mobile Number: [Redacted]
 Account Number: [Redacted]

Customer Service Number 1-800-937-9997

Feb 28, 2002

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LOCAL AIRTIME, LONG DISTANCE AND INTERNATIONAL CHARGES - (Continued)									
Date	Call Destination	Time	Number Called	Call Type	Minutes	Airtime Charges	Toll Charges	Additional Charges	Total
2/13/02	VoiceMail Retrieval	1:15 PM	[Redacted]	(9)	1	\$ 0.10	\$ -	\$ -	\$ 0.10
2/13/02	ALBUQUERQUE, NM	1:18 PM	[Redacted]		3	\$ 0.87	\$ -	\$ -	\$ 0.87
2/13/02	VoiceMail Retrieval	2:15 PM	[Redacted]	(9)	1	\$ 0.10	\$ -	\$ -	\$ 0.10
2/13/02	INCOMING	4:48 PM	505-660-0963	Mobile Call	4	\$ 0.87	\$ -	\$ -	\$ 0.87
2/14/02	SANTA FE, NM	12:04 PM	505-827-7394	SP-OC	3	\$ 0.87	\$ -	\$ -	\$ 0.87
2/14/02	INCOMING	2:55 PM	[Redacted]		1	\$ -	\$ -	\$ -	\$ -
2/14/02	INCOMING	3:34 PM	[Redacted]		1	\$ -	\$ -	\$ -	\$ -
2/14/02	ALBUQUERQUE, NM	3:39 PM	[Redacted]		1	\$ 0.29	\$ -	\$ -	\$ 0.29
2/14/02	INCOMING	3:53 PM	505-246-9952	Mobile Call	2	\$ 0.29	\$ -	\$ -	\$ 0.29
2/15/02	ALBUQUERQUE, NM	9:18 AM	[Redacted]		2	\$ 0.58	\$ -	\$ -	\$ 0.58
2/15/02	ALBUQUERQUE, NM	9:27 AM	[Redacted]		2	\$ 0.58	\$ -	\$ -	\$ 0.58
2/15/02	INCOMING	10:10 AM	505-246-9952	Mobile Call	3	\$ 0.58	\$ -	\$ -	\$ 0.58
2/15/02	INCOMING	10:26 AM	[Redacted]		2	\$ 0.29	\$ -	\$ -	\$ 0.29
2/18/02	ALBUQUERQUE, NM	7:57 PM	[Redacted]		1	\$ 0.29	\$ -	\$ -	\$ 0.29
2/18/02	INCOMING	8:00 PM	[Redacted]		1	\$ -	\$ -	\$ -	\$ -
2/18/02	ALBUQUERQUE, NM	8:03 PM	[Redacted]		1	\$ 0.29	\$ -	\$ -	\$ 0.29
2/24/02	INCOMING	9:47 AM	[Redacted]		2	\$ 0.29	\$ -	\$ -	\$ 0.29
2/24/02	INCOMING	1:55 PM	[Redacted]		3	\$ 0.58	\$ -	\$ -	\$ 0.58
2/24/02	INCOMING	2:24 PM	[Redacted]		2	\$ 0.29	\$ -	\$ -	\$ 0.29
Total Zero VM calls									\$ -
TOTAL						202	\$ 30.37	\$ -	\$ 30.37
TOTAL CALL CHARGES									\$ 30.37

"Free Minutes":
 $\frac{36}{60} \times \$19.95 = \11.97
 Total Excess minutes = 19.14
 Taxes & surcharge: 31.11
 $\frac{31.11}{50.32} \times \$4.65 = 2.87$
 Reimbursement \$33.98

Section 2. Use of Personal Cellular for Business In General

Beyond calculating the correct amount of reimbursement, agencies should closely scrutinize the use of personal cellular phones for State business to ensure that the use of the phones is in fact a benefit to the State and not a means of subsidizing an employee's personal expenses.