

ADMINISTRATIVE RULES – CITY OF KNOXVILLE

12 – Miscellaneous

12.01 **EMPLOYEE SAFETY**

It is the policy of the City to promote and maintain safe and healthy working conditions for all employees and to enforce all applicable laws, ordinances, rules and regulations as promulgated by the United States government, the State of Tennessee, and the City of Knoxville.

The complete Occupational Safety and Health Program for the Employees of the City of Knoxville can be found in Chapter 14 of these rules and regulations.

12.02 **PERFORMANCE APPRAISALS**

Each City employee shall have an annual performance appraisal in accordance with the applicable Civil Service Merit Board Rules and Regulations.

An employee who transfers from one department or division to another during the year should be evaluated by the department/division that he or she was in for the majority of the review period. In the event of equal time spent in each department/division, the employee shall be evaluated by his/her current department.

Annual performance appraisal dates for employees receiving a promotion, demotion, reclassification, or transfer are not changed due to such actions.

12.03 **GRIEVANCES**

A grievance is defined as a complaint or dispute of an employee regarding working conditions, or the interpretation or application of policies which he/she feels are unjust, inequitable, a hindrance to effective operation, or which create a problem and which the employee believes the City ought to remedy. However, the following are not subject to the grievance procedure: negotiation of wages, salaries, or other benefits; assignment of hours of work; eligibility for workers' compensation benefits, including supplemental temporary total disability benefits, pursuant to Administrative Rule 7.05; and any work activity accepted by employee as a condition of employment. The grievance procedure is contained in the Civil Service Merit Board Rules and Regulations.

12.04 **ELIGIBILITY FOR RE-EMPLOYMENT**

Any previous City employee who voluntarily resigns from City service may not be re-employed for a thirty (30) day period.

Any previous City employee who has been terminated for cause in accordance with Civil Service procedures will not be eligible for employment with the City for a period of five (5) years from the date of discharge.

ADMINISTRATIVE RULES – CITY OF KNOXVILLE

12 – Miscellaneous

12.05 UNEMPLOYMENT COMPENSATION

It is the responsibility of the Civil Service Director (or designated staff member) to ensure that the Unemployment Compensation Program and the applicable procedures and controls are properly administered. All inquiries or correspondence from the State of Tennessee and/or the employee regarding an unemployment claim must be transmitted to the Civil Service Department for a response and proper processing.

12.06 EXIT QUESTIONNAIRE

Exit Questionnaires will be utilized to solicit comments from former employees to aid in the reduction of employee turnover and the improvement of working conditions by locating and correcting problem areas.

The Civil Service Department will mail a confidential questionnaire along with an explanatory letter directly to all former employees who have resigned. The form of the Exit Questionnaire will allow for easy response and return. It will be mailed to each resignee approximately thirty (30) to forty-five (45) days after separation from City service.

The returned forms will be compiled into reports to be issued to appropriate department heads and the Mayor periodically.

12.07 PENSION PLAN

The City Employees Pension Fund was created by a legislative act in 1933. Participants include employees of the City, and the Knoxville Utilities Board, as well as Police Officers and Firefighters who were employed on or after January 1, 1963. Participation in the pension system is mandatory for regular employees; however, Section 2-530 of the City Code authorizes the exemption from the pension plan of certain unclassified employees. The five (5) divisions of the pension plan, divisions A, B, C, F, and G, each have different contribution rates, different benefits and different laws. The Pension Board, which is composed of employees who are elected by the members, administers the system, including administration of the Pension Office. The Pension Office maintains all pertinent records and contributions are updated each pay period. If an employee terminates and applies for a refund, 4% simple interest is computed on beginning of year balances. A retiring employee must submit an application to the Pension Board. The Pension Board will act on the application before transmitting it to the Law Department for placement on the City Council Agenda. The Pension Board meets monthly.

Employees in the police and fire uniformed services are eligible for normal retirement at the end of the month in which they have served twenty-five (25) years in the uniformed services **and** have reached at least the age of 50. General government employees in Divisions A and G are eligible for normal retirement on the first day of the month after or coinciding with reaching the age of 62. Employees in Division G are also eligible the first day of the month coinciding with or next following the date

ADMINISTRATIVE RULES – CITY OF KNOXVILLE

12 – Miscellaneous

the member's age at the time of his or her separation from service plus the member's credited service equals eighty (80).

Eligible employees who are considering retirement should contact the Pension Board Office directly to obtain information regarding retirement options.

12.07.01 Delayed Retirement Option (D.R.O.P.) Program

A. The following definitions shall be used for the Delayed Retirement Option Program (D.R.O.P.):

1. **ELIGIBILITY:** Must be an active employee who is eligible to begin normal retirement benefits.
2. **EFFECTIVE DATE:** The date approved by the Pension Board upon which pension benefits are calculated.
3. **ENROLLMENT PERIOD:** An eligible employee must make application on the City-approved form to participate in the D.R.O.P. Coincident with this application, the employee shall file a retirement application with the City of Knoxville Pension System.
4. **PERIOD OF PARTICIPATION:** An eligible employee who elects to participate in the D.R.O.P. may designate a maximum period of 24 months which shall begin on the effective date of application.
5. **RETIREMENT BENEFIT:** Retirement benefits will be effective coincident with or on the first day of the month following the effective date of the D.R.O.P. application form. The retirement benefit will be computed using the average salary computation and creditable service as of the member's D.R.O.P. effective date. Only benefit adjustments pursuant to the City of Knoxville Charter will be made after the initial benefit entitlement is established. The retirement effective date herein established shall be used to compute any post retirement benefit adjustments pursuant to the Charter. The monthly benefit will be retained by the City of Knoxville Pension System until the Delayed Retirement date indicated on the D.R.O.P. application form or such earlier date pursuant to the Charter. The cumulative benefit entitlement as of the Delayed Retirement Date shall be distributed by the City of Knoxville Pension System with the first regular monthly payment cycle after the Delayed Retirement Date. The City of Knoxville Pension System will begin regular monthly benefit distributions in the month following the month of the Delayed Retirement Date. All such payments will be pursuant to the member's retirement application filed coincident with member's election to participate in the D.R.O.P.

B. The monthly benefit payable to a member who elects a delayed retirement option shall be computed as of the effective date of the member's application and shall not thereafter be recomputed for additional service or changes in average salary. No further member contribution to the Pension System will be required or permitted. The employee shall be entitled to all pension system cost of living adjustments while participating in the D.R.O.P.

ADMINISTRATIVE RULES – CITY OF KNOXVILLE

12 – Miscellaneous

- C. On the member's delayed retirement date, the System shall pay the member in a single sum the member's accumulated monthly benefits, without interest, that would have been payable to the member if he or she had retired on the effective date of the member's application with the Pension Board.
- D. In the event a member who is participating in the D.R.O.P. becomes disabled or terminates employment, voluntarily or involuntarily, before reaching the delayed retirement date, the date of the member's disability or termination of employment shall thereupon be treated as the member's delayed retirement date. Computation of the monthly benefit payable shall not be changed.
- E. In the event a member who is participating in the D.R.O.P. dies prior to the delayed retirement date, the date of the member's death shall thereupon be treated as the member's delayed retirement date; and the member's survivor benefit, if any, shall be paid to the designated beneficiary in accordance with the normal or optional form of payment selected by the member. The member's designated beneficiary shall be paid in a single sum an amount equal to the accumulated monthly benefits, without interest, that would have been payable to the member if he or she had retired on the effective date of the member's application with the Pension Board.
- F. A member who is participating in the D.R.O.P. will continue to be employed by the City until the elected delayed retirement date and shall continue to be subject to all rules and regulations of the City, including but not limited to, all disciplinary measures.

Sick Leave Conversion to Pension

- A. An employee participating in the D.R.O.P. may elect to receive a cash payment for accumulated sick leave in accordance with Section 5.08 of these rules and regulations, or may elect to use accumulated sick leave totals to be used in calculating the amount of the retirement benefit. Sick leave service cannot be used for purposes of determining eligibility for retirement. Sick leave balances which are converted to credited service shall be computed in whole months at the rate of one (1) month of sick leave for every twenty (20) days of unused sick leave. A member who elects to take any other monetary or other consideration for unused sick leave shall not be granted sick leave credited service.
- B. The member's sick leave balances shall be transferred to forfeited leave at the time of the filing of the member's application with the Pension Board. In the event of an illness or disability which exhausts all available sick and annual leave, the employee may apply for restoration of forfeited leave in accordance with Section 5.09 of the City's Administrative Rules and Regulations. The member shall start over accruing sick leave until the delayed retirement date; however, any such sick leave balance at the delayed retirement date cannot be converted to credited service.

ADMINISTRATIVE RULES – CITY OF KNOXVILLE

12 – Miscellaneous

- C. On the date of application for the D.R.O.P., the employee shall begin to earn sick leave with pay on the basis of one (1) day per month up to a maximum of twelve (12) working days per year. All rules and regulations governing sick leave for City employees shall apply for the continuation of the employee's employment with the City.
- D. Upon applying for the D.R.O.P., the employee may apply for membership in the City's Sick Leave Bank.

Annual Leave Status

- A. An employee who is participating in the D.R.O.P. will receive cash payment for annual leave and compensatory time in accordance with Section 5.06 of these Rules and Regulations effective on the date of application for the D.R.O.P. After the application for the D.R.O.P. is filed, cash payment will be made to the employee for balances of accrued, unused annual leave up to a maximum balance not to exceed forty-eight (48) days (or 384 hours for personnel serving on eight-hour shifts and 576 hours for personnel serving on twelve-hour shifts). All annual leave balances over the forty-eight (48) day maximum accrual balance will be placed in the forfeited leave bank effective on the date of application for D.R.O.P. Forfeited leave may be accessed by the employee in accordance with Section 5.09 of these Rules and Regulations in the event of an illness or disability that exhausts all available sick and annual leave.
- B. On the effective date of application for the D.R.O.P., the employee shall begin to accrue annual leave at the same rate of accrual achieved prior to application for the D.R.O.P. All rules and regulations governing annual leave for City employees shall apply for the continuation of the employee's employment with the City, and the employee shall be compensated in accordance with the rules and regulations for any accrued unused annual leave upon reaching the delayed retirement date.

12.08 BREASTFEEDING SUPPORT AND PROMOTION POLICY

In compliance with Tennessee Code Annotated Section 50-1-305, the City of Knoxville will support employees who are breastfeeding their infant children by providing opportunities and a space to express breast milk.

An employee can take up to two paid breaks per day (the two breaks described in Administrative Rule 5.03) to express breast milk for the employee's nursing child for up to one year after the child's birth. Department Heads and/or Office Heads may not refuse an employee's reasonable request to take such breaks when the purpose is to express breast milk for the employee's infant child. Employees utilizing these breaks to express breast milk will not be required to remain in the general work area during the breaks.

Employees expressing milk during their work shift may, but are not required to, use either an Employee Lactation Room in the City County Building or designated space in The Center at the Public Works Complex. If a lactation room is not available at the

ADMINISTRATIVE RULES – CITY OF KNOXVILLE

12 – Miscellaneous

employee's worksite, the supervisor will help the mother identify a place to express milk, other than a bathroom, that is shielded from view and free from intrusion from coworkers and the public.

The Employee Lactation Room in the City County Building and the designated space in The Center at the Public Works Complex will be used solely for an employee to express breast milk for, or to breastfeed, the employee's nursing child. No other use of these spaces is permitted. Employees may store properly labeled, expressed milk in any refrigerator used for food storage.

12.09 **TOBACCO POLICY**

The use of tobacco, including e-cigarettes and other similar vaporizing devices, in City-owned or leased buildings or vehicles is prohibited. Departments may designate smoking areas outdoors, but these are to be used by employees only during approved break times.

Violation of this policy will result in disciplinary action as described in Section 11.01 of the Administrative Rules.

12.10 **PURCHASE OF FLOWERS AND GIFTS**

In an effort to further emphasize the City's commitment to its employees and volunteers, a policy is hereby established to show sympathy in times of need.

Floral arrangements (or charitable donations in lieu of flowers) may be purchased using City money for the death or serious illness of a City employee, including immediate family members, volunteer staff and appointees, provided the cost of such arrangement does not exceed Seventy-Five Dollars (\$75.00 maximum, sales tax not applicable). This limit may be exceeded with the express prior approval by the Mayor and/or designee.

City departments are encouraged to participate in such showings of support, and if assistance is needed in coordinating the purchase, the City's Finance and Accountability Department or Mayor's Office will be available to help. As usual, Department Heads must approve any and all such expenditures.

12.11 **REIMBURSEMENT OF NON-TRAVEL, BUSINESS-RELATED MEALS**

The City of Knoxville recognizes that there are times when City personnel incur non-travel, business-related food and beverage expenses for which reimbursement is appropriate and may be approved. A policy is hereby established in an effort to facilitate the approval process for these expenses while placing reasonable controls on such expenditures.

City personnel may purchase a meal for an individual or group of individuals and submit a claim for reimbursement from the City of those expenses provided that (i)

ADMINISTRATIVE RULES – CITY OF KNOXVILLE

12 – Miscellaneous

the meal was consumed while conducting official business of the City and (ii) the following information is provided in writing at the time reimbursement is requested:

1. The name(s) of the individual(s) who consumed the meal(s) for which reimbursement is requested,
2. A detailed description of the event, occasion or circumstances related to the claim and the public policy or purpose served during the meal, and
3. A bona fide, itemized vendor's receipt that shows the date, a description of the purchase, the vendor's identifications and the total amount paid [a gratuity up to fifteen percent (15%) of the total cost of the meal(s) is also reimbursable].
4. City personnel shall take special care to avoid unnecessary or excessive expenditures and are responsible for accurately describing and certifying their reimbursement request. The City reserves the right to prosecute any person attempting to defraud the City.

This policy covers all City employees, elected officials and others using City funds, except the City Council, its employees, and the Mayor. Department Heads shall obtain the Mayor's approval for such expenditures before submitting a claim for reimbursement with the Finance Department. Other City employees must obtain written approval from their Department Heads prior to incurring any such expenses. The Finance and Accountability Department may authorize reimbursement of expenses for non-travel, business-related meals only upon receipt of a claim for reimbursement accompanied by proof of the necessary approval(s). This policy governs only the reimbursement of non-travel, business-related meal expenses. Expenses incurred for food and beverages consumed during travel on official City business continue to be governed by the Travel Regulations, Rule 9, of the City of Knoxville Administrative Rules.

12.12 HOLIDAY GUIDELINES AND PROCEDURES

In order to ensure accountability of public funds and their intended purposes and standardization of the City's contribution towards holiday activities for all departments, the following guidelines and procedures shall apply to holiday celebrations for City Departments:

To support the various departments and provide fairness and equity to all, city sponsored holiday activities will be limited to one event per calendar year. It is intended that the event be limited to active city employees and a limited number of guests.

Each department will be allowed to spend up to the amount recommended by the Finance Department and approved by the Mayor's Office per permanent full and part time employee positions. Funding for activities will come from the department's operating budget providing sufficient funds are available.

Total authorized per employee funding may be used to pay for the event's venue, any and all reasonable culinary items necessary for the event, and shall include any

ADMINISTRATIVE RULES – CITY OF KNOXVILLE

12 – Miscellaneous

applicable taxes and gratuities pursuant to Administrative Rule 12-11 as amended from time to time. The activity itself should take place during the lunch break or outside normal working hours. Employees shall not be required to participate.

Should the department find that authorized funding for the event is insufficient, relief in the form of additional funding may be granted by the City Comptroller upon receipt of a written request and approval by the Comptroller's office. To obtain supplemental funding, the Department shall submit the request to the Comptroller or designee detailing the need for additional funding, the amount requested and why the authorized funding is insufficient to cover the Department's holiday activity. This request shall be submitted in sufficient time for the Comptroller's office to make the necessary determination and respond in writing to the Department.

If additional funding is not approved, costs in excess of the authorized funding shall be absorbed by city employees or their managers as they see fit. Under no circumstances shall additional funding or in kind services be solicited or accepted from non-city persons or entities.

Payment for catered events shall be by city check. With the Comptroller's office pre-approval, use of the Department's Purchasing Card is authorized, but shall be limited to purchases of necessary supplies. The Purchasing Card is not authorized for use at restaurants.

12.13 **CELLULAR PHONE AND COMMUNICATIONS POLICY**

- I. **Purpose and Scope** – The City of Knoxville wishes to provide the most consistent, convenient and cost effective cellular telephone and communications services possible to its employees. The objectives of this policy are to:
 - A. provide guidelines to employees who may wish to have cellular communications services to conduct City business;
 - B. apply standards to the cellular communications equipment and service agreements used by City employees;
 - C. simplify and make more manageable the City's relationship with cellular communications vendors;
 - D. provide a system for monitoring cellular communications usage patterns so that plans can be routinely modified to better meet the needs of the user;
 - E. ensure that the City's acquisition of cellular communications services is cost-effective;

ADMINISTRATIVE RULES – CITY OF KNOXVILLE

12 – Miscellaneous

- F. provide an internal system for purchasing cellular communications services, gaining access to repair services, acquiring necessary training and support and communicating available programs to our users;
- G. establish a system for monitoring future developments in cellular services and selecting those that meet the needs of the City; and
- H. keep the City and employees in compliance with all federal, state and local laws and ordinances.

This policy applies to all employees of the City of Knoxville.

II. Cellular Service Vendors

To facilitate accomplishment of the above objectives, the City may at its discretion enter into contracts with cellular communications service providers. During the period when one or more of these contracts is in force, the City will only purchase cellular devices or cellular communications service agreements for employee use on the basis of these contracts, unless a specific exception is granted.

III. Eligibility and Approval

Cellular communications equipment and services may be provided to certain City employees to conduct activities incidental to their City employment that either cannot not be conducted on a land-line telephone or for which it would be inefficient to use a land-line telephone. Requests for cellular communications equipment should be prepared by the department's communications coordinator in writing (see Appendix A) and approved by the employee's Department Head (who will confirm need) and the budget officer for the employee's department. Once approved by the department and the budget officer, the request will be forwarded to the City's designated communications service representative(s), who will confirm the appropriateness of the desired equipment and plans and actually place any and all orders.

IV. Personal Calls

The City provides cellular communications equipment to employees for the purpose of conducting City business. Use of City-owned/provided cellular equipment to make or receive personal calls is generally prohibited (except as provided in Section X, Option 3), although it is understood that usage for personal reasons may be necessary in emergency situations. Employees must realize that although personal calls made within the local calling region and under the usage limits provided by the employee's plan do not always result in additional charges, they do count toward the overall time limits established under the service agreement. Any overage, long distance, roaming or other charges realized by the employee for personal calls shall be the responsibility of the employee.

ADMINISTRATIVE RULES – CITY OF KNOXVILLE

12 – Miscellaneous

V. Other Restrictions

- A. An employee may not operate a personal business from a City cellular device.
- B. While operating a motorized vehicle or equipment or engaged in any activity so that a momentary lapse of attention could cause harm to a person(s) or property, an employee will at all times be alert and attentive to the operation of the vehicle or equipment and refrain from any activity which impairs the employee's ability to remain alert and attentive.
- C. An employee must comply with all laws restricting use of cellular communications equipment.

VI. Plans, Handsets, Features and Accessories

The City will contract for a set of usage plans, handsets, features and accessories that will serve the needs of most employees. An employee wishing to have features other than those offered in the available programs must be documented by the department's communications coordinator in writing (see Appendix A) and approved by the employee's Department Head (who will confirm need), and the budget officer for the employee's department. Once approved by the department and the budget officer, the request will be forwarded to the City's designated communications service representative(s), who will confirm the appropriateness of the desired equipment and plans and actually place any and all orders.

VII. Damage, Loss or Theft

Handsets or other equipment damaged in the course of business should be brought to departmental communications coordinator who will make a recommendation to the City's designated cellular communications representative(s) regarding appropriate action (replacement, repair or whatever is determined to be the best course of action). Lost or stolen cellular equipment should be immediately reported to the employee's departmental coordinator and City's designated cellular communications representative(s) so that the service can be cancelled. All costs incurred for replacement or repair will be the responsibility of the employee's department or the employee if the damage or loss is found to have resulted from inappropriate employee behavior.

VIII. Usage Monitoring

Managers and supervisors are responsible for educating subordinates about appropriate cellular communications procedures and monitoring their usage. In emergency situations, managers may grant exceptions to these usage policies. In such circumstances, any charges incurred for personal use must be reimbursed by the employee on a timely basis.

ADMINISTRATIVE RULES – CITY OF KNOXVILLE

12 – Miscellaneous

IX. Program Management

The relationship with cellular providers shall be managed through the Department of Finance and Accountability. The designated cellular representative(s) will place all orders for cellular telephones and services with the contracted vendor and take delivery of equipment. Representatives will contact employees ordering equipment when it arrives and provide necessary orientation and training. Finance and Accountability staff and the departmental coordinator will monitor plans and overall usage and suggest changes in service agreements to provide the most convenient and economical plan to the employee.

Employees may call the local representatives of the contracted vendor or vendors to discuss the various options available on City sponsored programs.

Finance and Accountability staff and departmental coordinators will monitor changes in cellular telephone technologies and make recommendations for improvements in the City's equipment on an as needed basis.

X. Communication Plans

In order to ensure that the City and the employees remain in compliance with all applicable law, cellular service plans shall follow the following basic format:

A. Push to Talk Devices – Cellular communications devices that are limited to 'push to talk' and confined to government business contacts shall be unrestricted in their usage except as limited in Section V - Other Restrictions. By definition, these devices can not be utilized as telephones and are basically substitutes for two-way radios.

B. Cellular devices that are:

1. Limited to City/Government Contacts are those devices that are administratively restricted (as to receiving or originating communications) to the controlled group of authorized users. Since these devices may not be utilized for personal use, they shall be unrestricted in their usage except as reflected in Section V - Other Restrictions.

2. Unlimited are those devices that may originate or receive communications from within or outside the approved list of City communications users. To accommodate the users, the following plans are available:

Option 1 – Under this option, City will provide the communications devices and pay the monthly bills. The user is required to keep a log of all personal communications and at the end of each month, indicate on the bill which communications are personal (incoming and outgoing calls). The employee is then required to reimburse the City the pro-rata portion of the bill based upon time and applicable rates. The departmental

ADMINISTRATIVE RULES – CITY OF KNOXVILLE

12 – Miscellaneous

communications coordinator is responsible for reviewing the department's communications bills, working with the users to determine the amount to be reimbursed and collection and remittance of communications charges utilizing Appendix B as a guide. Employee failure to timely reimburse the City shall be grounds for disciplinary action up to and including termination. Failure of the employee to maintain the required log of all communications may cause the City to include the market value of the device in the employee's gross earnings for tax purposes as pursuant to current IRS regulations. "Timely reimbursement" shall mean the reimbursement to the City of all undisputed personal call charges billed to the employee within 20 days of billing.

Option 2 – Under this option, the individual employee will receive a taxable allowance in an amount determined to be reasonable, appropriate and approved by the employee's Department Head based upon the employee's need for cellular communications services and the rates in effect at the time. When appropriate, a supplemental allowance may be granted to cover the initial cost of the device or a necessary upgrade or replacement due to age, obsolescence or irreparable damage incurred in the employee's performance of his duties. In no instances shall this allowance be considered regular income includable for pension determination purposes. Utilizing this option, the employee is required to purchase and maintain an approved cellular communications device and to take advantage of any special pricing plans and devices offered by the City's designated cellular communications service provider. Employees receiving this allowance must 1) make their contact information available to appropriate City communications users, and 2) utilize the City approved cellular services provider to minimize any interoperability problems. Cellular communications allowances should be based upon guidelines outlined in Appendix C of this Policy which shall be amended from time to time. Such personal accounts will be in the employee's name, all charges will be the responsibility of the employee, and all invoices will be sent directly to the employee's billing address. Failure of the employee to maintain the service shall be grounds for termination of this option – at the Department Head's discretion.

Option 3 – As with option 1, the City will provide the communications devices and pay the monthly bills but the employee's earnings will be adjusted to incorporate the effective taxable value of the cell phone benefit in a manner similar to take home vehicles for non-uniformed personnel. Under this option, employees may make personal calls without keeping logs but it shall be up to the Department Head to monitor and limit personal usage in order to keep the cost to the City of the phone service within acceptable and budgeted boundaries. Excessive personal usage constitutes grounds for disciplinary action as provided in this section of the policy.

ADMINISTRATIVE RULES – CITY OF KNOXVILLE

12 – Miscellaneous

The departmental communications coordinator is responsible for reviewing the department's communications bills, working with the users to determine the amount to be reimbursed and collection and remittance of communications charges, if any. Employee failure to timely reimburse the City shall be grounds for disciplinary action up to and including termination. "Timely reimbursement" shall mean the reimbursement to the City of all undisputed personal call charges billed to the employee within 20 days of billing. Reimbursements from a specific user of less than \$1.00 for a month are not required.

C. Special Needs – It is recognized that with ever evolving technology and the City's special needs, that there will be circumstances where this policy may not be applicable. In these instances, the special need must be documented to the appropriate Department Head, and approved by the Department of Finance and Accountability and if appropriate, by the Mayor's office.

ADMINISTRATIVE RULES – CITY OF KNOXVILLE

12 – Miscellaneous

12.13.01 APPENDIX A

Effective Date:

Request for Cellular Communications Devices

Date _____

1. Device Requested: _____

2. Justification for Request: _____

3. Device Cost: _____

4. Monthly Service Charge: _____

I acknowledge that I have read and understand the Cellular Phone and Communications Policy as currently promulgated and agree to abide by its terms and conditions. I further understand that should I violate this policy, I will be subject to disciplinary action(s) pursuant to City of Knoxville policies in effect at the time. I further agree to reimburse the City within 20 days of undisputed cellular device charges for any personal usage of City owned devices for which the City is liable.

Requesting Employee

Approvals:

Departmental Coordinator

Department Head

Finance Budget Officer

Mayor (When applicable)

Order Placed with _____ on _____ By _____

ADMINISTRATIVE RULES – CITY OF KNOXVILLE

12 – Miscellaneous

12.13.02 Appendix B

Reimbursement Computation Methodology for Reimbursing the City for Personal Usage of Cellular Communications Devices

The following examples are believed to be in accordance with IRS Guidelines and if followed, employees shall be found in compliance with approved City guidelines and policies and will be held harmless by the City from any adverse actions by the City others. To enhance the employee's understanding of these guidelines, the following excerpt of Internal Revenue Service Guidelines as of December 2008 is provided:

“To be able to exclude the use by an employee from taxable income from an employer-owned cell phone, the employer must have some method to require the employee to keep records that distinguish business from personal phone charges. If the telephone is used exclusively for business, all use is excludable from income (as a working condition fringe benefit). The amount that represents personal use is included in the wages of the employee. This includes individual personal calls, as well as a pro rata share of monthly service charges.

In general, this means that unless the employer has a policy requiring employees to keep records, or the employee does not keep records, the value of the use of the phone will be income to the employee.

At a minimum, the employee should keep a record of each call and its business purpose. If calls are itemized on a monthly statement, they should be identifiable as personal or business, and the employee should retain any supporting evidence of the business calls. This information should be submitted to the employer, who must maintain these records to support the exclusion of the phone use from the employee's wages.

The following situations illustrate the application of the rules:

Example 1: A municipal government provides an employee a cell phone for business purposes. The government's written policy prohibits personal use of the phone. The government routinely audits the employee's phone billings to confirm that personal calls were not made. No personal calls were actually made by the employee. The business use of the phone is not taxable to the employee.

Example 2. A municipal government provides an employee a cell phone for business purposes. The government's written policy prohibits personal use of the phone. However, the government does not audit phone use to verify exclusive business use. The fair market value of the phone, plus each monthly service charge and any individual call charges are taxable income to the employee, reportable on Form W-2.

Example 3: A state agency provides an employee with a cell phone and pays the monthly service charge. The employee is required to highlight personal calls on the monthly bill. The employee is then required to timely reimburse the agency

ADMINISTRATIVE RULES – CITY OF KNOXVILLE

12 – Miscellaneous

for the cost of the personal calls, and the employee is charged a pro rata share of the monthly charge. The value of the business use portion of the phone is not taxable to the employee.”

To compute an employee’s share of the bill, utilize the following examples:

Example 1 –

Basic monthly cell phone bill = \$60 for 600 minutes (\$0.01/minute)
Call overage = 100 Minutes @0.25/minute = \$25.00
Total minutes used during month = 700
Employee personal usage = 20 minutes

Approved Computation:

$$\frac{20 \text{ Minutes (personal usage)}}{100 \text{ (total overage minutes)}} \times \$25.00 \text{ (overage charge)} = \$5.00 \text{ reimbursement to City}$$

Example 2 –

Basic monthly cell phone bill = \$60 for 600 minutes (\$0.01/minute)
Call overage = none
Total minutes used during month = 500
Employee personal usage = 20 minutes

Approved Computation:

$$\frac{20 \text{ Minutes (Personal Usage)}}{600 \text{ (Total Minutes Available)}} \times \$60.00 \text{ (Basic Charge)} = \$2.00 \text{ Reimbursement to City}$$

The above examples should cover the majority of cellular communications reimbursement issues. Should additional items arise regarding this policy that need clarification as to methods of computing, contact the City Comptroller’s Office for guidance.

12.13.03 APPENDIX C

Guidelines for Computing the Cellular Communications Allowance

	Range:
Level I – SmartPhone Employees	\$0 - \$ 100
Level II – Normal Cell Phone	\$0 - \$ 50
Level III – Other Devices	Separately Determined

The preceding guidelines were promulgated based upon the cost to the City for legitimate business usage. Personal usage is not included in the above guidelines and should not be

ADMINISTRATIVE RULES – CITY OF KNOXVILLE

12 – Miscellaneous

taken into effect when determining a fair stipend for the employee's business usage reimbursement.