

# Dept. of Finance and Administration Vehicle use Policies/Procedures

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Personnel Policy Addendum	Page: 1 of 9	Approved:  Town Manager: _____
Vehicle Use Policy	Date: September 1, 2008	Date: _____

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## I. PURPOSE

The purpose of this policy is to set forth the guidelines for reimbursement and/or compensation for employee use of personal vehicles; the guidelines under which Town vehicles will be authorized to Town personnel; and the guidelines under which Town vehicles may be used. Under authority of the Town Charter Sec.4-7.

## II. APPLICABILITY

The provisions of this policy which relate to expense reimbursement (IV/A and V/A) apply to all employees in Town service. The entire policy applies to all General Government employees. Employees whose employment is regulated by collective bargaining agreement are subject only to those provisions of this policy not specifically regulated by agreement. Individual department vehicle policies shall not conflict with these policies and procedures.

## III. DEFINITIONS

Automobile Allowance-- that amount approved by the Director of Finance to compensate an employee for regular and routine use of a personal automobile. Automobile allowance is considered to be a salary item and, as such, is subject to taxation (stipend).

Expense Reimbursement--that payment for approved expenses relating to personal automobile use upon receipt of written documentation. Expense reimbursement is not considered to be a salary item (mileage).

Municipal Vehicle--those automobiles, trucks, vans, or other self-propelled equipment owned, rented, or leased by the Town of Chatham and licensed for travel on the public way.

Personal Automobile--that automobile owned or available for private use by the employee.

#### **IV. POLICY**

##### **A. Municipal Vehicles**

It is the policy of the Town of Chatham that certain positions require employee access to municipal vehicles, either during the work shift or on a 24 hour on-call basis. Town vehicles are not personal vehicles and are not for personal use. Town vehicles should be viewed as belonging to the citizens of Chatham and are assigned solely for purposes consistent with providing services to those citizens.

##### **B. Automobile Allowance**

It is the policy of the Town of Chatham that in the event an employee is required to use his or her personal automobile extensively on a year-round basis, and that employee has not been assigned a municipal vehicle, the Director of Finance may authorize the payment of an automobile allowance (as appropriate under the terms of a collective bargaining agreement). Such stipend may be rescinded with 90 days' notice, and will not be paid in combination with personal automobile expense reimbursement unless authorized by the Director of Finance.

##### **C. Expense Reimbursement**

It is the policy of the Town of Chatham to reimburse employees for reasonable expenses which they incur as a result of personal automobile use on behalf of the Town. Receipts and the Personal Automobile Travel Expense Report must be submitted in order for an employee to be reimbursed for such expenses.

#### **V. PROCEDURES**

##### **A. Expense Reimbursement--Personal Vehicles**

1. Expense Reimbursement is intended for travel outside the Town of Chatham. Employees will not be reimbursed for personal automobile use within the Town of Chatham without advance approval of the Department of Finance.
2. When an employee is authorized to use a personal automobile for work-related travel, he or she shall be reimbursed at a rate established by the IRS vote upon approval of the Director of Finance.

3. The mileage rate is intended to subsidize the costs of gasoline, repairs, insurance, and general wear and tear on the automobile.
4. In addition to the mileage rate, the Town will reimburse employees authorized to travel outside of Chatham, when driving personal or municipal vehicles, for tolls and reasonable parking expenses, when receipts are provided. Employees receiving travel allowances may be reimbursed for and reasonable parking expenses. Employees will not be reimbursed for tolls which would normally be paid by the employee during his or her normal commute to work.
5. The Town retains the right to require employees who are reimbursed for work-related travel, or who receive an automobile allowance, to show proof of the following minimum levels of insurance coverage:
  - a. Bodily Injury Liability: \$100,000/\$300,000
  - b. Property Damage Liability: \$50,000
6. An employee who used his or her personal automobile to travel from home to a temporary assignment, rather than his or her regularly assigned work location, shall be allowed personal automobile expenses between home and the temporary assignment, or between temporary assignment and the regular work location, whichever is less.
7. Employees will not be reimbursed for commuting between their homes and offices or other regular work locations.
8. In order to be reimbursed for personal automobile use, employees must complete the Personal Automobile Travel Expense Form. This form shall be submitted to the department manager for approval prior to submission to the Finance Dept. for payment.
9. **Automobile Accidents** - - In the event an employee's personal vehicle is damaged during an approved, work-related trip, and the damage is not due to the gross negligence or willful misconduct of the employee, the Town will reimburse the employee, upon receipt of verification of payment of a deductible (comprehensive or collision) to cover part of the cost of repair, up to a maximum of \$500 or the amount of the deductible, whichever is less, per occurrence.

B. Assignment of Municipal Vehicles

The assignment of municipal vehicles during work time use is based upon position description. Department managers who have municipal vehicles available for this purpose may assign such vehicles in a manner consistent with departmental workload and employee function. The assignment of vehicles may be rescinded at any time by the Town Manager or Department Manager.

C. Assignment of Municipal Vehicles for 24 Hour Use (Vehicle Use Approved for Commuting Purposes)

1. The assignment of vehicles for 24 hour use will be made in writing by the Town Manager, and will only be considered for employees who require a vehicle for the **ordinary** and **necessary** discharge of their job functions. Criteria which will be used in the determination of eligibility for 24-hour vehicle use include:
  - Officially designated on-call status;
  - Requirement for frequent and routine emergency availability;
  - Issuance and monitoring of a pager, cell phone or other communication device;
  - Emergency or other equipment contained in the vehicle;
  - Town-owned vehicles are not considered a bonus or “perk”

The following positions qualify for 24 hr use:

- 1) Fire Chief
- 2) Deputy Fire Chief
- 3) Police Chief
- 4) Police Captain
- 5) Highway Superintendent
- 6) Harbormaster

Such assignment may be rescinded in writing at any time by the Town Manager.

2. Vehicle use is limited to travel to and from the residence and place of work. The vehicle should be driven over the most direct route taking into account road and traffic conditions. The vehicle should not be utilized for travel outside a direct commuting route for personal reasons.
3. Whenever a position becomes vacant, the authorization for 24 hour use shall be reevaluated.

4. Employees assigned vehicles for 24 hour use involving a commute of more than 15 miles one way shall reimburse the Town for the additional fuel cost as determined by the Director of Finance.
5. Employees assigned municipal vehicles on a 24 hour basis will be given a copy of this policy and will be required to sign a confirmation of receipt and it will be presumed that they have read it.

6. **Imputed Income Taxation**

- a. Employees who are assigned marked and unmarked police and Fire vehicles, and/or marked municipal vehicles carrying tools and meeting certain other eligibility criteria will not be subject to imputed income taxation as a result of the vehicle assignment.
- b. Other employees authorized to commute in a Town vehicle may be subject to imputed income regulations as set forth by the Internal Revenue Service, which considers a certain portion of the vehicle use (namely the commute) to be income for the purposes of income taxation. The Finance Department shall be responsible for determining any tax liability and will be provided with the names of all employees authorized to use Town vehicles for commuting purposes, and the normal, one-way commuting distance, each December 1<sup>st</sup>.

D. General Rules Governing Municipal Vehicle Use

1. Municipal vehicles may only be used for legitimate municipal business.
2. Municipal vehicles will not be used to transport any individual who is not directly or indirectly related to municipal business. Passengers shall be limited to Town employees and individuals who are directly associated with Town work activity (committee members, consultants, contractors, etc.). Family members shall not be transported in Town vehicles.
3. Vehicles should contain only those items for which the vehicle is designed. The Town shall not be liable for the loss or damage of any personal property transported in the vehicle.
4. Employees are expected to keep municipal vehicles clean, and to report any malfunctions or damage to their supervisors immediately and any repair or maintenance needs they are aware of.

5. Employees assigned vehicles for commuting purposes are expected to park such vehicles in safe locations.
6. Employees must wear seatbelts in vehicles equipped with seatbelts during all operations of the vehicle.
7. Employees may not operate municipal vehicles under the influence of alcohol, illegal drugs, or prescription drugs or medications which may interfere with effective and safe operation of the vehicle.
8. Employees who operate municipal vehicles must have a valid motor vehicle license issued by the state of their current residence and may be required to provide proof of a valid motor vehicle license once every six (6) months.
9. Employees driving municipal vehicles shall obey all applicable traffic and parking regulations, ordinances and laws.
  - a. Employees who incur parking or other fines in municipal vehicles will generally be personally responsible for payment of such fines unless the payment of such fines by the Town is approved by the Town Manager.
  - b. Employees who are issued citations for any offense while using a municipal vehicle must notify their supervisor immediately when practicable, but in no case later than 24 hours. Failure to provide such notice will be grounds for disciplinary action in accordance the personal polices and procedures.
  - c. An employee who is assigned a municipal vehicle and who is arrested for or charged with a motor vehicle offense for which the punishment includes suspension or revocation of the motor vehicle license, in a municipal vehicle, must notify his or her supervisor immediately when practicable, but in no case later than 24 hours. Conviction for such an offense may be grounds for loss of municipal vehicle privileges and/or further disciplinary action.
10. No employee may use a municipal vehicle for out-of-state use without advance approval of the Town Manager or Department Manager.
11. Police, Fire and Harbormaster Departments shall operate emergency sirens and lighting in accordance with Mass General Law and individual department policies, not inconsonant with these policies.
12. No smoking in Town vehicles.

**VII. Town Vehicles Maintenance and Replacement Policy:**

1. Town vehicles assigned to employees and/or Departments shall be maintained in accordance with automotives manufacturers service requirements
2. Town owned vehicles shall possess a current an valid vehicle registration and state inspection certification.
3. Town owned vehicles shall have affixed to the vehicle a Massachusetts official vehicle plate. Police vehicles actively used for undercover work are exempt.
4. Municipal vehicles shall not be sold replaced or trade-in until such vehicle has reached 10 years of age or 100,000 miles, whichever comes first.
5. Town vehicles that are purchased shall be the most minimal and fuel efficient vehicle necessary to adequately accomplish the goals of the community.
6. When a vehicle is replaced, the replaced vehicle shall be sold or traded in Town of Chatham vehicles may only be kept or transferred to another dept. with express written permission of the Town Manager.
7. No payment of a new or additional vehicle will be authorized without approval of the Finance Director and proof of vehicle trade-in.
8. No additional vehicles shall be added to the town vehicle inventory (affective 8/1/08) without express written permission of the Town Manager.

The following vehicles numbers are currently authorized.

Fire:  
Police:  
Health & Environment:  
Community Development:  
Harbormaster:  
DPW:  
Water & Sewer:

**VI. SPECIAL CIRUMSTANCES**

This policy is intended to provide a basic framework governing the use of personal and municipal vehicles in the Town of Chatham, and, as such, cannot and does not contain procedures governing every situation that might arise. Employees seeking clarification of or exemption from the provisions of this policy should contact the Town Manager who will provide such clarification and may authorize exceptions to the policy under mitigating circumstances.

## **VIII. SANCTIONS**

Failure to comply with any and all provisions of this policy may result in disciplinary action up to and including removal of Town vehicle privileges, suspension, and/or termination from Town service.

### Confirmation of Receipt

I hereby confirm that I have been given the opportunity to review the Town of Chatham Vehicle Use Policy, and have been afforded the opportunity to ask any questions about the policy. A copy of the Vehicle Use Policy has been given to me as required reading before driving a town-owned vehicle or driving my own personal vehicle for town business work.

Name: \_\_\_\_\_

Department: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_