

**CITY OF BEAUMONT  
POLICIES AND PROCEDURES**

Policy Number: 7.8

Subject: Auto Allowance, Mileage Reimbursement & City Vehicle      Effective Date: 03/09/18

Approved by: Kyle Hayes/03-09-18      Chris Catalina/03-09-18  
City Manager/Date      Personnel Director/Date

I. PURPOSE

- A. The purpose of this policy is to provide uniform guidelines and procedures for City employees who are assigned a take-home vehicle, receive an auto allowance or mileage reimbursement.

II. DEFINITIONS

- A. Auto Allowance - A monthly payment given to employees who use their personal vehicle to conduct City business on a recurring basis.
- B. Mileage reimbursement - Reimbursement given to employees who utilize their personal vehicle to conduct City business. Reimbursement is paid on a per mile basis.
- C. Take-home Vehicle - Any vehicle that is owned, leased, rented or otherwise under the care, custody or control of the City and is taken from the City premises after normal working hours to remain in "home storage" overnight for the use of a City employee for a bona fide City purpose.
- D. Bona fide City Purpose - A bona fide City purpose is conducting official City business only. Bona fide City purpose does not include personal use or assignment of a take-home vehicle as a benefit or as compensation.
- E. Exempt Vehicle - According to Federal guidelines and for purposes of tax calculation only, certain vehicles, particularly emergency and utility service vehicles (normally not to include pick up trucks or vans), designated by Federal law are exempt for the purpose of increased tax liability. This exemption means that the taxable income of the employee assigned one of these vehicles will not be affected. (See Attachment A for a list of exempt vehicles as outlined in the Federal Register Vol. 50 No. 215 /Public Law 99-44)

NOTE: Texas State law requires that all City vehicles be identified by external marking. There is an exception to the markings requirement for police vehicles when used for the purpose of performing official duties.

- F. Non-exempt Vehicles - According to Federal guidelines and for the purpose of tax calculation only, all other vehicles of the City that are not listed on Attachment A and do not meet the criteria to be exempt vehicles are classified as non-exempt. These vehicles normally include pickup trucks and vans. Employees who are assigned non-exempt vehicles will incur a tax liability.
- G. Tax Liability - An employee who has a non-exempt take home vehicle will have an assessment, as set by the Federal government each year, added to their taxable income for each day of use. This assessment will only be added for the days the vehicle is used, not to include vacation, short term disability or holidays. The assessment amount is added to the employee's taxable income only for the purpose of calculating the tax liability. The employee assigned the use of the non-exempt take home vehicle will be responsible for the tax on the assessed amount.

## II. ELIGIBILITY

- A. Employees who use their vehicles extensively for City-related business will be eligible for reimbursement of automobile expenses. Reimbursement of auto expenses may be paid to the employee on a monthly basis, determined by usage or on a per mile basis.
- B. Recommendations for monthly auto allowance shall be processed through the appropriate Department Director on the prescribed form. (Attachment B).
- C. All monthly auto allowances are subject to approval of the City Manager.
- D. Department Directors are responsible for ensuring that all employees who operate their personal vehicle while on City business have proper insurance and a current driver's license as required by state statutes. Department Directors are also responsible for ensuring that changes to the list of authorized personnel are approved by them as well as approved by the City Manager. An updated list should be submitted to the Personnel Department and the Finance Department.
- E. Employees whose driver's license has been suspended or revoked will not be eligible for an auto allowance. Any changes in an employee's driver's license status should be immediately reported to his/her Department Director.

### III. PROCEDURES

- A. Department Directors will prepare a written request for the City Manager which will indicate the individuals to be assigned vehicles, the length of the assignment, the location of home storage, the vehicle type and number and a bona fide City purpose for each assignment. This request will be reviewed annually by the Department Director. This request will be accompanied by a form signed by the employee acknowledging having read and received this policy (Attachment D) and the vehicle authorization form (Attachment B).
- B. After obtaining approval from the City Manager, the Department Director will forward the forms to the Finance Department. Finance will be considered the primary repository for the take-home vehicle records.
- C. For security purposes all records for Police undercover vehicles will be maintained in the Police Department following approval by the City Manager.
- D. Recommendations for monthly auto allowance shall be submitted on the Auto Allowance/Vehicle Authorization Form (Attachment B) by the Department Director to the City Manager for approval.
- E. Employees who use their personal vehicles on an infrequent basis are not eligible for a monthly auto allowance, but shall be reimbursed at the IRS mileage rate for use of their personal vehicle for City related business. Request for reimbursement shall be made on the Mileage Reimbursement Form attached to a Check Request Form (Attachment C).

### IV. RESPONSIBILITIES

- A. The monthly auto allowance is intended to cover all City related business travel required by an employee's job. This reimbursement includes all maintenance expenses, insurance costs and deductibles in case of an accident. In addition, the monthly allowance is expected to cover business related trips that are within a 75 mile radius. For trips in excess of the 75 mile radius, the employee will be reimbursed at the IRS mileage rate.
- B. Personnel is responsible for maintaining the list of positions which are approved for monthly auto allowance. Additionally, they will process all requests and maintain executed Auto Allowance Forms and associated Personnel Action Forms.
- C. The Finance Department is responsible for the payment of properly authorized reimbursement requests.

- D. The personal use of take-home vehicles is not allowed.
- E. Use of the City vehicle for going to and from lunch should only be done when it is a consequence of a bona fide City purpose and it has been approved by the Department Director.
- F. If an accident occurs while taking a vehicle home, the employee shall be subject to City Policy 3.8 Safety/Safe Driving.
- G. Employees and supervisors who fail to comply with the requirements of this policy will be subject to disciplinary action up to and including termination.
- H. If an employee will no longer receive an auto allowance, or be allowed to have a take-home vehicle, an Auto Allowance/Vehicle Authorization Removal form must be completed by the Department Director (see Attachment E).

## **Attachment A**

Below is a list of exempted vehicles as outlined in the Federal Register Vol. 50. No. 215/Public Law 99-44:

1. Clearly marked police and fire vehicles,
2. Delivery trucks with seating only for the driver and folding jump seat,
3. Flatbed trucks,
4. Cargo vehicles with a gross vehicle weight over 14,000 pounds,
5. Passenger buses with a capacity of at least 20 passengers,
6. Ambulances or hearses,
7. Bucket trucks or "cherry pickers",
8. Cranes and derricks,
9. Forklifts,
10. Cement mixers,
11. Dump trucks and garbage trucks,
12. Refrigerated trucks,
13. Tractors,
14. Combines,
15. School buses,
16. Specialized utility repair trucks,
17. Moving vans,
18. Unmarked law enforcement vehicles operated by an officer or arson investigator who is a full-time employee, authorized to carry a firearm, execute search warrants, and make arrests.

**Attachment B**

**CITY OF BEAUMONT**  
**AUTO ALLOWANCE/VEHICLE AUTHORIZATION FORM**

\_\_\_\_\_ *Monthly Auto Allowance*

\_\_\_\_\_ *Vehicle Assignment*

NAME \_\_\_\_\_

TITLE \_\_\_\_\_

DEPARTMENT/DIVISION \_\_\_\_\_

JUSTIFICATION FOR AUTO ALLOWANCE:

Amount Requested:

CITY VEHICLE ASSIGNMENT:

1. Length of Assignment:
2. Location of home storage:
3. Vehicle description and number:
4. Bona fide City purpose:

Requested by: \_\_\_\_\_  
Department Director

\_\_\_\_\_  
Date

Approved by: \_\_\_\_\_  
City Manager

\_\_\_\_\_  
Date

\_\_\_\_\_ Payroll (initial upon review and forward to Personnel for processing)

\_\_\_\_\_ Personnel (initial upon review and process)

\_\_\_\_\_  
Effective Date



**Attachment D**

**Auto Allowance, Mileage Reimbursement & City Vehicle Acknowledgment Form**

I \_\_\_\_\_ acknowledge that I have received and read a copy of the Auto Allowance, Mileage Reimbursement & City Vehicle Policy. I understand that I will be subject to disciplinary action up to and including termination if I fail to comply with the requirements of this policy.

Employee Name \_\_\_\_\_ Date \_\_\_\_\_

Supervisor's Name \_\_\_\_\_ Date \_\_\_\_\_

**\*Forward signed form to the Personnel Department.**



**Attachment E**

**CITY OF BEAUMONT**  
**AUTO ALLOWANCE/VEHICLE AUTHORIZATION REMOVAL FORM**

\_\_\_\_\_ *Monthly Auto Allowance*

\_\_\_\_\_ *Vehicle Assignment*

NAME \_\_\_\_\_

TITLE \_\_\_\_\_

DEPARTMENT/DIVISION \_\_\_\_\_

REASON FOR REMOVAL: \_\_\_\_\_

EFFECTIVE DATE: \_\_\_\_\_

Approved by: \_\_\_\_\_  
Department Director

\_\_\_\_\_  
Date

\_\_\_\_\_ Route to Personnel for PAF

\_\_\_\_\_ Route to Payroll for processing