

**University of Nebraska – Lincoln**  
**Cell Phone Plan Rates as of April 1, 2011**  
(Rates Adjusted Annually)

The amounts shown below are cell phone plans, including all taxes, for the purpose of determining stipends under Option 1 of the University cell phone policy.

<b>CALLING PLANS</b>	
<b>MONTHLY STIPEND RATES</b>	
Rates Assume 100% Business Use	
<b>Low UNL Business Use</b> (450 Minutes/Month)	\$44
<b>Medium UNL Business Use</b> (900 Minutes/Month)	\$66
<b>High UNL Business Use</b> (Unlimited Minutes/Month)	\$77
<b>Unlimited Text Messaging</b>	\$16
<b>Unlimited Voice, Messaging &amp; Data</b>	\$115

Stipends should be set as a percentage of the amounts above taking into consideration the amount of business usage, the benefit to the employee of personal usage, the benefit to the employee of not having to perform detailed record keeping, and the benefit to the employee of having control over the phone and the plan selected.

**Example 1**

A supervisor determines that her employee’s job duties require the use of a cell phone and that usage will average about 600 minutes per month. Consulting the calling plans chart above, she notes that the low volume plan only covers up to about 450 minutes. Knowing that premium rates are charged per minute of use in excess of the monthly allowance, she determines that the medium volume plan is the best fit. Since the estimated usage is between the low volume and medium volume plans, the stipend is interpolated. Using the medium minutes allowed, or 900 minutes, she calculates that her employee should receive a stipend of 67% (600/900) of \$66, or \$44.22 per month. For ease, she rounds it to \$44 per month. This is the stipend regardless of the actual phone plan selected by the employee. Because calling plans offer basic phones for little cost, the stipend is all that is paid to the employee. The employee will be taxed on the stipend,

but will not have to maintain any records of calls, and will not be subject to a limit on personal calls.

### **Example 2**

A supervisor notes that his employee's job duties, which include recruiting students from around the country, dictate that she have a cell phone. The supervisor estimates that the business related calls should average about 3,500 minutes per month. This is well beyond the 900 minutes of the medium use plan, so he selects the unlimited calling plan. Because the high volume plan has unlimited minutes of use, there is no basis to interpolate the stipend. Therefore the stipend is 100%, or \$77 per month. Because calling plans offer basic phones for little cost, the stipend is all that is paid to the employee. The employee will be taxed on the stipend, but will not have to maintain any records of calls, and will not be subject to a limit on personal calls.

### **Example 3**

An employee approaches his supervisor requesting a cell phone stipend. The supervisor learns that the employee already has a cell phone and calling plan with 900 minutes per month. The employee makes and receives calls occasionally when away from his desk or when having left urgent messages for others at work to contact him. The calls average about an hour per month.

The supervisor decides not to provide a stipend. Her reasoning is two-fold. First, there is not a business need for this employee to have a cell phone to perform his duties. Second, the estimated usage is only 7% (60/900). The circumstances do not warrant a stipend. The employee may submit for reimbursement of actual calls made if he is willing to keep the detailed records needed to substantiate business use. Most likely, this incidental use would not warrant the time and effort to process an expense reimbursement form.

### **Example 4**

An employee's responsibilities require that she be away from her office frequently but remain in contact with others. She has a University-provided PDA (personal digital assistant, e.g., Blackberry) that enables access to her e-mail.

Her supervisor approves of a stipend in the amount of \$115 per month to cover unlimited voice, messaging and data communications. The employee will be taxed on the stipend, but will not have to maintain any records of calls, and will not be subject to a limit on personal calls, texts, or data.