



City of Riverside Administrative Manual

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Policy Owner(s): General Services

Approved:



Al Zaki Zelinka Department
City Manager City Manager

SUBJECT:

Assignment, Utilization and Taxation of City-Owned or Leased Vehicles

PURPOSE:

To provide to all Departments the assignment criteria and administrative policies and procedures governing individual/department use of City-owned vehicles. This policy does not cover use of Motor Pool vehicles (refer to policy 04.002.01) or sworn Riverside Police Department officer take-home vehicles (refer to the following Memorandums of Understanding (MOU): Riverside Police Administrators Association (RPAA), Riverside Police Officer's Association (RPOA)-Supervisory and Riverside Police Officer's Association (RPOA)).

DEFINITIONS:

1. "Assigned Take-Home Vehicle" means a City vehicle (owned, leased or under control of the City) that is used by a City employee for City business and for regularly commuting to and from the employee's home and workstation.
2. "24-Hour Vehicle Assignment" refers to the authorized assignment of City vehicles to specific employees taking a vehicle home every evening.
3. "Assigned Vehicle" means a City vehicle (owned, leased or under control of the City) assigned to a department or City employee for City business, but not for employee commuting to and from the employee's home and workstation.
4. "Emergency Response" means an employee who has primary responsibility to respond to emergencies, which require immediate response, and to maintain and enforce law and order.
5. "Workstation" means the office or site where a City employee normally reports to perform scheduled work.

POLICY/PROCEDURE:

24-Hour Vehicle Assignment (Take-Home Vehicle Assignments)

City vehicles taken home by employees increase operational costs, add mileage, increase wear and tear, decrease the useful life of vehicles, and decrease the pool of vehicles needed to cover regular workday operational needs. The City wishes to restrict the number of take-home vehicles.

Use of personal vehicles is preferred over the assignment of take-home vehicles for conducting City business before or after normal working hours. Employees will be reimbursed at the IRS standard mileage rate allowance (updated every January).

Assignment of a City vehicle shall not be made for the convenience of employees, nor as a substitute compensation for any employee. The need for communication access (car radio, telephone, etc.) shall not normally be considered adequate justification by itself for a City vehicle take-home assignment.

The City Manager (or his designee) must authorize a take-home City vehicle assignment to ensure the efficient and effective delivery of vital services on an after-hour basis, or for other purposes to meet the needs of the City.

Requests for 24-hour (take-home) vehicle assignments for employees living outside the City of Riverside will be reviewed on a case-by-case basis to determine whether it is in the best interest of the City.

With the exception of vehicles assigned to Executive Managers (in lieu of a vehicle allowance), use of assigned City vehicles for personal purposes is prohibited, other than travel to/from home/work and a short stop for a personal errand on the way from home to work/work to home. Executive managers are exempt from completing the take-home vehicle authorization form, however coordination with the Finance Department is necessary to complete the appropriate IRS reporting requirements.

A. 24-Hour Assignment Criteria

To receive a take-home vehicle assignment one of the three criteria must be documented on the ***Take-Home Vehicle Authorization*** form:

1. Emergency Response: Take-home vehicles may be assigned to City employees who:
 - Have primary responsibility to respond to emergencies to protect life or property, or for the restoration of vital City services such as water, electric or wastewater infrastructure. These responsibilities may include management and supervisory control of others who may be performing emergency response to protect life or property, or to restore and repair City owned property; and
 - Cannot use alternative forms of transportation to respond to emergencies; and
 - Cannot pick up City-owned assigned vehicles at designated sites without significantly impacting the employee's ability to respond to emergencies.

2. Special Equipment Vehicles: Take-home vehicles may be assigned if an employee needs specialized equipment or a special vehicle to perform City work outside an employee's normally scheduled workday.
 - Employees when taking a City vehicle home must have primary responsibility to respond to calls and are available to respond when requested.

3. Economic Benefit to the City: Take-home vehicles may be assigned when there is an economic benefit to the City. This may occur if employees' travel reimbursement costs are greater than the commuting costs associated with overnight vehicle usage. It might also occur when the cost of traveling directly from home to a field job site rather than from a City parking facility to the field job site significantly exceeds the cost of the take-home vehicle use.

The authorization of assigned take-home vehicles is granted for a period of not more than twelve months, and must be re-authorized annually using the **Take-Home Vehicle Authorization** form.

In limited instances, and when deemed in the best interest of the City, the City Manager may approve assignment of a take-home vehicle that does not strictly meet the justification criteria noted in this Policy.

B. IRS Reporting Requirements

Employees assigned a take-home City vehicle will have their taxable gross income increased monthly by \$3.00 per workday, which IRS defines as the value of the "employee benefit" per IRS publication 15-B (1/2017), Employer's Tax Guide to Fringe Benefits. Exceptions include:

- Clearly marked police, fire, or public safety officer vehicles.
 - The employee must always be on call.
 - The employee must be required by the City to use the vehicle for commuting.
 - The employee must not use the vehicle for personal use (other than commuting).
 - It is readily apparent, by words or insignia, that the vehicle is a public safety vehicle.
- Unmarked vehicles used by law enforcement officers.
 - The City must officially authorize personal use.
 - Personal use must be incidental to use for law-enforcement purposes; i.e., no vacation or recreational use.
 - The vehicle must be used by a full-time law enforcement officer authorized to carry firearms, execute warrants, and make arrests.
 - The officer must regularly carry firearms, except when it is not possible to do so because of the requirements of undercover work.
- Qualified specialized vehicle that has been clearly marked with permanent decals and has been specifically modified so it is not likely to be used more than minimally for personal purposes.
 - A pickup truck with a loaded gross weight of 14,000 pounds or less must include at least one of the following:
 - A hydraulic lift gate.
 - Permanent tanks or drums.
 - Permanent side boards or panels that materially raise the level of the sides of the truck bed.
 - Heavy equipment such as an electric generator, welder, boom or crane.
 - A van with permanent interior construction, including shelves and racks or an open cargo area for transporting materials.
 - The employee is responsible for emergency call-outs to restore or maintain utility services (i.e., gas, water, and sewer).
- Any vehicle driven that is designed to carry cargo with a loaded gross vehicle weight over 14,000 pounds, construction or specially designed work vehicles.

A **Take-Home Vehicle Authorization** form for approved assignments shall be signed by the employee and approved by the employee's Supervisor, Department Director, Fleet Manager and the City Manager's Office. Any vehicle assignments not meeting the exception regulations will include a Personnel Action Notice (P-2). The completed form will be submitted to the Human Resources Department with a copy of the records sent to the employee, the employee's Department and the General Services Department. The employee shall maintain a copy of the form for personal records, substantiating the business use of the take-home vehicle as required by the IRS.

C. Responsibilities

- **Employees** requesting a 24-hour (take-home) vehicle assignment must meet at minimum one of the following criteria:
 1. If emergency response is being used as the justification, it must be supported by data or pertinent information demonstrating the benefits to the City and Department of this individual being available to respond. In addition, there must be an explanation as to why alternative forms of transportation cannot be used to respond to the emergencies and why assigned City vehicles cannot be picked up at designated City parking areas.
 2. If special equipment is used as the justification, the following information must be provided:
 - The necessary special equipment must be described;
 - Explanation of why a City vehicle is required to transport the special equipment;
 - How the equipment is being used;
 - Why the vehicle cannot be picked up at a designated City parking facility/area; and
 - Description of the type and nature of emergency that requires the use of such equipment.
 3. If economic justification is used, it must be supported by a calculation of cost savings to the City (annual cost to reimburse employee's use of personal vehicle for business purposes versus cost to use a City-owned vehicle).
- **Employees** shall:
 1. Submit completed **Take-Home Vehicle Authorization** form through the appropriate departmental process to Department Director for review and approval. An update of these forms must be completed and submitted annually for reauthorization; *
 2. Maintain a valid California motor vehicle operator's license. Classification of the license must meet the classification requirements of the assigned vehicle;
 3. Provide off-street overnight parking for City vehicle at the employee's home;
 4. Comply with operator responsibilities, accident reporting requirements and other procedures published in the **Human Resource's Safety and Health Policies and Procedures Manual**;
 5. Not transport any non-City employees in the vehicle, except when conducting official City business; *
 6. Only use the vehicle for business and commuting to and from work, with minimal personal use (brief stop for a personal errand); *
 7. Be personally responsible for any traffic citations received while driving a City vehicle, and promptly pay any adjudged fines.

* Does not apply to Executive Managers who opt for assignment of a City vehicle in lieu of an automobile allowance.

- **Department Directors**, or their designees, shall:
 1. Provide a copy of the policies, procedures and criteria governing take-home vehicle assignments to employees requesting a take-home vehicle assignment;
 2. Review the need for take-home assignments in their respective department and compliance with the previously listed policies and criteria;
 3. Apply the following standards and criteria for take-home assignment:
 - In cases where the **Take-Home Vehicle Authorization** form is based on Emergency Response or Special Equipment, the department must have determined that emergency response is necessary outside of the employee's normal working hours due to an eminent threat to life or property, or the need to restore vital City services, and/or the employee must provide historical data demonstrating the number of emergency responses made during the same time period the previous year;
 - There must be no appropriate employees on other work shifts available to effectively respond or perform the emergency work in a timely manner.
 - Consider whether occasional overnight assignment is more appropriate than a twelve-month assignment.
 4. Review and approve annual Take-Home Vehicle Authorization forms, to ensure that the requests meet the applicable criteria requirements governing take-home vehicles and produce a P-2 for the fringe benefits.
 5. Forward the Take-Home Vehicle Authorization forms, along with a P-2 (if applicable), to the General Services Department, Fleet Management Division.
 6. Maintain current list of authorized take-home vehicles within the respective department/division and the call history of each vehicle per employee.
 7. Provide timely written notification using the Return of Take-Home Vehicle Section of the Take-Home Vehicle Authorization form to the Human Resources Department whenever individual employees no longer have assigned take-home vehicle authorization.
 8. Revoke any authorized 24-hour vehicle assignment that no longer meets the criteria under which it was initially authorized; return vehicle keys immediately to Fleet Management.

- **Fleet Management** shall be responsible for implementation of these procedures. Fleet Management shall:
 1. Evaluate all **Take-Home Vehicle Authorization** requests from City departments and route to City Manager (or his designee) for approval;
 2. Submit summary of authorized take-home vehicle assignments to the City Manager, Assistant City Managers, Department Directors, and Finance on an annual basis;
 3. Develop and maintain central records of all take-home vehicle assignments.

- The **City Manager** (or designee) has final approval authority for all regular 24-hour take-home vehicle assignments.
 1. Route the approved Take-Home Vehicle Authorization form and P-2 (if applicable) to Human Resources so it can be processed in the Human Resources and Finance/Payroll systems;
 2. Route a copy of the approved Take-Home Vehicle Authorization to Fleet Management.

- **Human Resources Department** shall:
 1. Include the **Take-Home Vehicle Authorization** form in the employee's personnel record;
 2. Route the approved **Take-Home Vehicle Authorization** form accompanied by a P-2 to Payroll;
 3. Route a copy of the approved **Take-Home Vehicle Authorization** to the employee;
 4. Route a copy of the approved **Take-Home Vehicle Authorization** to the employee's Department Director;
 5. Route the original **Take-Home Vehicle Authorization** form to the General Services

Department, Fleet Management Division.

Department/Division Assigned Vehicles

Department/divisions are assigned a certain number of City “permanent motor pool” vehicles for conducting City business during the workday, but not for employee commuting to and from the employee’s home and workstation.

According to the Federal General Services Administration (GSA), light-duty vehicles (passenger cars, pick-up trucks, sport utility vehicles and vans) in the public sector should be driven at least 12,000 miles per year. The National Association of Fleet Administrators recommends a 10,000-mile benchmark to justify departmental vehicle assignments. Any lower usage is a clear indicator that a public sector fleet has too many vehicles or is not using them efficiently.

Given the geographical size of the City of Riverside and to ensure efficient utilization of departmental assigned vehicles in the City’s motor pool fleet, a minimal usage standard of 2,500 miles per vehicle per fiscal year has been adopted.

Fleet Utilization Review

Fleet Management will conduct a Fleet Utilization Review annually to evaluate departmental assigned vehicles and determine which vehicles are not being fully utilized (based on the adopted annual minimal usage standard of 2,500 miles versus actual mileage recorded in the M5 system). Based on this review, Fleet Management will advise Department Directors and the City Manager’s Office with recommended reduction/removal of fleet vehicles from departments. The City Manager’s Office will authorize exceptions for vehicles not meeting mileage usage standards that shall remain in the City Fleet.

Viable Transportation Alternatives

The most economic alternatives for short distance (same day) business trips are privately owned vehicles or motor pool vehicles. Employees utilizing their personal vehicles will be reimbursed through travel expense reimbursement based on the IRS standard mileage rate allowance. The cost to use a motor pool vehicle is based on an hourly rate and rate per mile driven. The motor pool vehicle use rate is based on an hourly rate and rate per mile driven. These rates change annually. Fleet Management is responsible for establishing motor pool usage rates.

Attachment:

Take-home Vehicle Authorization Form

**City of Riverside
TAKE-HOME VEHICLE AUTHORIZATION FORM**

Employee Name: _____ Department: _____
Employee ID #: _____ Division: _____
Vehicle Number: _____ Work Location: _____
City of Residence: _____

Estimated Daily Round Trip Commute Mileage: _____
(from home to work and return to home or from home to first worksite and from last worksite to home)

Average Total Daily Mileage: _____

Number of emergency call-outs in previous year July 1 – June 30: _____

Requests to authorize a take home vehicle must meet at least one of the following criteria:

EMERGENCY RESPONSE: The employee has primary responsibility for responding to emergency situations, which require immediate response to protect life and/or property, AND the employee is called out at least 12 times per quarter. A "call-out" is defined as a directive to an employee to report to a work site during off duty time. Documentation listing the number and nature of call-outs for the prior year or, in the case of first time requests, estimates of future call-outs must be submitted with the Take Home Vehicle Authorization form/request. In addition, there must be an explanation of why alternate transportation cannot be used and why a City vehicle cannot be picked up from a designated City parking area. **Attach all justifications and back-up documentation to this form.**

SPECIAL EQUIPMENT: The employee has primary responsibility for responding to emergency situations, which require immediate response to protect life and/or property, AND the employee needs a special vehicle or must carry substantial specialized equipment other than communications equipment in order to perform their work outside of normal working hours. A description of this equipment must be submitted with the Take Home Vehicle Authorization form. **Attach all justifications and back-up documentation to this form.**

ECONOMIC BENEFIT: There is an economic benefit to the City. This means the cost of travel reimbursement would exceed the costs associated with a take home vehicle or that the cost of commuting directly from home to a field job site rather than from a City parking facility to the field job site significantly exceeds the cost of the take-home vehicle use. In addition, there must be an explanation of why alternate transportation cannot be used. A calculation of this benefit must be submitted with the Take Home Vehicle Authorization form. **Attach all justifications and back-up documentation to this form.**

Requestor's Signature

Date

Division Manager

Approved

Denied

Date

Department Director

Approved

Denied

Date

Assistant City Manager

Approved

Denied

Date

City of Riverside
TAKE-HOME VEHICLE FRINGE BENEFIT

This agreement between _____ and the City of Riverside, CA, is written for the purpose of adherence to the Internal Revenue Service statutes governing the use of take-home vehicles (Ref. Publication 15-B, Rev. January 2010).

I understand that the City of Riverside, CA is providing a vehicle to me, which may be used for both business, and for commuting to and from work, with de minimis (negligible) personal use. The Internal Revenue Service defines "de minimis personal use" as a stop for a personal errand on the way from home to work, or from work to home.

I understand that the use of a City vehicle for commuting purposes is considered by the Internal Revenue Service as a fringe benefit, which is a form of pay, and that the fair market value of this benefit must be included in my wages. I further understand that the City will utilize the Commute Rule to determine my benefit, as outlined in Internal Revenue Service Publication 15-B, page 18. This rule provides that my benefit will be calculated at a rate of \$1.50 per one-way commute. The City will calculate my benefit at \$3.00 per day times the number of days in my work schedule (i.e., 16 workdays per month; 20 workdays per month, etc.). I understand that this fringe benefit will be entered into the City payroll system on a monthly basis, and is subject to Federal and State income tax withholdings.

Acknowledgement:

I have read, and understand the conditions for the use of a City vehicle for the purpose of commuting to and from work.

Employee Name: _____

Employee ID: _____

Employee Signature: _____

Date: _____

Vehicle Assigned: _____

(Make, year, model)

Vehicle Asset Number: _____

Vehicle License Tag Number: _____

Approved By: _____

Date: _____