

AGENDA ITEM 5 H  
Consent Item

**MEMORANDUM**

**DATE:** August 28, 2008

**TO:** El Dorado County Transit Authority

**FROM:** Julie Petersen, Fiscal Administration Manager

**SUBJECT:** Cellular Telephone/Wireless Personal Digital Assistant (PDA) Usage Policy

**REQUESTED ACTION:**

**BY MOTION,**

1. **Approve Cellular Telephone/Wireless PDA Usage Policy**
2. **Authorize Executive Director to execute device transfers and implement allowance plan.**

**BACKGROUND**

The El Dorado County Transit Authority (El Dorado Transit) issues cellular telephones or personal digital assistant (PDA) devices with cellular telephone function to key employees whom are required to be available outside their regular work hours or El Dorado Transit business hours. This includes, but is not limited to emergency response, on-call and staff scheduling issues. Transit drivers scheduled to work a demand response service, receive a cellular telephone on a daily basis assigned by route.

El Dorado Transit's current policy is that business, of a personal nature, is not allowed on agency issued devices. Monthly bills are audited to verify compliance.

**DISCUSSION**

El Dorado Transit has determined that the current practice is impractical. To comply with Internal Revenue Service (IRS) guidelines, a new Cellular Telephone/Wireless PDA Policy has been developed. Those employees currently in possession of an agency device will be allowed to take possession of said device. The service will be transferred into their name. These employees will participate in the allowance plan provided in the new policy.

Cellular telephones issued to transit drivers on a daily basis will continue to be audited monthly. These cellular telephones are assigned by route, not by employee.

**FISCAL IMPACT**

Five (5) devices owned by El Dorado Transit that will be affected by this policy change.

5050.01 Communication - Telephone: Reduction of approximately \$3,600. annually.

5020.00 Fringe Benefit: Increase of approximately \$3,600. annually.

## Policy

### 1. Cellular Telephone/Wireless PDA Usage

Under current Governmental regulations, all personal use of agency owned or provided cellular telephone or wireless PDA must be treated as taxable income. In addition, any reimbursement for the use of a personal cellular telephone or wireless PDA must also be treated as taxable income.

Therefore, two approaches for the use and payment of these devices and related costs are authorized.

A. Agency Owned Devices: If the device is used for 100% agency business, absolutely no personal use (with the exception of life safety situations), including all incoming and outgoing calls and/or data usage, then the device should be purchased and maintained and supported through direct billing to the agency. Monthly auditing of billings will be preformed by the Operations Manager to ensure proper usage.

B. Personal Devices: If the device is used for a mix of agency business and personal use, then the user may request the Executive Director to approve the taxable allowance which will be used to offset the costs incurred by the owner of the device. Under this arrangement the individual owner of the device is responsible for all costs incurred.

C. Taxability: The cellular telephone or PDA allowance will be paid through the agency payroll system as taxable income. For determination of individual taxability, employees should consult their tax advisor.

D. Allowance Plan:

1. The Executive Director shall designate those employees eligible for the allowance plan.
  - a. For eligible designated employees using personal cellular telephones, an allowance of \$45 per month or \$22.50 paid over the first two pay periods of each month.
  - b. For eligible designated employees using personal PDA devices, an allowance of \$70 per month or \$35 paid over the first two pay periods of each month.

Rates will be reviewed every two years during the budget process.