

CONTROLLER'S OFFICE
CITY BUSINESS VEHICLE USE PROCEDURE

Overview

[Fiscal Accountability Rule 10.5 – City Business Vehicle Use](#), [10.6 – Take-Home Vehicles and Carpooling](#), and [10.7 – Use of Personal Vehicles for City Business](#), establishes the business vehicle use rules for the City and County of Denver. This procedure provides guidelines for officers and employees who operate a City vehicle or use their personal vehicle to conduct business on behalf of the City and County of Denver. All officers and employees of the City shall read, understand, and comply with the Fiscal Accountability Rules, CSA Rules, Executive Orders and this procedure when operating a City owned or leased vehicle, or when using a personal vehicle while conducting City business.

Agencies/departments may not adopt internal vehicle use policies and reimbursements that deviate from those contained in the Fiscal Accountability Rules and/or this procedure. In addition, Agencies under the Mayor shall follow any additional directives which may include Executive Orders, policies, or memos, as they relate to City business vehicle use.

Reference Documents

- [Fiscal Accountability Rule 10.5 – City Business Vehicle Use](#)
- [Fiscal Accountability Rule 10.6 – Take-Home Vehicles and Carpooling](#)
- [Fiscal Accountability Rule 10.7 – Use of Personal Vehicles for City Business](#)
- [Executive Order 3 – Motor Vehicle Program for the City and County of Denver](#)
- [Executive Order 65 – Operational Safety and Health Program](#)
- [Executive Order 74 – Parking by City Employees While on Official Business \(OCB\)](#)
- [Executive Order 94 – Alcohol and Other Drugs Policy for City and County of Denver Employees](#)
- [Career Service Rule 15 – Code of Conduct](#)

Definitions

- **Annual Lease Value** – A valuation method used to calculate the amount of imputed income to report as taxable wages based on the fair market value of the vehicle which is determined by the [IRS Publication 15-B – Employer's Tax Guide to Fringe Benefits](#).
- **Commuting Rule** – A valuation method that places a specific value, as determined by the IRS, on each one-way commute when all of the following conditions are met:
 - ✓ The employee is driving a City vehicle.
 - ✓ The employee is required to commute to and/or from work for bona fide non-compensatory reasons.

CONTROLLER'S OFFICE
CITY BUSINESS VEHICLE USE PROCEDURE

- ✓ The employee shall not use the City vehicle for personal purposes, except for commuting and de minimis use.
- ✓ The employee is not a control employee.
- ✓ The employee shall reimburse the City through a payroll deduction for the commuting value.

If more than one employee commutes in the vehicle, the rule applies to each employee.

- **Control Employee** – A City official or an employee who meets or exceeds the annual base salary for the [Federal Government's Executive Level V position](#), or an elected City official.
- **De Minimis** – A value so small that accounting for it would be unreasonable or administratively impractical. Examples of de minimis use of an employer-provided vehicle that are excludable include:
 - ✓ Small personal detour while on business, such as driving to lunch while out of the office on business.
 - ✓ Infrequent (not more than one day per month) commuting in City owned vehicle. This does not mean that an employee can receive an excludable fringe benefit for commuting 12 days a year. The rule is available to cover infrequent, occasional.
 - ✓ Commuting use of a City vehicle more than once a month does not qualify as de minimis and would be considered wages to the employee.
- **DOT** – Denver.One.Team, which is the City of Denver's internal website.
- **Expending Authority** – The manager, elected official, cabinet member, department head, or agency head identified in the appropriating ordinance (long bill) which appropriates funds to pay the expenses for conducting public business each year. Each Expending Authority is responsible for management of funds in their organization and for assuring that all expenditures are reasonable, necessary, and consistent with all city charter, ordinances, policies and procedures, and other applicable laws.
- **FAR** – Fiscal Accountability Rules
- **Imputed Income** – The addition of the value of cash/non-cash compensation to an employee's taxable wages in order to properly withhold income and employment taxes from the wages.
- **IRS** – Internal Revenue Service
- **Infrequent or irregular Basis** – Not more than once per month.

CONTROLLER'S OFFICE
CITY BUSINESS VEHICLE USE PROCEDURE

- **OCB Tag** – Official City Business Tag
- **Qualified non-personal use vehicle** – This is a city-owned or leased vehicle which the employee is not likely to use more than minimally for personal use due to the design and specific use of the vehicle; for example, firefighters, police, etc. Reference [Fiscal Accountability Rule 10.6 – Take-Home Vehicles and Carpooling](#) for additional, detailed information.
- **WCD** – Wireless Communication Device (i.e., cell phone, blackberry, etc.)

This procedure is divided into the following sections:

[Section 1 – General Guidelines](#)

[Section 2 – Motor Center Vehicle Use](#)

[Section 3 – Regularly Assigned Vehicle Use](#)

[Section 4 – Personal Vehicle Use](#)

[Section 5 – Take-Home Vehicle Use](#)

[Section 6 – Forms Use](#)

CONTROLLER'S OFFICE
CITY BUSINESS VEHICLE USE PROCEDURE

Section 1 – General Guidelines

This section provides the overall guidelines for vehicle use, and is applicable to each type of vehicle use option. There are four different vehicle use options; they are:

- Motor Center Vehicles
- Regularly Assigned Vehicles
- Personal Vehicles
- Take-Home Vehicles

An agency/department may assign city-owned and leased vehicles for use by officers and employees for City business. It is up to the employee's immediate supervisor/manager to decide which option would be the best choice for each employee and each situation.

Officer/Employee Responsibilities

- Before any City officer or employee may operate a city-owned or leased vehicle, or their own personal vehicle to conduct City business, they are required to:
 - ✓ Complete and submit to his/her immediate supervisor/manager a [City Business Vehicle Request and Status Change Form](#), and
 - ✓ Complete the Defensive Driving Training Program per [Executive Order No. 3 – Motor Vehicle Program – Chapter VII – Defensive Driving Training](#).
- Possess a valid driver's license of the appropriate class in accordance with [Executive Order No. 3 – Motor Vehicle Program – Chapter V – Employee License Review](#).
- Read and understand all applicable FAR, CSA, and Executive Orders associated with driving a city-owned or personal vehicle to conduct City business. Pay special attention to [Executive Order 3, Motor Vehicle Program – Chapter VIII – City Vehicle Accidents](#).
- Pays any fines associated with any tickets or violations received while operating a city-owned or a personal vehicle to conduct City business.
- Immediately reports to his/her supervisor/manager if his/her driver's license has been suspended and/or revoked.

CONTROLLER'S OFFICE
CITY BUSINESS VEHICLE USE PROCEDURE

Supervisor/Manager Responsibilities

- Understands each type of vehicle use option available to City officers and employees.
- Ensures before an officer or an employee uses a city-owned vehicle or their personal vehicle to conduct City business, that they complete a **Defensive Driving Training Program** and submit a [City Business Vehicle Request and Status Change Form](#) to the **Controller's Office Payroll Department**.
- Advises employees which type of vehicle use option they should use based on the City business situation/circumstances.
- Verifies employee possess' a valid driver's license of the appropriate class for the vehicle being driven.
- Reports to the **Controller's Office Payroll Department** any employees who have had their driver's license revoked and/or suspended by using the [City Business Vehicle Request and Status Change Form](#).
- Ensures employee(s) completes, signs, and submits the [City Business Vehicle Request and Status Change Form](#) on an annual basis on or before June 15th of each year.

Most Commonly Asked Questions

1. Do I have to obtain approval before I drive a City vehicle or my personal vehicle for City business?

Yes. Prior to operating a city-owned vehicle or using your personally owned vehicle for City business, you have to:

- ✓ obtain approval from your supervisor/manager;
- ✓ complete and submit to your immediate supervisor/manager the [City Business Vehicle Request and Status Change Form](#); and
- ✓ attend a defensive driving training program conducted by Risk Management or by an individual agency safety department, or you may attend an equivalent outside training program.

2. May I drive a City vehicle if my driver's license has been suspended or revoked?

No. You must possess a valid driver's license. In addition, you must notify your immediate supervisor/manager whenever there is a change with the status of your driver's license and/or of a decrease in your personal automobile liability and property damage insurance coverage if it goes below the minimum coverage limits.

CONTROLLER'S OFFICE
CITY BUSINESS VEHICLE USE PROCEDURE

3. I received a ticket for a traffic violation. Do I need to tell my supervisor?

Yes, [Career Service Rule 15 – Code of Conduct](#) requires you to report any citation for traffic violations, whether received 'on' or 'off' the job (does not apply to parking violations.) In addition, the City will not pay for any fines associated with any type of violations and/or tickets you receive while driving for City business.

4. Do I have to pay for parking if I'm driving on City business?

It depends, if you are operating a city-owned vehicle, you have an OCB Tag, and you park on City property you will not have to pay to park. However, if you park a city-owned vehicle or your personal vehicle on private property, you will have to pay for parking. You may be reimbursed for the parking expense by your agency/department.

Talk with your supervisor/manager about parking reimbursement prior to driving for City business.

CONTROLLER'S OFFICE
CITY BUSINESS VEHICLE USE PROCEDURE

Section 2 – Motor Center Vehicle Use

The City maintains a central fleet of alternative vehicles, which are co-managed by Public Works and the Safety departments, and referred to as motor center vehicles. Motor center vehicles are used by City officers and employees who need the use of a vehicle to conduct City business on an infrequent or irregular basis.

Officer/Employee Responsibilities

- Obtains permission from immediate supervisor/manager prior to reserving a motor center vehicle.
- Chooses to utilize a motor center vehicle whenever possible over utilizing his/her personal vehicle to conduct City business.

Supervisor/Manager Responsibilities

- Approves motor center vehicle use for their employees based on business needs.

Most Commonly Asked Questions

1. I need a motor center vehicle to attend a meeting – what do I do?

2. First, contact your immediate supervisor/manager to obtain approval. Then, go to the [Motor Center website via DOT](#). The website will direct you as to how to rent a vehicle.

3. Do I have to pay to use the motor center vehicle?

No, however, your agency/department will be charged for your use of the vehicle. Rates are listed on the [Motor Center website](#).

4. May I use the motor center vehicle for my personal use?

City vehicles cannot be checked out for the sole purpose of taking care of personal business. They must be used to conduct City business. However, based on de minimis use; you may use the motor center vehicle to go to lunch or attend to a personal errand along the way.

5. Do I have to carry any special or additional auto insurance in order to drive a motor center vehicle?

No, the City provides vehicle insurance for a city-owned or leased vehicle as long as you have a valid driver's license.

CONTROLLER'S OFFICE
CITY BUSINESS VEHICLE USE PROCEDURE

6. May other people ride with me in a motor center vehicle?

Yes, other City employees may ride in the vehicle as long as they are attending the same function/event or are being transported as a part of a City sponsored or co-sponsored event or program.

7. When must I return the motor center vehicle?

The motor center vehicle must be returned by end of the reserved timeframe; however, if an Expending Authority determines it is necessary for you take the motor center vehicle home on an infrequent basis, a written request may be submitted to the **Manager of Public Works**, three working days prior to checking out a vehicle, for approval. Reference [Fiscal Accountability Rule 10.5 – City Business Vehicle Use](#) for specifics on taking home a motor center vehicle.

CONTROLLER'S OFFICE
CITY BUSINESS VEHICLE USE PROCEDURE

Section 3 – Regularly Assigned Vehicle Use

Regularly assigned vehicles are used by an employee who needs a city-owned vehicle to perform his/her regularly assigned job duties. Written approval is required by the employee's immediate supervisor/manager and Expending Authority before a regularly assigned vehicle is assigned to an employee. Reference [Fiscal Accountability Rule 10.5 – City Business Vehicle Use - Definitions](#) for specific conditions that must be met.

Officer/Employee Responsibilities

- Maintains a valid driver's license.
- Parks the city-owned vehicle during non-work hours at the employee's main or regular place of work. Does not drive the City vehicle home.
- Immediately reports any problems with the vehicle to Fleet Maintenance.
- Operates the vehicle in a safe and responsible manner at all times.

Supervisor/Manager Responsibilities

- Approves and works with Expending Authority to obtain a regularly assigned vehicle for employee(s).
- Verifies the employee has a valid driver's license.
- Keeps a list of all employees who were approved and have a regularly assigned vehicle assigned to them.

Most Commonly Asked Questions

1. **I need to use a City vehicle on a regular basis to transport equipment and supplies to other buildings, what do I do to get a City vehicle each time I need to do this?**

You may qualify to have a regularly assigned vehicle. Contact your immediate supervisor/manager, and he/she will determine if you meet the requirements that are outlined in [Fiscal Accountability Rule 10.5 – City Business Vehicle Use](#).

2. **Do I have to pay to use a regularly assigned vehicle?**

No, however, your agency/department will be charged for your use of the vehicle.

CONTROLLER'S OFFICE
CITY BUSINESS VEHICLE USE PROCEDURE

3. Who pays for the car/vehicle insurance?

The City provides the vehicle insurance for all city-owned vehicles.

4. May other people ride with me in the vehicle?

Yes, as long as they are a City employee and they are attending the same City business, public activity or functions, or are being transported as a part of a City sponsored or co-sponsored event or program.

5. May I drive the vehicle home after my work shift?

No, you must park the city-owned vehicle during non-work hours at your main or regular place of work.

CONTROLLER'S OFFICE
CITY BUSINESS VEHICLE USE PROCEDURE

Section 4 – Personal Vehicle Use

There are occasions when City officers and employees may need to use their personal vehicle to conduct City business, and when they do, they must also adhere to certain rules even though they are driving their own vehicle for City business. Refer to [Fiscal Accountability Rule 10.7 – Use of Personal Vehicles for City Business](#) for specifics.

Officer/Employee Responsibilities

- Maintain minimum coverage of personal auto liability insurance as defined by the “[Colorado Auto Reparations Act](#)”. This information can be obtained from the State of Colorado – Department of Regulatory Agencies (DORA) website <http://www.dora.state.co.us/insurance/>).
- Inform your supervisor/manager if your insurance coverage goes below minimum requirements.
- Only drive authorized vehicles to conduct City business; cars, vans, trucks, motorcycles, mopeds, scooters, and bicycles are authorized vehicles.
- Completes and submits the [Bi-Weekly Mileage Summary for Personal Vehicle Usage](#) form to your immediate supervisor/manager on a timely basis if you are requesting mileage reimbursement. Do not allow business miles to accumulate as your Expending Authority has the right to deny your delinquent mileage reimbursement. If you are an exempt employee, you may enter the mileage in the Kronos system.

Supervisor/Manager Responsibilities

- Approves employees to drive their personal vehicles to conduct City business.
- Verifies employee has automobile insurance for personal vehicle (may be verbal).
- Inputs and approves employee's mileage into the Kronos system for employee reimbursement on a bi-weekly basis.

CONTROLLER'S OFFICE
CITY BUSINESS VEHICLE USE PROCEDURE

Most Commonly Asked Questions

1. **I have to use my own personal vehicle to attend a City meeting at another location; will I be paid to use my personal vehicle for City business?**

Yes, you may be compensated for mileage traveled in your personal vehicle (car, van, truck, and motorcycle) while on City business. Useage of other motor vehicles including mopeds and scooters, as well as bicyles, are not eligible for mileage reimbursement even though they are authorized for use on City business.

In order to be compensated for your mileage, you must complete and submit to your supervisor/manager a [Bi-Weekly Mileage Summary for Personal Vehicle Usage](#) form on which you will log the miles you drove for City business. If applicable, you must complete and submit the Bi-Weekly Mileage Summary for Personal Vehicle Usage each payroll. **Do not allow business miles to accumulate.** Your supervisor/manager will enter the mileage into the Kronos System, and you will be compensated with your upcoming paycheck at the rate established by the IRS for each business mile. Exempt employees may enter their mileage into the Kronos system; however, the [Bi-Weekly Mileage Summary for Personal Vehicle Usage](#) form must be submitted to the supervisor/manager.

2. **May I drive my personal motorcycle to a City meeting?**

Yes. Cars, vans, trucks, motorcycles, mopeds, scooters, and bicycles are authorized for use on City business.

CONTROLLER'S OFFICE
CITY BUSINESS VEHICLE USE PROCEDURE

Section 5 – Take-Home Vehicle Use

Take-home vehicles may be assigned by an Expending Authority to officers or employees who, due to the nature of their job, qualify/meet certain criteria as defined in [Fiscal Accountability Rule 10.6 – Take-Home Vehicles and Carpooling](#). When an employee is assigned a take-home vehicle, the use of this vehicle is considered taxable income. The amount of taxable income to the employee will be based on whether the employee is a non-control or control employee. This classification will determine the tax valuation method used to calculate the employees taxable income.

Non-control employees will be charged \$1.50 each one way trip from home to work, and from work to home. Mileage and trips are tracked on the [Take-Home Vehicle Bi-Weekly Trip and Carpool Mileage Log](#), and submitted to their supervisor/manager on a bi-weekly basis.

Control employees taxable income will be determined using the **Annual Lease Value Rule** as established and defined by the IRS. Mileage and trips are tracked on a [Take-Home Vehicle Bi-Weekly Trip and Carpool Mileage Log](#), and submitted to the Controller's Office Payroll Division by November 10th of each year.

In addition, only take-home vehicles may be used for commuting/carpooling, and riders are charged the \$1.50 each way charge. Mileage and trips are tracked on a [Take-Home Vehicle Bi-Weekly Trip and Carpool Mileage Log](#) by the driver of the take-home vehicle, and submitted on a bi-weekly basis to their supervisor/manager.

Officer/Employee Responsibilities

- Understand whether you are a non-control or control employee as this affects your taxable income.
- Ensure that you complete and submit your [Take-Home Vehicle Bi-Weekly Trip and Carpool Mileage Log](#), if you are a non-control employee, to your supervisor on a timely basis in order to avoid being reclassified and being charged the **Annual Lease Value**; which would remain in effect for the remainder of the calendar year.
- Limit the use of the take-home vehicle to de minimis use.
- Obtain each carpooling employees initials and date on the [Take-Home Vehicle Bi-Weekly Trip and Carpool Mileage Log](#) for each trip.

CONTROLLER'S OFFICE
CITY BUSINESS VEHICLE USE PROCEDURE

Supervisor/Manager Responsibilities

- Monitor non-control employees to ensure they are submitting their [Take-Home Vehicle Bi-Weekly Trip and Carpool Mileage Log](#) on a bi-weekly basis to avoid being converted to an **Annual Lease Value** tax computation.

Most Commonly Asked Questions

1. I need to have a take-home vehicle in order to do my job; what do I need to do?

The first step is to talk with your immediate supervisor/manager. Your supervisor/manager will know which vehicle option best fits your work situation, if any. If management feels you should be assigned a take-home vehicle, you will then be given directions as to the next steps to be taken.

2. If I'm assigned a take-home vehicle, will I be charged to use the vehicle?

Yes. If you are a control employee you will be taxed per [IRS Publication 15B – Employer's Tax Guide to Fringe Benefits](#) as a take-home vehicle use is considered extra income; also known as Annual Lease Value Rule. If you are a non-control employee, you will be charged \$1.50 each way from home to work, and work to home.

3. How do I let my supervisor/manager know how many times I've used the take-home vehicle going from home to work, and work to home?

You are required to track all miles you drive by keeping a log containing the date, destination, mileage (beginning and ending), business miles and commuting miles using the [Take-Home Vehicle Bi-Weekly Trip and Carpool Mileage Log](#). If you are a non-control employee, you must submit the log to your immediate supervisor/manager at the end of each bi-weekly work period.

If you are a control employee, you must submit the [Take-Home Vehicle Bi-Weekly Trip and Carpool Mileage Log](#) by November 10th of year; the **Annual Lease Value** will be calculated based on the mileage logged.

4. What happens if I do not submit my [Take-Home Vehicle Bi-Weekly Trip and Carpool Mileage Log](#) to my supervisor/manager each payroll?

Instead of paying \$1.50 each way for your trips to and from work, you will be converted to the **Annual Lease Value Rule** per the IRS guidelines, which means you will be charged for the use of the vehicle and the dollar amount will be added to your income for tax purposes only. The rule shall remain in effect for the remainder of the calendar year. You will not be able to convert back to the \$1.50 rule.

CONTROLLER'S OFFICE
CITY BUSINESS VEHICLE USE PROCEDURE

5. May I use the take-home vehicle for my personal use, such as going to the grocery store on my way home from work?

Yes, as long as it's on the way to/from your home/work. This would be considered de minimis use of the vehicle, which means a value so small that accounting for it would be unreasonable or administratively impractical. The vehicle cannot be used for just your personal use.

6. May other City employees ride to/from home/work with me in the take-home vehicle? If so, do they have to pay?

Yes, other City officers and employees may ride to work you as long as they meet the rules as defined in [Fiscal Accountability Rule 10.5 – City Business Vehicle Use - Carpooling](#). They will pay the same commuting fee of \$1.50 each way, which will be tracked on the [Take-Home Vehicle Bi-Weekly Trip and Carpool Mileage Log](#) that you complete and submit to your supervisor/manager on a bi-weekly basis.

CONTROLLER'S OFFICE
CITY BUSINESS VEHICLE USE PROCEDURE

Section 6 – Forms Use

There are three forms associated with the City Vehicle Use Program. They are listed below along with a brief description and intended use. The forms may be found on [DOT](#) within the Fiscal Accountability Rules section or on the [Controller's Office DenverGov website](#). Select the form title to activate the hyperlink and open the form.

You may also obtain a copy of the form(s) on [DOT](#). The following link will take you to all of the rules and their associated procedures and forms: DOT\Global Menu\Budget & Finance\Fiscal Accountability Rules.

Form	Purpose
City Business Vehicle Request and Status Change Form	All City officers and employees shall complete and submit this form to their supervisor/manager before operating a City owned or leased vehicle or using their personal vehicle for City business. This form shall also be used to report any change in, or to, an employee's driving status.
Take-Home Vehicle Bi-Weekly Trip and Carpool Mileage Log	This form is for control and non-control employees who are assigned a take-home vehicle to track commuting information. <ul style="list-style-type: none"> • Control employees shall use this form to track mileage commuting information during the recognized fiscal year (November – October). This form(s) must be submitted to the Controller's Office Payroll Department by November 10th of each year. Failure to complete and submit logs to the Controller's Office Payroll Division by November 10th of each year means that the Annual Lease Value will be estimated and added to employees' gross income. • Non-control employees must complete and submit this form to their supervisor/manager no later than 5 business days after the end of each bi-weekly work period. Failure to complete and submit the log for two subsequent bi-weekly periods in which a City vehicle is used means that the Annual Lease Value will be computed and added to the employees' gross income. In addition, the employee will be required to adhere to the Annual Lease Value Method for the remainder of the year.
Bi-Weekly Mileage Summary for Personal Vehicle Usage	City officers and employees that use their personally owned vehicle to conduct City business and are requesting mileage reimbursement shall report the date, destination, the beginning and ending odometer reading, and personal, business, and total miles on this form. This form shall be submitted to the employees' supervisor/manager for entry into the Kronos Timekeeper System no later than five business days after the end of the bi-weekly payroll period. If the employee fails to submit this form, the Expending Authority, at his/her discretion, may deny reimbursement.