



## Board Policy No. 438

### Vehicle Use Policy

**ADOPTED:** 10/10/1990  
**RECENT AMENDMENT:** 12/14/16  
**SEE ALSO:** 200, 216, 217, 438A,  
251A

**SUBJECT CATEGORY:** SECTION 400, OPERATIONS  
**SUBSECTION:** FACILITIES, PARKING, VEHICLE USE  
**CONTROL DEPARTMENT(S):** SAFETY, SECURITY AND TRAINING &  
GENERAL COUNSEL

#### I. PURPOSE

The purpose of this policy is to establish the overall policies associated with non-revenue and privately-owned vehicle use. In adopting this Policy, it is the intent of the Board to restrict the personal use of non-revenue vehicles, discourage the use of privately-owned vehicles for District business, and encourage the use of public transit or non-revenue pool vehicles for District business.

#### II. PERSONS AFFECTED

Only full-time, regular employees and Board Officers are permitted to drive non-revenue vehicles. In addition to full-time, regular employees and Board Officers, part-time, temporary, or limited term employees, or interns may be authorized to drive their privately-owned vehicle for District business purposes subject to certain requirements provided herein and in Administrative Regulation 438A.

#### III. DEFINITIONS

**“Assigned Take-Home Vehicle”** means a non-revenue vehicle assigned to an authorized person whose responsibilities require the use of the vehicle on a frequent basis in order to respond to after-hours and weekend emergencies, carry special equipment, or who are required to regularly start and/or end their workday at a facility other than their assigned work location more than fifty percent of the time.

**“Authorized Person”** is any full-time, regular employee or Board Officer who is enrolled in the District’s Employer Pull Notice Program, is the operator of a privately-owned vehicle, and who complies with the District’s requirements for the use of a privately-owned vehicle for District business purposes or is authorized to use a non-revenue vehicle for District business.

**“Business Use”** of a non-revenue vehicle is any use for official District business. An authorized person who regularly works at two or more locations in one day, traveling between the two locations constitutes business use of a non-revenue vehicle. An authorized person traveling between home and an alternate, temporary work location is also business use of a non-revenue vehicle. An alternate work location is not temporary if it is realistically expected to last more than one year or if employment at the alternate location is indefinite.

**“Employer Pull Notice Program”** is a program of the California Department of Motor Vehicles that provides a report to the District showing an authorized person’s current driving record and any action taken against the authorized person’s driving privileges during a calendar year.

**“Personal Use”** of a non-revenue vehicle is any use that is not for official District business, including commuting. Personal use includes travel between the employee’s home and any regular work location as commuting.

**“Non-revenue Vehicle”** is a District-owned or leased vehicle used in the conduct of District business and includes pool vehicles, take-home vehicles and special purpose vehicles that are used in restricted areas and/or require special equipment or attachments to perform specific job functions.

**“Limited Personal Use”** is use of a vehicle that is considered de minimis by the Internal Revenue Service (IRS) and not subject to reporting or taxation. Proof of any de minimis use of a non-revenue vehicle is required in order to determine if the IRS requirements for this exception have been met.

**“Privately-Owned Vehicle”** is any vehicle being used for District business that is not owned or leased by AC Transit.

#### IV. POLICY

##### A. General

Public transportation should be utilized to conduct District business whenever cost effective or deemed appropriate by the Department Head, with reimbursement for costs incurred. If it is not feasible to use public transportation, employees are strongly encouraged to use a non-revenue pool vehicle to conduct District business.

Except for the use of assigned take-home vehicles, the use of non-revenue vehicles to commute to and from work is strictly prohibited.

Whether using a non-revenue vehicle or privately-owned vehicle for District business, employees shall possess a valid California Drivers’ License of the appropriate classification at all times and shall operate vehicles in accordance with all safety and legal requirements, obey traffic laws and exercise sound judgment. All vehicle occupants are required to wear seat belts. Employees may not consume alcohol or take substances (prescription, non-prescription, recreational, etc.) a minimum of eight hours prior to using a vehicle for District business that would impair their ability to safely operate a vehicle.

Authorized persons who are entrusted with a non-revenue vehicle, whether it be a pool vehicle or take-home vehicle, shall be registered in the Employer Pull Notice Program. Non-revenue vehicles may only be used to transport individuals and equipment directly related to

District business. The District will exercise zero tolerance in cases where the privilege of using a non-revenue vehicle has been abused up to and including loss or suspension of privilege, disciplinary action and/or termination. Non-revenue vehicles are considered smoke-free environments pursuant to Board Policy 216.

## **B. Assigned Take-Home Vehicle Requirements**

A limited number of employees may be assigned non-revenue vehicles on a take-home basis for the business purpose of fulfilling job responsibilities during non-work hours. Authorization for a take home vehicle is granted to a classification that requires use of a vehicle on a frequent basis in order to respond to after-hours and weekend emergencies, carry special equipment, or is required to regularly start and/or end their workday at a facility other than their assigned work location more than fifty percent of the time.

### **1. Income Tax Reporting and Withholding**

The taxable value for personal use of a non-revenue vehicle shall be reported to the IRS and the State of California on the employee's Form W-2, Wage and Tax Statement. The taxable value for the personal use of a non-revenue vehicle shall be determined in accordance with established IRS regulations and guidelines.

The value of the business use by an employee of a non-revenue vehicle is not considered additional taxable wages and will not be reported to the IRS.

### **2. Documentation of Business and Personal Use**

The IRS requires the District to maintain employee provided documentation that substantiates an employee's business and personal use of a non-revenue vehicle. Failure of the employee to provide said documentation will result in the entire value of the employee's use of the non-revenue vehicle (including both business and personal use) being considered personal use and shall be reported as additional taxable wages to the IRS.

### **3. Valuation of Personal Use**

In order to determine the value of the personal use of the non-revenue vehicle, the District, wherever possible, shall use the commuting rule (i.e. personal use valued at flat amount for each commute trip) to determine the value of the personal use of the non-revenue vehicle provided to the employee. If the commuting rule is not applicable, the District will use one of the other IRS valuation methods that it determines most appropriate.

#### 4. Reporting Period

The reporting period for personal use of a non-revenue vehicle begins on January 1 and ends on December 31, a full 12-month period. To ensure accurate reporting, authorized persons are required to complete and submit monthly reports no later than the fifth business day of the following month.

### C. Business Use of Privately-Owned Vehicles

Authorized persons who use their personal vehicle in the performance of District business shall be entitled to mileage reimbursement as provided in IRS Regulations and Administrative Regulation 251A (Travel and Meeting Expense Reimbursement for Employees) and Administrative Regulation 438A Vehicle Use Procedures.

Regardless of whether mileage reimbursement is requested, the use of a privately-owned vehicle is contingent upon fulfilling the requirements prescribed in Administrative Regulation 438A.

### D. Reporting of Accidents, Traffic Violations and Parking Tickets

1. All accidents involving a non-revenue vehicle or a privately-owned vehicle used for District business shall be reported as soon as possible immediately following the accident using the procedures provided in Administrative Regulation 438A. Authorized persons shall comply with the District's investigation of the accident. Whenever possible, authorized persons shall obtain as much information as possible from the other party involved in the accident and provide it to the Risk Management Department.
2. Authorized persons shall be financially responsible for all tickets resulting from traffic and/or parking violations even when on District business. Any tickets received while on District business shall be reported to the authorized person's department head.

## V. AUTHORITY

### A. General Manager's Authority

#### 1. Limited Personal Use

Under limited circumstances, the General Manager or his designee, may authorize, in writing, de minimis personal use of a non-revenue vehicle for a limited duration in conjunction with District business. Such authorization shall be maintained in the General Manager's office. All authorizations shall be kept on file by the General Manager for a period of two years from date of use.

## 2. Emergency Situations

The General Manager, or his designee, may authorize, in writing, personal use of a non-revenue vehicle for a limited duration in emergency situations (i.e. a natural disaster, civil disturbance, etc.). Such authorization shall be maintained in the General Manager's office. All authorizations shall be kept on file by the General Manager for a period of two years from date of use.

## 3. Assigned Take-Home Vehicles

The General Manager may only provide an assigned take-home vehicle to an authorized person if one or more of the following conditions exist:

- The authorized person's responsibilities require the use of a vehicle on a frequent basis in order to respond to after-hours and weekend emergencies;
- The authorized person regularly starts and/or ends his/her work day at a facility other than his/her assigned work location more than fifty percent of the time;
- The authorized person's job function requires the use of specialized equipment.

Prior to assigning a take home vehicle, the employee must request and receive written approval from the Department Chief or Executive Director and the General Manager, using the above criteria. All denials and authorizations shall be kept on file by the General Manager for a period of two years after the date of denial or the termination of take-home use.

The General Manager is required to review the monthly reports submitted by authorized persons assigned a take-home vehicle every six months to determine whether or not continued assignment is warranted.

## 4. Privately-Owned Vehicles

With the exception of Board Officers, the General Manager, or his designee, may authorize use of a privately-owned vehicle for District business for full-time, part-time, temporary, or limited term employees or interns provided that said use is warranted and the requirements of Administrative Regulation 438A have been satisfied, including registration in the Employer Pull Notice Program and certifying auto liability insurance with limits no less than \$100,000 per person/\$300,000 per incident/\$15,000 in property damage.

The General Manager is directed to issue the necessary Administrative Regulations and develop the necessary forms and systems required to implement this Policy. This shall include protocols to be followed when reporting accidents, traffic violations, and parking

tickets. The General Manager may reimburse an authorized person the amount of their insurance deductible not to exceed \$500 if a privately-owned vehicle is involved in an accident, theft or vandalism in the course of District business upon a determination that the accident/incident was non-preventable.

**B. Periodic Reporting**

At least semi-annually during each calendar year, the General Manager shall provide the Board with a written report identifying the number of non-revenue vehicles in existence, how many are assigned to specific departments and the department to which they are assigned, the number of assigned take-home vehicles and the individuals and the position assigned, and such other information as the Board may from time-to-time request.