Vehicle allocation rules. If you provide a car for an employee’s use, the amount you can exclude as a working condition benefit is the amount that would be allowable as a deductible business expense if the employee paid for its use. If the employee uses the car for both business and personal use, the value of the working condition benefit is the part determined to be for business use of the vehicle. See Business use of your car under Personal Versus Business Expenses in chapter 1 of Pub. 535. Also, see the special rules for certain demonstrator cars and qualified nonpersonal use vehicles discussed later.

Qualified non-personal use vehicles. All of an employee’s use of a qualified non-personal use vehicle is a working condition benefit. A qualified non-personal use vehicle is any vehicle the employee isn’t likely to use more than minimally for personal purposes because of its design. Qualified Non-personal Use vehicles generally include all of the following vehicles. –Clearly marked, through painted insignia or words, police, fire, and public safety vehicles, provided that any personal use of the vehicle (other than commuting) is prohibited by the governmental unit.

**TOQUERVILLE CITY**

**VEHICLE USE POLICY AND PROCEDURES**

Use of vehicles owned by Toquerville City (“City Vehicles”), whether for business or personal use, must comply with the following requirements:

1. Safety. Employees must comply with the City's safety policies and practices and any other required safety policies and practices in using City property, including City Vehicles. Employees must ensure they receive the proper training for using the City Vehicle prior to using it. Operators and passengers in City Vehicles equipped with seat belts must wear them when the vehicle is in operation.
2. Driver’s License. A Commercial Driver's License is required for operators of commercial motor vehicles 26,000 G.V.W. and over pursuant to the Commercial Motor Vehicle Safety Act (1986). Accordingly, a valid Utah Driver's License is required for all Employees operating a City Vehicle. Employees must immediately report a revoked license to their supervisor. The City may review employee's licenses periodically.
3. Insurability. Employees must maintain insurability under the City's vehicle insurance policy.
4. Cleanliness. Employees are expected to keep City Vehicles they use clean, presentable, and serviceable. Employees are also expected to report City Vehicle maintenance needs to their supervisor.
5. Cell Phone and Navigation System Use. Employee use of hands-free vehicle communication and navigation systems is permitted provided they are used in a reasonable and safe manner and in accordance with the law. Otherwise, Employees are expected to refrain from using cell phones while driving a City Vehicle.
6. Traffic Laws and Courteous Driving. Employees are expected to obey traffic laws and to be courteous drivers at all times while operating a City Vehicles. Traffic citations will be the responsibility of the employee. Employees must immediately report a traffic citation to their supervisor. The supervisor may approve the reimbursement of a fine paid by the Employee if the supervisor determines the citation is a result of the City's failure to properly maintain the City Vehicle incompliance with State and Federal Law.
7. Prohibited Uses. Employees may not use City Vehicles in any manner that reflects adversely on the City or is incompatible with public service. The employee may not use the vehicle for personal profit unless it is pursuant to a written agreement approved by the Employee’s supervisor. Employees shall not operate a City Vehicle while under the influence of drugs or alcohol under any circumstances.
8. Accidents. Employees must immediately report any accident that occurs in a City Vehicle or while on City business to their supervisor, and to law enforcement when required by law. Employees operating a City Vehicle involved in an accident may be required to take a drug test.
9. Gasoline Purchases. All fuel purchases using City fuel cards or funds must be for City Vehicles or equipment.
10. Modifications. Employees are prohibited from making any cosmetic or mechanical modifications to any City Vehicle without the approval of the department head.
11. Passengers. Except City Vehicles provided to Employees as part of a benefit package, Employees shall not permit persons other than those traveling with them on City business, other Employees and elected/appointed officials of the City to ride in said vehicles.
12. Personal Use. Personal use of a City Vehicle is permitted in accordance with the following policies:
    1. Vehicles Assigned as a Part of a Benefit Package. City Vehicles assigned to an Employee as part of a benefit package may be used for personal purposes at the Employee's discretion, subject to compliance with all other aspects of this Policy except that Employee may family members and guests as passengers in said vehicle.
    2. Vehicles Assigned for Work Purposes. Employees who are assigned a City Vehicle for work purposes only may use their vehicles for limited personal use to: a) commute to and from work provided that the route is not substantially out of his or her way to their residence, and b) travel to and from establishments within a reasonable distance from the City’s municipal boundaries for the purpose of obtaining food and needed personal items during normal meal and break periods. Any exceptions must be approved in advance by the Employee's supervisor. Employees are the only persons generally authorized to operate City Vehicles assigned for work purposes. In the event that a safety hazard arises, the Employee may permit an authorized passenger to drive.
    3. On-Call. Employees on call are required to drive their assigned City Vehicle during the period that they are “on call” and keep within 60 minutes driving distance of the municipal boundaries of the City unless otherwise approved by the Employee’s supervisor. All “on call” Employees are required to take a City Vehicle home so that they may respond in a prompt and timely manner to any emergencies that may arise. When the Employee is “on call”, he or she is deemed to be operating the City Vehicle for City related business. “On call” Employees are designated and determined by department heads and not by individual Employees.
    4. Tax Information. Employees who have City Vehicles assigned to them as part of a benefit package must provide the City with all necessary information it requests (such as percentage of personal use) in order to comply with the tax reporting requirements. Said Employees must recognize that the value of the Employee’s personal use of the City Vehicle must be calculated in compliance with standards set forth by the Internal Revenue Service (“IRS”) and must be reported to the IRS as additional income to the Employee for individual income tax purposes. Employees who drive City Vehicles assigned to them solely for work purposes (and whose personal use is significantly limited by this Policy) shall be designated and treated as using “Qualified Non-Personal Use Vehicles” as that term is used by the IRS in the Internal Revenue Code.

**EMPLOYEE ACKNOWLEDGEMENT**

I acknowledge that I have carefully reviewed and understand the Toquerville City Vehicle Use Policy and Procedures. I have been given a copy of the Vehicle Use Policy and Procedures to retain in my personal records.

Date Employee Signature

Employee Name (handwritten)