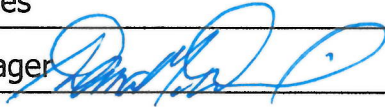




**CITY OF DUBLIN
ADMINISTRATIVE ORDERS
OF THE CITY MANAGER**

ADMINISTRATIVE ORDER 5.4
TO: All City of Dublin Employees
FROM: Dana McDaniel, City Manager 
SUBJECT: Employer Provided Vehicles
DATE: August 23, 2022
<i>Supersedes and replaces Administrative Order 5.4, dated October 1, 2017 regarding same subject.</i>
PROPONENT: Office of the City Manager

1. PURPOSE

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

2. BACKGROUND

The Internal Revenue Service (IRS) publishes regulations on the taxation of fringe benefits (Publication 15-B – Employer's Tax Guide to 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, unless otherwise excluded by the IRS. The value of such personal use, determined under one of the rules provided by the IRS, must be included in the employee's income.

3. POLICY

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

B. 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 III G.

C. 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.

4. VALUATION OF BENEFIT

A. 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, as determined below.

B. 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.

5. QUALIFIED NONPERSONAL USE VEHICLE

Use of a qualified non-personal-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:

- (1) Clearly marked, through painted insignia or words, police, fire, and public safety vehicles;
- (2) Unmarked vehicles used by law enforcement officers if the use is officially authorized;
- (3) Any vehicle designed to carry cargo with a loaded gross vehicle weight over 14,000 pounds;
- (4) Bucket trucks, dump trucks, flat-bed trucks, forklifts, and qualified specialized utility repair trucks;
- (5) Other qualified non-personal use vehicles as defined by the IRS.

6. POSITIONS AUTHORIZED FOR TAKE HOME VEHICLES (YEAR ROUND OR IN AN "ON CALL" ROTATIONAL STATUS)

The following positions are authorized for take home vehicles given that these positions have responsibilities to respond directly from home to emergency situations. The Director will determine the "on call" status of the various Crew Supervisors.

- (1) Chief of Police – This vehicle is a qualified non-personal use vehicle and is therefore exempt from the taxation requirement.
- (2) Two Deputy Police Chiefs - These vehicles are qualified non-personal use vehicles and are therefore exempt from the taxation requirement.
- (3) Civilian Bureau Commander (Police Department).
- (4) One Police Sergeant (Detective Supervisor) – This vehicle is a qualified non-personal use vehicle and is therefore exempt from the taxation requirement.
- (5) Two Police Officers assigned to the Delaware County Tactical Unit – These vehicles are qualified non-personal use vehicles and are therefore exempt from the taxation requirement.
- (6) One Facilities Crew Supervisor
- (7) One Custodial Crew Supervisor
- (8) One Park Operations Crew Supervisor
- (9) One Streets & Utilities Crew Supervisor

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