



TOWN OF THOMASTON
Vehicle Policy & Procedures

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I. Personal Use of Vehicles

Purpose: To establish guidelines and procedures for the accounting and reporting of personal use of vehicles by Town employees.

- A. Personal Use of Town Owned Vehicles is considered a taxable fringe benefit in accordance with IRS Publication 15-B, unless the law specifically excludes it. The value of the benefit must be included in the employee's wages and is subject to federal and state withholding, FICA and Medicare taxes.
- B. Exclusions: Working Condition benefits are generally excluded from taxes. All of an employee's use of a qualified non-personal-use vehicle is a working condition benefit. A qualified non-personal-use vehicle is any vehicle the employee is not likely to use more than minimally for personal purposes because of its design. Qualified non-personal-use vehicles generally include all of the following vehicles:
- a. Clearly marked police and fire vehicles.
 - b. Unmarked vehicles used by law enforcement officers if the use is officially authorized.
 - c. An ambulance or hearse used for its specific purpose.
 - d. Any vehicle designed to carry cargo with a loaded gross vehicle weight over 14,000 pounds.
 - e. Delivery trucks with seating for the driver only, or the driver plus a folding jump seat.
 - f. A passenger bus with a capacity of at least 20 passengers used for its specific purpose.
 - g. School buses.
 - h. Tractors and other special purpose farm equipment.
- C. Value of Benefit received. The Town will assess the value of the benefit received, using the **Cents-Per-Mile Rule**. Under this rule, the value of a vehicle is determined by multiplying the standard mileage rate by the total miles the employee drives the vehicle for personal purposes. Effective 2010, the mileage rate is .50 cents a mile and may change from year to year by the **IRS, Publication 15-B**. This rate may change from time to time.
- Note: The cents-per-mile rule cannot be used if the value of the vehicle is more than \$15,400 at the time the vehicle is first made available to the employee.*
- If the Value of the vehicle exceeds \$15,200, then the **Commuting Rule** will be used. Under this rule, the value of a vehicle is determined by multiplying each one-way commute (from home to work or from work to home) by \$1.50, which may change from year to year by the **IRS, Publication 15-B**.

Note: The Commuting Rule cannot be used for Control Employees. An elected official is considered a Control Employee.

If neither the Cents-Per-Mile Rule or the Commuting Rule can be used, the regulations require the use of the **Lease Value Rule**. Under this rule, the value of a vehicle is determined by using the annual lease value and then reducing this value by the amount that is excluded from the employee's wages as a working condition benefit. This method includes the value of insurance and maintenance of the vehicle but excludes the value of fuel. An additional adjustment of 5.5 cents per miles for personal miles used must be added. Which may change from year to year by the **IRS, Publication 15-B**.

For example: If the Fair Market Value of the vehicle is \$18,000, under the current regulations, the annual lease value would be \$5,100. This amount would then be prorated based on the personal use mileage over total mileage of the vehicle. This method requires a written log of the employee's use of the vehicle in order to determine the percentage to be applied. And finally, an adjustment of 5.5 cents a mile will be added.

- D. Employees applicable to this policy. Under the current circumstances, personal use of Town owned vehicles apply to the Superintendent of Highway and the Superintendent of WPCA, and any other employees who fill in for these individuals while they are on vacation. As Town operations change, other employees may also be applicable to this policy.

The following restrictions must have the approval of the driver's supervisor and First Selectman:

- Travel is limited to the State of Connecticut. Any use of the outside territory must be approved prior to travel.
 - Employees are prohibited from carrying firearms (Excludes: Chief of Police, Captain, and Detective Sergeant), alcohol consumption, assisting hitch-hikers, etc.
 - Certain employees may have an employment contract and/or which may or may not supersede this policy.
- E. Employee responsibilities and timing of adjustments. It is the responsibility of the employee to provide the accounting department with an estimate of expected personal use of the vehicle for the calendar year. The total expected value will be divided by four and an adjustment will be made quarterly on the last pay week of the quarter for each employee. Prior to the last week of December, the employee will inform the payroll clerk of any changes in the use of the vehicle and will be adjusted in the last week of December. Employees who will be using vehicles on a limited basis (i.e. filling in for supervisors on vacation), will have only one adjustment to their pay on the last week of December.

- F. Payroll Department instructions. The payroll Department shall make a quarterly and/or annual adjustment of the paychecks of all employees with eligible taxable fringe benefits associated with personal use of vehicles. The payroll Department will oversee that estimates are provided in writing at the beginning of each calendar year, with authorization to make the adjustment, and these authorizations will be kept on file in the employee's personnel folder. Any mileage logs kept shall also be submitted and filed. The payroll Department will also be responsible for obtaining the final submission in December for any changes in the estimate. The Payroll Department shall use a Payroll Code of VE1 in the payroll system for each quarterly adjustment.
- G. It is the responsibility of the payroll department to inform these employees of any IRS regulation changes such as cents per mile rates or annual lease value as documented in Publication 15b.

II. Personal Use of A Company Vehicle

The Town of Thomaston provides vehicles for business use to allow employees to drive on company-designated business and to reimburse employees for business use of personal vehicles according to the guidelines below. The company retains the right to amend or terminate this policy at any time.

- A. Employees may not drive any business vehicles without prior approval of their supervisor. Employees approved to drive on company business are required to inform their supervisor of any changes that may affect either their legal or physical ability to drive or their continued insurability.
- B. Employees holding jobs requiring regular driving for business as an essential job function must, as a condition of employment, be able to meet the driver approval standards of this policy at all times. For all other jobs, driving is considered only an incidental function of the position.
- C. Vehicles are maintained in a motor pool for use by individual employees, as needed.
- D. Requests for the motor pool should be forward to the First Selectman's Office. These requests can be made through via e-mail or phone.
- E. Employees who need transportation in the course of their normal work may be assigned a company vehicle for their use. Employees are to request a motor pool car first. All other employees needing transportation for company business may use vehicles assigned to their department or those drawn from the motor pool. As a last alternative, when no company vehicles are available, employees may use their own vehicles for business purposes with prior approval of their supervisor.
- F. Employees must have their drivers' license check competed prior to requesting a vehicle.
- G. Employees who drive a vehicle on company business must, in addition to meeting the approval requirements above, exercise due diligence to drive safely and to maintain the security of the vehicle and its contents. Employees are also responsible for any driving infractions or fines as a result of their driving.

- H. Nonemployees and non-business passengers (i.e., family and friends) are prohibited from riding in company vehicles.
- I. Employees who use their personal vehicles for approved business purposes will receive a mileage allowance equal to the Internal Revenue Service optional mileage allowance for such usage. This allowance is to compensate for the cost of gasoline, oil, depreciation and insurance. Employees who operate personal vehicles for company business should obtain auto liability coverage for bodily injury and property damage with a special endorsement for business use, when necessary as determined by their personal insurance agent.
- J. Employees must report any accident, theft or malicious damage involving a company vehicle to their supervisor and the First Selectman's Department, regardless of the extent of damage or lack of injuries. Such reports must be made as soon as possible but no later than 48 hours after the incident. Employees are expected to cooperate fully with authorities in the event of an accident. However, employees should make no voluntary statement other than in reply to questions of investigating officers.
- K. Employees are not permitted, under any circumstances, to operate a company vehicle or a personal vehicle for company business when any physical or mental impairment causes the employee to be unable to drive safely. Additionally, employees shall not operate any company vehicle at any time or operate any personal vehicle while on company business while using or consuming alcohol, illegal drugs or prescription medications that may affect their ability to drive. These prohibitions include circumstances in which the employee is temporarily unable to operate a vehicle safely or legally because of impairment, illness, medication or intoxication.

I understand the conditions and consequences of the company's personal use policy and agree to adhere to the policy procedures and rules.

Employee Signature

Date

Revised and Adopted on:
By the Board of Selectmen

8/17/2010 *[Signature]*

TOWN OF THOMASTON
Town Vehicle Usage

Date: _____

Name: _____

Department: _____

Vehicle Plate Number: _____

Time Out: _____ Time Returned: _____

Mileage Out: _____ Mileage Returned: _____

Oil Check: Yes _____ No _____

Gasoline Added Yes _____ No _____

Reason For Use: _____

Notes:

- This vehicle should not be returned with less than ½ tank of gasoline.
- You can refuel this vehicle at the Town Garage, Monday through Friday between the hours of 7:00 to 3:00 pm.
- When returning vehicles to the Town Hall, they should be parked in the last row of the parking lot adjacent to Osowiecki's garage in the spaces marked "Municipal Parking Only". This will keep the lot open for people doing business at the Town Hall and will help in maintain the lot during winter months.

Employee Signature: _____

Date: _____