

TOWN OF BLOOMFIELD

POLICY MEMORANDUM

SUBJECT: Use of Employer Provided Vehicles NO: Policy # 120.08
DATE: October 24, 2016
AMENDED:
DISTRIBUTION: All Departments/Town Council BY: Sharron L. Howe
Assistant to Town Manager

APPROVED: TC 11/14/16

I. PURPOSE

The purpose of this policy is to set forth the guidelines under which Town vehicles will be authorized to Town personnel and the guidelines under which Town vehicles may be operated and used. This policy is also to outline reimbursement to employees for business use of personal vehicles according to the guidelines below. Employees shall operate all vehicles used for Town business in a safe, courteous and lawful manner.

II. RESPONSIBILITY

It shall be the responsibility of department heads to ensure the proper use of employer-provided vehicles, as outlined in this policy, unless otherwise provided for by the Town Council.

III. FORMS

- 120.08-1 Policy Statement on Prohibited Personal Use of Town Vehicles Other Than Commuting/
Notification to Employees of Election to Use a Special Valuation Method
- 120.08-2 Commuting Value Method
- 120.08-3 Notification to Employees of Election Not to Withhold Income Taxes
- 120.08-4 Monthly Usage Log

IV. PROCEDURE

- A. The Town of Bloomfield has determined that the following positions are of a critical nature to the continuing operation of the municipality in cases of emergency and that the individuals filling these positions will be furnished municipally-owned vehicles, unless otherwise determined by the Town Council or Town Manager:
- Town Manager
 - Chief of Police
 - Police Captain/Second in Command
 - Police Lieutenants
 - Emergency Management Director
 - Director of Public Works & Facilities
 - Public Works Operations Manager
 - Public Works Operations Foreman
 - Public Works Facilities Manager
 - All other employees needing transportation for Town business may use vehicles from the "pool" upon request being made to the Town Manager
- B. Permitted Uses (Unless otherwise provided for by the Town Council)
1. Vehicles may be used for any official business within one day's travel time from Bloomfield. Distances beyond one day's travel time must receive prior approval from the Town Manager.
 2. Individuals who are assigned vehicles are considered to be on call 24 hours per day.
 3. Incidental (de minimus) personal use of vehicles is allowed; however, individuals should be able to respond to calls within a reasonable amount of time. Personal (de minimus use) is defined in accordance with the Internal Revenue Service regulations.
 4. While on vacation, or during prolonged absence, assigned vehicles are to be reassigned to appropriate filler personnel or parked at Town facilities.
 5. Employees who are assigned municipal vehicles are expected to use appropriate caution in their driving habits, and abide by applicable laws governing the use of such vehicles for both non-emergency and emergency use.
 6. Employees who are authorized to use their personal vehicles for approved business purposes will receive mileage allowance in accordance with the current allowable IRS rate.
- C. Exclusions:
- Qualified non-personal use vehicles, as defined in IRS Publication 15-B, are exempt from this policy. These vehicles include:
- Clearly marked, through painted insignia or words, police, fire, and public safety vehicles.
 - Unmarked vehicles used by law enforcement officers if the use is officially authorized.
- D. Vehicles covered under this policy are allowed to utilize gas acquired at the Public Works facility.
- E. Forms
1. The attached forms must be completed as required by the Finance Department.

POLICY STATEMENT ON PROHIBITED PERSONAL USE OF
TOWN VEHICLES OTHER THAN COMMUTING

Date: _____

Under Federal Tax Law, an employer may provide an employee with a vehicle for use in the employer's business under a written policy which prohibits personal use of the vehicle other than commuting – the "Commuter Rule." The Town has elected to use the Commuting Value Method to determine the value of your personal use of the vehicle.

You have been provided with a vehicle for use under the "Commuter Rule" and are subject to the following conditions:

1. The Town owns the vehicle which is provided to you for business use.
2. As an employee, you are required to commute to and from work in the vehicle for the following business reason(s);

Performance of Employment Duties

3. Neither you nor any friend, associate, or member of your family may use the vehicle for personal use, other than de minimus personal use by you – such as a stop for a personal errand on the way home or a similar errand or trip.
4. You are required to substantiate the days the vehicle is not available to you or day in which the Commuting Value Method does not apply and for which you will not be charged. The Commuting Value Method does not apply to those days when you depart your home and go directly to another location other than your normal place of work. For instance, if you leave home and go to Hartford for a business meeting without first going to the office or normal place of work, you will not be charged the per diem commuting charge. Substantiation can be done with a written auto log, diary, or other written records such as entries in a personal calendar. You will need to submit a copy of your record or statement showing the days the vehicle was not available to you or not to be charged to you. See Town of Bloomfield Form 120.08.04 (attached).
5. You should be prepared to inform the Finance Department of the number of days the vehicle was not available to you so proper use can be attributed to you for tax purposes.

COMMENTS:

Please sign and date the copy of this notice and return it to the Finance Department by _____
_____ to keep as proof that the notice was properly given.

Employee Signature

Date

TOWN OF BLOOMFIELD
Department of Finance
800 Bloomfield Avenue
Bloomfield, CT 06002

COMMUTING VALUE METHOD

The Town has decided to apply the Commuting Value Method to the class of vehicles used by the Town of Bloomfield employees.

The only record keeping that is required under this method is the substantiation on non-use days which can be satisfied through submission on Form 102.08.04 – Monthly Usage Log, or similar personal substantiation statements.

Computational Worksheet

Computation of the yearly personal use value of a business automobile using the Commuting Value Method:

- | | |
|--|----------|
| 1. Total days available | _____ |
| 2. Total days not available per submitted substantiation | _____ |
| 3. Line #1 less Line #2 | _____ |
| 4. Multiply Line #3 by <u>\$3.00/day</u> | \$ _____ |

Equals taxable commuting value to be entered on Employee IRS Form W-2

TOWN OF BLOOMFIELD
Department of Finance
800 Bloomfield Avenue
Bloomfield, CT 06002

NOTIFICATION TO EMPLOYEES OF ELECTION
NOT TO WITHHOLD INCOME TAXES ON
PERSONAL USE OF EMPLOYER-PROVIDED VEHICLE
FOR CALENDAR YEAR _____ AND THEREAFTER

Date: _____

FOR CALENDAR YEAR ENDING: _____

Generally, you are subject to Federal and State withholding tax on the personal use value of an employer-provided vehicle. Employers are allowed the option not to withhold Federal taxes on this value. We are still required, however, to include this value on your Form W-2.

This is your notification that the Town is electing not to withhold Federal or State income taxes on the personal use value of an employer-provided vehicle. We are still required to withhold social security taxes on this value, however, and will continue to do so.

To avoid having to pay additional taxes due when you file your income tax return, you may wish to amend your Forms W-4 and CT W-4 Withholding Certificate, to provide additional withholding. Alternatively, you may wish to make estimated tax payments to the IRS and State of Connecticut.

COMMENTS:

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Employee Signature

Date

TOWN OF BLOOMFIELD
Department of Finance
800 Bloomfield Avenue
Bloomfield, CT 06002

MONTHLY VEHICLE USAGE LOG
Business Use of Town-Owned Vehicle
(Submitted March 1, June 1, September 1, December 1)

Employee Name: _____ Employee # _____ Month/Year: _____

Vehicle License # _____ Beginning Mileage: _____

Place X in Date Box When Vehicle Not Available

DATE	X	REASON VEHICLE NOT AVAILABLE
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