



# STATE CONTROLLER'S BULLETIN

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## Introduction of Section 70.30 of the Statewide Accounting and Administrative Manual

This Bulletin announces Section 70.30, Cellular Devices and Services, of the Statewide Accounting and Administrative Manual with an effective date of January 1, 2009. The requirements set forth in the bulletin apply to all Maine state government. The purposes of this policy is to, first, provide a reminder to all state agency personnel about the appropriate use of cellular devices and to introduce a specific requirements developed by the Office of the State Controller and the Office of Information Services regarding cellular phones. We have reviewed the policy with the Office of Employee Relations to ensure that it is consistent with all collective bargaining contracts currently in place. Through Section 70.30 we promulgate the following policies:

- Establish approval requirements for issuing cellular devices and services
- Establish minimum requirements for cellular device use. Agencies may choose to implement more restrictive policies
- Establish employee responsibilities when issued a State cellular device • Improve efficiency
- Provide the ability to respond in emergencies or enhance employee safety

In addition Section 70.30 calls to the attention of affected state employees that State-provided cell phones are listed property in IRS regulations. This means they must be restricted to business use, or tax consequences arise for the employee. Employees who use state-provided cell phones must avoid personal use of these business assets to personal tax consequences. Further, all use must be substantiated as business to be excluded from taxable compensation to meet IRS documentation requirements. In the absence of substantiated business use, the IRS deems all use to be personal. Personal use will be either added to taxable compensation, or reimbursed by the employee at an annually published fair market value cost per minute established by the Chief Information Officer. This means that cost per minute reimbursed by the employee to the State of Maine will not be same as the actual cost incurred by the State under its contract for cell phone services. In most cases the fair market value will be more than the negotiated contract.

Recognition of taxable compensation for personal use of state-provided electronic listed property is required even when it results in no additional cost to the state.

Incremental charges on invoices to the state resulting from personal use must be reimbursed by the employee to the state, similar to long distance charges on desktop phones.

Instead of state-provided assets, employees may use personal assets to satisfy business requirements. All employee-owned assets used for state business must comply with state security standards.

Whether the asset belongs to the state or the employee, use of electronic listed property for state business must be approved in advance by the supervisor based on business need.

Detailed policies are included in the Statewide Accounting and Administrative Manual in Section 70.30, etal.

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