

SED Personnel Policy

1. Electronic Communications Devices: Cell Phones and Smart Phones

2. Electronic Communications Systems and Work Stations: Computer, Internet, and Email

1. Policy on Electronic Communication Devices: Cell Phones and Smart Phones

This policy is to address the role of The Southeastern District (referred to hereinafter as "employer") related to employee use of cell phones, Personal Digital Assistants, "Smart Phones" and other electronic communications devices, and to specify how and when reimbursement for expenses related to appropriate business use of these devices may take place.

1.1. Background

This policy will simplify the cell phone program and result in users having both freedom of choice and personal responsibility for his or her cell phone plan. It will also enable the Southeastern District, LCMS to comply with IRS rules regarding the taxability of employee cell phones.

The IRS considers cell phones to be "listed property." As such, it requires detailed record keeping (IRS Section 274(d) (4), including (a) the amount of the expense, (b) the time and place of call, and (c) the business purpose for the call. The IRS can declare that all undocumented use is personal and should be taxed as wages, even if the calls were mostly business calls. Receiving a taxable allowance for an individually owned cell phone removes this detailed documentation requirement.

1.2. Organizational Scope

This policy applies to all employees, staff and management of the Southeastern District, LCMS.

1.3. Definitions

Cell Phone – A wireless telephone that uses a network of towers to communicate over long distances.

PDA/Personal Digital Assistant – A handheld computer for managing contacts, appointments and tasks. It typically includes a name and address database, calendar, to-do list and note taker. Data are synchronized between the PDA and desktop computer via a cabled connection or wireless. PDA's typically do not by themselves have a wireless connection. If they do, then they are considered Smartphones.

Smart Phone – A cell phone/PDA that can also receive email and browse the Internet via wireless network. These devices are also often known by their brand names, which include such popular devices as the Blackberry and Treo.

1.4. Policy Content

The Southeastern District, LCMS will not own cell phones.

Executive Staff, whose job duties as outlined in their job description include the frequent need for a cell phone will receive cell-phone compensation, in the form of a cell phone allowance, to cover business-related expenses in accordance with the following:

- Cell Phone Allowances will be provided to executive level staff. This allowance will include a monthly additional amount for equipment repayment and will be reviewed annually.

- The Cell Phone and Data Service allowances will be taxed at 100% rate as compensation to the employee. The employee may deduct business expenses on his/her personal income tax return, as allowed by IRS regulations.
- Any employee is eligible for reimbursement of business-related cell phone expense. Expenses are itemized and reported on a reimbursement form.

1.5. Procedures

Establishment and Payment of Allowance

Cell phone allowances will be paid on a semi-monthly basis via payroll and will be charged to the same organization code as the labor distribution for the position. The cell phone allowance is taxable income; therefore the individual will be taxed according to the IRS code.

This cell phone allowance does not constitute an increase to base pay, and will not be included in the calculation of percentage increases to base pay due to annual raises, job upgrades, bonuses, benefits based on a percentage of salary, etc.

Although the allowance is taxable, it is believed that the benefits to the employee outweigh the cost of the tax paid. The benefits include: 1) a log is not required; 2) no monthly reporting is required; 3) phones may be used for personal calls and be combined or enhanced with other personal plans.

Amount of Allowance

The dollar amount of the cell phone allowance is intended to cover the employee's projected business-related expenses. These expenses are the cost of basic equipment, and the cost of the employee's monthly cell phone plan. The SED will pay only the agreed upon cell phone allowance even if monthly costs exceed the allowance.

Cell phone contracts will be in the name of the employee who will be solely responsible for all payments to the service provider. Only one cell phone allowance will be provided per employee. The Southeastern District reserves the right to eliminate the cell phone allowance at any time.

Use of Phone

The Southeastern District does not accept any liability for claims, charges or disputes between the service provider and the employee. Recipients of a cell phone allowance must notify their employer of the cell phone number and must continue to maintain the cell phone while in receipt of the allowance.

Because the cell phone is owned personally by the employee, and the allowance provided is taxable income, the employee may use the phone for both business and personal purposes, as needed. The employee may, at his or her own expense, add extra services or equipment features as desired. If there are problems with service, the employee will need to work directly with the carrier for resolution. Use of the phone in any manner contrary to local, state, or federal laws will constitute misuse and will result in immediate termination of the cell phone allowance. The employee is requested to use password protection because the phone is used for business purposes.

1.6 Procedure for Requesting Reimbursement

For employees requesting reimbursement of cell phone expenses incurred on their personal cell phone in the course of their work, the following procedures will be used:

- a) Legitimate expenses for business use of a cell phone incurred by an employee may be reimbursed upon the employee's submission of a completed, appropriately approved

request form along with the completed worksheet allocating the percentage of business usage, a copy of the bill, and the necessary substantiation required of cell phone usage, i.e.: date, duration, persons communicating, and the business purpose of the call (if not evident by the parties' relationship).

b) When an employee submits a reimbursement request for his or her business-related cell phone calls, the determination of business phone use is performed on a worksheet and is based upon the percentage of total minutes of actual use, not actual number of calls or associated cost of service.

c) When submitting the worksheet and reimbursement request, the employee must also attach and submit the itemized cell phone billing and a call log detailing the date and duration of each call, the business relationship between the parties on the call, and the business purpose of the call (if not evident by the parties' relationship).

d) The request must be reviewed and approved for reimbursement of cell phone calls.

1.7. Cell Phone/PDA Usage While Driving

Employees whose job responsibilities include regular or occasional driving and who are issued a cell phone or PDA for business use are expected to refrain from using their phone or using the text message feature while driving. Safety must come before all other concerns. Employees must pull off to the side of the road in safe location before text messaging or receiving or making telephone call

2. ELECTRONIC COMMUNICATIONS SYSTEMS POLICY

This document sets forth the policies of Southeastern District, The Lutheran Church—Missouri regarding the use of its computer and electronic communications systems.

2.1. Ownership of Messages

The electronic communications systems, which include, but are not limited to, the telephone, electronic mail, voice mail, facsimiles, computers, the Internet and the World Wide Web, and all information stored on them are the property of the SED and are provided at the SED's expense. All information and messages that are created, sent, received, accessed, or stored on these systems constitute company records.

2.2. Business Use

The electronic communications systems are to be used primarily to conduct company business. Reasonable personal use of such systems is permitted, but must not interfere with an employee's productivity. Personal use should be limited to breaks, lunch and other non-working hours. Employees may not use the electronic communications systems for political causes; football pools or other sorts of gambling; illegal activities; seeking/inquiring about job opportunities outside of the organizations; listservs for non-work purposes; solicitations or advertisements for unrelated work purposes; or creating, possessing, uploading, downloading, accessing, transmitting, or distributing materials of a sexual nature. Employees may not use the employer's electronic communications systems to post non-work related

information, opinions, or comments to Internet discussion groups and other such forums. Employees are prohibited from passing off their views as representing those of his/her employer.

2.3. No Presumption of Privacy

Although employees are expected to use passwords to access some of the electronic communications systems, such communications are not private and security cannot be guaranteed. In surfing the Internet and World Wide Web, employees should remember that all connections and sites visited may be monitored and are recorded. Employees should assume that any communications – whether business-related or personal – that they create, send, receive, or stored on their company's electronic communications systems may be read or heard by someone other than the intended recipient. In particular, highly confidential or sensitive information should not be sent through e-mail, the Internet, or the World Wide Web. The SED will assign each employee an email address. If an exception is made and another email address is used for conducting the business of the SED, the SED reserves the right to retain the address when the employee leaves. The SED reserves the right to keep an employee's e-mail address active for a reasonable period of time following an employee's departure to ensure that important business communications reach them; the SED will review such communications.

2.4. SED's Right to Monitor Messages

The SED reserves the right to monitor, access, retrieve, read, and disclose to law enforcement officials or other third parties all messages created, sent, received, or stored on the electronic communications systems without prior notice to the originators and recipients of such messages. Authorized personnel may monitor the electronic communications of employees to determine whether there have been any violations of law, breaches of confidentiality or security, communications harmful to the business interests of your employer, or any violations of this policy and any other company policy.

2.5. Message Restrictions

Electronic communications may not contain content that a reasonable person would consider to be defamatory, offensive, harassing, disruptive, or derogatory, including but not limited to sexual comments or images, racial or ethnic slurs, or other comments or images that would offend someone on the basis of race, gender, national origin, sexual orientation, religion, political beliefs, or disability.

2.6. Prohibited Activities

Employees may not upload, download, or otherwise transmit copyrighted, trademarked, or patented material, trade secrets; or other confidential, private, or proprietary information or materials in violation of any legal constraints. Employees may not upload, download or otherwise transmit any illegal information or materials. Employees may not use the SED's electronic communications systems to gain unauthorized access to remote computers or other systems or to damage, alter, or disrupt such computers or systems in any way, nor may employees – without authorization – use someone else's code or password or disclose someone else's code or password, including their own. Employees may not enable unauthorized third parties to have access to or use the electronic communications systems, nor may employees otherwise jeopardize the security of their employer's electronic communications systems.

2.7. Message Creation

Employees must use the utmost care in creating electronic communications. Even when a message has been deleted, it may still exist on a back-up system, be recreated, be printed out, or may have been forwarded to someone else without its creator's knowledge. As with paper records proper care should be taken in creating electronic records, which may someday have to be produced in connection with legal and/or business needs.

2.8. Record Retention

As with paper documents created and received by an employee, it is each employee's responsibility to ensure that those electronic messages that should be retained are in fact saved. Those messages that need not be retained should be deleted.

2.9. Viruses and Tampering

Any files downloaded from the Internet and any computer files received from non-employer sources must be scanned with virus detection software before installation and execution. The intentional introduction of viruses, attempts to breach system security, or other malicious tampering with any of your employer's electronic systems are expressly prohibited. Employees must immediately report any tampering, or other system breaches to the Executive Director of District Operations.

2.10. Selling and Purchasing

The standard purchase and sales policies apply to all purchase and sales related activities conducted via the electronic communications systems.

2.11. Violations

Violations of this policy, including breaches of confidentiality or security, may result in suspension of some or all electronic communication privileges, disciplinary action, and even termination. The SED reserves the right to hold the employee personally liable for any violations of this policy.