Annual Billing for Phone Service - FAQs

1. What comprises the phone service fee?
   Port fee, usage, and moves, adds and changes (MACs).

2. What was endorsed at the Executive IT committee meeting?
   The implementation of a single annual fee for phone service for all state, DIFR and IFR accounts. Grants, non-state customers and facilities projects will continue to be billed on a monthly basis.

3. Why did ITS propose this?
   An analysis revealed ITS telephone service revenue is very consistent. 80–85% of that revenue was collected annually through the port fee, and the remaining 15-20% was collected through the monthly billing. The new model streamlines this process, and benefits departments by charging a single, annual fee rather than many charges throughout the year.

4. What does it mean for you?
   Departments pay one phone service fee for the entire year. ITS business operations will continue in the same manner to oversee “actual” cost. Phone bills will be monitored monthly. ITS will contact any units showing a substantial increase in usage on a quarterly basis.

5. How is the fee calculated?
   The phone service annual fee is based on the average telephone service cost from the last 3 fiscal years, posted in All Funds. All Units with a significant cost difference within the 3 years, were reviewed and, generally, the outlier was left out of the calculation.

6. What will affect costs in the future?
   Adding/removing phone lines or substantially increasing/reducing your usage cost or MAC requests. As the fee is based on a rolling 3 year average, any changes (up or down) will be gradual.

Numbers will be distributed shortly to fiscal managers. ITS Central Business Office is happy to meet with anyone who wishes to discuss charges in their own units.