

STAFF NOTICE 68: PROVISION OF MOBILE TELEPHONES/ COMMUNICATION EQUIPMENT FOR BUSINESS USE AND REIMBURSEMENT FOR PRIVATE USE

Supplementary Guidance for line managers

Aimed at	All line managers: all people to receive an individual copy
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Dear Colleagues,

This guidance is to give line managers further information regarding the issue and monitoring of mobile phones to their staff.

Background:

Since the introduction of the revised procedure concerns were raised in two areas:

- the administrative work, involved in monitoring staff usage, through the monthly reports sent out by Radio and Electronics Branch; and
- the costs incurred when individuals exceeded the 'free' allowance and the amount of money reclaimed.

This supplementary guidance aims to tackle both of these concerns.

If an individual is issued with a mobile phone as a requirement of their job, then as a concession they have the option to use this mobile phone for personal use as well. However there are clear guidelines on what this means.

Firstly there are HMRC rules in relation to benefits in kind which, personal use of a business mobile phone would fall into. As it stands our 'free' personal allowance is within HMRC rules and means that if an individual stays within this limit they will have no tax liability or costs for using the mobile phone for personal use. However if they exceed this limit there would be tax implications, hence why individuals are charged for their calls.

Secondly if employees exceed this agreed limit then we have the right, both legally and contractually, to charge them for this usage. Although the costs may seem excessive these are the agreed rates as stated in our policy and procedure.

Hence why it is important that managers ensure staff are aware of the rules and the outcome if they choose to use the phone for personal use and exceed the 'free' allowance.

Jean Lindsay
Director HR
February 2010

Supplementary Guidance:

Things to consider prior to issuing equipment:	Yes	No
There is a clear business reason for the employee to have a mobile phone. The primary use of the phone shall be for business use with occasional personal call use.		
The individual is aware of and read the policy and procedure relating to the use of an official mobile phone/data card.		
The individual is aware of the personal use limits of an official phone and the costs that may be incurred should they exceed the agreed 'free' minutes and text allowance. It is important that individuals know that the primary use of the equipment is for official use and that it is a concession by HMRC that phones can be used for personal use within the agreed limits set.		

Within our current provision of Mobile telephones/communication equipment policy we have agreed the following:

- 'Free' personal use allowance of 100 minutes and 50 texts per month, which can be rolled up to a quarterly allowance e.g. 300 minutes and 150 texts per quarter.
- If individuals exceed these limits then they are required to reimburse the FC for any further personal use on a quarterly basis.

Monitoring:

Each month as a Cost Centre Manager you will receive two reports from Radio and Electronics Branch:

- Cost Summary Report
- Most Frequent usage by Handset

The most practical of these reports is the Cost Summary Report. The areas you should review are:

- the duration of calls
- number of calls, and
- usage charges.

This information allows you to set a baseline of what an individual's normal usage is and to identify each month if an individual is using the phone much more than they normally would, which may warrant further investigation. If there is excessive use then you would use the second report to further investigate. In essence you can manage by exception – only if there is a fluctuation do you need to investigate further.

The most 'Frequent by Handset' report clearly identifies:

- number of text messages,
- call destination,
- additional usage charge, and
- number of calls/activities.

Again the analysis of call destinations directly supports the calculation of the business to personal call ratio.

You should then speak to the individual to give them the opportunity to explain any excessive use. If you believe that the individual's justification is acceptable, then a compromise of the costs due to the FC may be undertaken. Examples of special circumstances that might constitute an 'acceptable justification' include:

- Domestic or family issues where an individual failed to appreciate the level of calls made during a specific period;
- A lack of comprehension and interpretation of SN68 in relation to personal use and the recovery of monies to FC.
- Unfamiliarity with the cost of SMS and voice calls to specific services.

Where you are satisfied that the use of the mobile phone has been subject to special circumstances then a reduction in the level of costs due to the FC may be deemed acceptable, however you will need to record why this decision was reached, for audit purposes. Any subsequent event under the same set of circumstances may be considered under the disciplinary procedures.

Where there is evidence of a clear breach of the laid out policy, such as:

- Use of FC mobile phone by unauthorised individuals, including friends and family; or
- Use of a FC mobile phone for accessing pornographic, offensive material or inappropriate chat lines

then disciplinary action may be taken straight away.

Things to consider as part of monitoring:	Yes	No
Is the ratio of business calls to personal calls acceptable and the retention of the mobile phone for business use still justified?		
Have you set/ do you have an idea of a baseline level of usage for your staff?		
Is usage excessive?		
Does personal use balance out over the quarter?		
Does the excessive usage fall within a special circumstance?		
Is this the first time that an individual has had excessive usage?		
Have you had a previous discussion with the individual regarding usage in similar circumstances?		

For audit purposes you will need to undertake more detailed reviews possibly at the 6 or 12 month points to ensure individuals are not exceeding the 'free' cumulative allowance of 300 minutes or 150 texts per quarter.