

Chief Administrative Office	Date of Issue	Expiration Date	No.
POLICY MEMORANDUM	April 22, 1998		16
TO: ALL Divisions and Departments		SUBJECT:	
		FLEET POLICY MEMO #16	
SIGNATURE:		POLICIES AND PROCEDURES FOR MILEAGE REIMBURSEMENT FOR BUSINESS USE OF EMPLOYEE'S PERSONAL VEHICLE	
COMMENTS:			

I. PURPOSE

The purpose of this policy memorandum is:

- A. to establish the requirements for participating in the vehicle reimbursement program;
- B. to establish the procedure for reimbursing employees for business use of their personal vehicles as set out in section 21-32 (a) (1) in the Code Of Ordinances; and
- C. to establish insurance and risk management guidelines addressing liability issues and responsibilities assumed by employees who request to use their personal vehicle for business use.

II. DISTRIBUTION

All commissioners and division directors

III. PROCEDURE

- A. Those employees who are assigned the use of a vehicle for government business on a regular and consistent basis and who possess a valid Kentucky driver's license may be authorized to use their privately owned vehicle and be reimbursed for miles driven for work related purposes. These employees will be reimbursed at the IRS rate for any business use of their vehicles notwithstanding the mileage rate established in the Urban County Government's travel policy.
- B. Employees who wish to use their personal vehicle for business on a regular and consistent basis (as contrasted with periodic usage such as

travel which is covered by the UCG's travel policy) should request approval by completing in full the AUTHORIZATION REQUEST FORM and submitting it to their immediate supervisor and/or division director outlining the reasons for the request and the intended use of the personal vehicle and the anticipated miles driven each month. To begin the process employees must secure a quote or written statement from their personal vehicle insurance agent, addressing coverage being extended for business use. To expedite their response, it is advised that employees give their agent a copy of these guidelines and procedures as well as the request form with estimated monthly mileage for business use. Upon approval by their division director, department commissioner and the Commissioner of General Services the employee will be placed on a list of employees authorized to use their personal vehicle for business. A copy of the AUTHORIZATION REQUEST FORM with an attached quote and/or written statement will be forwarded to the Division of Risk Management who will, from time to time, monitor the requirement that "valid and collectible insurance" be in force at all times; and the Division of Accounting, who will need the form to authorize writing the mileage reimbursement check.

- C. Employees applying for participation in the mileage reimbursement program shall:
 - 1. Agree to follow all procedures, guidelines, form completions and requirements as outlined in the Mileage Reimbursement Program. Noncompliance with the guidelines, requirements or procedures will result in reimbursement privileges being revoked.
 - 2. Actually operate the vehicle for all mileage for which reimbursement is claimed on the MONTHLY MILEAGE AND LOCAL TRAVEL REPORT, which must be submitted to their division director by the 10th day of the following month.
- D. The Urban County Government will reimburse the employee for business use of the personal vehicle only. In accordance with IRS regulations, the Urban County Government will not reimburse employees for miles traveled to and from work even if work is performed during the trip.
- E. As is the case whenever operating a government vehicle, employees operating personal vehicles are expected to drive safely and comply with all traffic laws including the use of seat belts by the employee and any passengers. Employees also have the responsibility to report immediately the loss or suspension of a driver's license as well as any accident which may occur while driving their personal vehicle for business use.

- F. Failure to accurately report mileage shall result in the termination of the employee's participation in the reimbursement program. Additionally, the employee may be subject to criminal prosecution and shall be subject to disciplinary action, up to and including dismissal, depending on the circumstances.

IV. REQUIREMENTS FOR PARTICIPATION

- A. Employee's auto insurance policy is known as the primary source of coverage for any/all claims arising out of auto accidents and violations. LFUCG's self-insurance policy will pay only in excess of valid and collectible insurance.
- B. Each employee must assess their own risks and responsibilities being assumed by participating in this program, based on the cost of adding "business use" to their insurance policy, as required by their own personal insurance agent, as well as the total estimated business miles to be placed on their personal vehicle.
- D. Employee must agree that acceptance of the mileage reimbursement rate relieves LFUCG from any/all claim expenses for property damage or bodily injury that occurs to third parties and property damage to one's own vehicle. However, Workers Compensation Law of KY will be the sole remedy for employee bodily injury while acting within the scope of their work duties.
- D. Fellow employee passengers who are injured in the same auto accident while acting within the scope of their work duties can depend on the sole remedy from the Urban County Government being worker's compensation.
- E. Employee agrees not to waive any subrogation rights against the party at fault which could prevent further subrogation action from Risk Management toward the party at fault for possible employee injuries paid for under LFUCG's Workers Compensation program.
- F. Employee agrees that the mileage reimbursement rate shall include reimbursement for all operating expenses associated with their personal vehicle, including appropriate insurance as recommended by personal agent, repairs, wear and tear, fueling costs, etc.; and that no further reimbursement is expected.