



**CITY OF DUBLIN
ADMINISTRATIVE ORDERS
OF THE CITY MANAGER**

ADMINISTRATIVE ORDER 5.4
TO: All City Employees
FROM: Terry D. Foegler, City Manager
SUBJECT: Employer Provided Vehicles
DATE: February 25, 2010
Supersedes and Replaces Administrative Order 5.4 dated 3/18/08 Regarding Same Subject.

This Administrative Order shall constitute the City’s policy in regard to the personal use of employer-provided vehicles.

I. BACKGROUND

In 1989, the Internal Revenue Service (IRS) published final regulations on the Taxation of Fringe Benefits, including personal use of an employer-provided vehicle. Personal use of an employer-provided vehicle, including commuting between the employee’s residence and work station, is taxable to the employee. The value of such personal use, determined under one of the rules provided by the IRS, must be included in the employee’s income.

II. WRITTEN POLICY STATEMENT RESTRICTING PERSONAL USE

The IRS allows an employer to implement a written policy statement restricting the personal use of an employer-provided vehicle.

The City has established such policy in Administrative Order 3.15. City-owned vehicles are to be used only for official business and shall not be used by employees for personal reasons, with the exception of guidelines in Administrative Order 3.15 F.

To qualify for allowable personal use of a City-owned vehicle under A.O. 3.15, the following conditions must be met:

1. The vehicles involved are owned by the City and are used for City business;

2. For non-compensatory reasons, such as the need to be available to respond to emergency calls from home, the authorized employees are required to commute to and/or from work in the vehicle;
3. The City believes that, except for allowable exceptions in Administrative Order 3.15, the authorized employees do not use the vehicles for any personal purpose other than commuting; and
4. The City accounts for the commuting use by including an appropriate amount in the employee's gross income.

III. VALUATION OF BENEFIT

The City is required to determine the value of an employer-provided vehicle for personal purposes and add the value to the employee's wages as reported on his/her W-2. Separate records of business and personal use are required. If records are not provided by the employee, the value estimated for the entire year of using the automobile for personal use will be added to the employee's gross income.

There are three special IRS valuation rules that can be used to determine the value of vehicle use: IRS Automobile Lease Valuation Rule Reg §1.61-21(d), IRS Vehicle Cents-Per Mile Rule Reg §1.61-21 (e), and IRS Commuting Rule Reg § 1.61-21 (f). The City has the option of selecting one of these methods. The method of valuation to be used by the City is the "commuting value". The commuting value for the personal use of employer-provided vehicles is three dollars (\$3.00) per day (or \$1.50 per one way) for each day the vehicle is used for commuting. Calculations for the first quarter will be November 1-January 31; second quarter February 1-April 30; third quarter May 1-July 31; fourth quarter will be August 1-October 31. The number of days commuted in each date period will be calculated and used to determine the value of the personal use of employer-provided vehicles. The calculated amount of benefit will then be added to the employee's gross taxable income.

IV. QUALIFIED NONPERSONAL USE VEHICLE

Use of a qualified nonpersonal-use vehicle, including commuting, is excludable from taxable income of the employee; and recordkeeping and substantiation by the employee are not required by the IRS. This applies to employees driving the following vehicles:

- Clearly marked police and fire vehicles (employee must always be on call, the employer must require the employee to use the vehicle for commuting, and the employee can not use vehicle for personal use outside of jurisdiction, other than commuting).
- Unmarked vehicles used by law enforcement officers if the use is officially authorized (The employer must officially authorize personal

use, personal use must be incident to use for law-enforcement purposes, The employer must be a governmental unit responsible for prevention or investigation of crime).

- Qualified specialized utility repair truck.
- Any vehicle designed to carry cargo with a loaded gross vehicle weight over 14,000 pounds.
- A passenger bus with a capacity of at least 20 passenger used for its specific purpose.
- Construction or specially designed work vehicles (i.e., bucket trucks, dump trucks, forklifts, garbage truck, cement mixers).

V. POSITIONS AUTHORIZED FOR TAKE HOME VEHICLES (YEAR ROUND)

The following positions are authorized for take home vehicles given that these positions have responsibilities to respond directly from home to emergency situations:

- A. Deputy City Manager/Chief of Police – This vehicle is a qualified non-personal use vehicle and is therefore exempt from the taxation requirement.
- B. Two Police Lieutenants - These vehicles are qualified non-personal use vehicles and are therefore exempt from the taxation requirement.
- C. Director of Technical Services (Police Division)
- D. Director of Streets & Utilities
- E. One Facilities Crew Supervisor
- F. One Custodial Crew Supervisor
- G. One Parks Crew Supervisor
- H. One Streets & Utilities Crew Supervisor

VI. POSITIONS AUTHORIZED FOR TAKE HOME VEHICLES (Nov 15th- Apr 15th)

The following positions are authorized for take home vehicles (between November 15th and April 15th) given that these positions are required to respond to emergency situations (snow removal) directly from home:

- A. One additional Streets & Utilities Crew Supervisor serving in an on-call capacity (person varies from week to week).
- B. One additional Parks Crew Supervisor (one designated person for November 15th – April 15th period).

City of Dublin
Vehicle Use Acknowledgement Form

ACKNOWLEDGEMENT THAT EMPLOYEE HAS READ AND
UNDERSTANDS THE CONDITIONS OF EMPLOYER-PROVIDED
VEHICLES.

_____ I take a City vehicle home the entire calendar year.

_____ I take a City vehicle home on a seasonal basis.

Signature

Name (printed)

Date

Work Unit