



# CITY OF FINDLAY, OHIO

## Use of City Vehicles

Effective June 1, 2008

### BACKGROUND

Per Internal Revenue Service (IRS) regulations, the City must have a written policy in effect regarding personal use of city vehicles. According to the IRS an employer-provided vehicle which is used 100% for business purposes has no taxable consequences or reporting required. Business use does NOT include commuting. An annual request will need to be made for those employees that intend upon using a vehicle for personal commuting. This allows the City to review the circumstances for the request and determine the taxable effect of the request on the employee.

### POLICY

#### Personal Use of City Provided Vehicle

Personal use of any City-owned vehicle is prohibited with the exception of commuting upon written approval of the Mayor, Service Director, or Safety Director.

Employees who have valid reasons for requesting the use of a City vehicle for commuting are required to file a written request with the Service Director, Safety Director, or Mayor's Offices and a written response will be returned to the employee, department supervisor, and the Auditor's Office. This request shall be submitted annually by December 1<sup>st</sup> of each year to be considered for personal use for the following year.

The following are examples of taxable personal use of a City-provided vehicle:

- Commuting to and from residence and work
- The employee goes into his office on the weekend. This is personal commuting regardless of whether it is required by the employer

Employees who have been approved to use City vehicles for commuting may be subject to the IRS Commuting Valuation Rule for personal use. Each day that a City vehicle is used for commuting must be shown on the employee's timecard. As of the date of this policy the valuation is \$3.00 per day and it will be considered taxable wages for W-2 reporting for the employee although a cash payment is not made. Because this is considered a non-cash fringe benefit, federal, state, local, and Medicare taxes will be deducted each pay that vehicle usage is reported. However, this policy is subject to change by the IRS regulations.

The IRS provides for an exception to the taxability of personal use for police and fire vehicles, provided all of the criteria are met by the requestor in these departments.

#### Authorized Use of City Vehicles

- Travel between the place where the City vehicle is dispatched and the place where official City business is performed
- When on official travel status, between the place of City business and the place of temporary lodging.
- When on official travel status and not within reasonable walking distance, between either of the above places and places to obtain meals; places to obtain medical assistance (including drugstore); places of worship; cleaning establishments and similar places required to sustain health, welfare, or continued efficient performance of the driver, exclusive of places of entertainment.
- Transport of other City officials, employees, or guests of the City when they are on official City business.
- Transport of consultants, contractors, or commercial firm representatives when such transport is in the direct interest of the City.
- Travel between the place of dispatch or place of performance of City business to your personal residence when specifically authorized.
- Out-of-State travel when authorized

#### Unauthorized Use

- Any use for personal purpose, other than commuting which has been authorized in writing.
- Travel or tasks which are beyond the vehicles capabilities
- Operating a vehicle under the influence of alcohol or drugs.
- Transport of family, friends, associates or other persons who are not employees of the City or serving the interest of the City.
- Transport of hitchhikers.
- Transport of cargo which has no relation to the performance of official City business.
- Transport of acids, explosives, weapons, ammunition or highly flammable material, except by specific authorization, or in an emergency situation.
- Transport of any item or equipment projecting from the side, front, or rear of the vehicle in a way which constitutes an obstruction to safe driving, or a hazard to pedestrians or to other vehicles.
- Attending sporting events which are not in the service of City business.
- Extending the length of time the vehicle is in the employee's possession beyond that which is required to complete the official purpose of the trip.
- When on City business, transport of other employees from places of work to restaurants, drugstores, or other places which are not in the service of City business.

Unauthorized use of City vehicles may result in immediate disciplinary action, including but not limited to suspension or termination.

### Responsibilities

- The driver and all passengers shall wear seat belts as required by section 4513.264 of the Revised Code.
- The driver may be subject to an annual check of the driving record.
- The driver shall possess a valid driver's license from the State of Ohio. Drivers are required to immediately notify their supervisors when their driving privileges change in any way (suspension or revocation, etc.)
- The driver and all passengers shall comply with all applicable state and local traffic laws. The driver shall be personally liable for any criminal or civil penalty incurred.
- The driver shall comply with all applicable state and local parking laws.
- The driver shall be responsible for checking the state of the vehicle before operating to ensure that the vehicle lights, turn signals, brake lights, and other safety equipment is functional on the City vehicle. If the driver finds any of this equipment is not functioning properly, the driver shall report malfunctions to his/her supervisor as soon as possible in order to arrange for repairs.