

## **Do You Use Cellular Telephones?**

The use and payment for cellular telephone service continues to be the topic of many questions and concerns. Local government managers often ask if (1) employees are allowed to make personal calls using government-owned phones, or if (2) employees are eligible for the government service rate on personally-owned phones. To establish guidelines, the State Auditor's Office met with association leaders, local government managers and cellular telephone providers.

As a result, the Auditor's Office determined that local governments are responsible for controlling and managing their cellular telephones. Each entity may decide whether to allow personal use of government-owned phones. If the entity allows personal use, management must establish a system to ensure employees are responsible for payment of personal calls. Employees should review the telephone bills, identify personal calls and submit payment for their portion of the bill. To reduce their risk of loss, governments should require a signed agreement to garnish wages for unpaid calls or establish an initial deposit to cover these costs.

As for employee-owned phones, governments must establish a business purpose or public benefit for employees to be eligible for air time at government rates. Government service agreements with phone companies make entities ultimately liable for payment of bills if employees fail to pay. This guaranteed payment of an employee's bills is a constitutionally prohibited loan of credit. However, associating a business purpose to employee-owned phones liberalizes the constitutional interpretation. Again, the entity should require a signed agreement with the employee to minimize the risk the entity will pay for personal calls.

If you have any questions, please call Jan Jutte, Assistant Director at (360) 586-3669 or Shad Pruitt, Technical Services Manager at (360) 664-3147.