

ADMINISTRATIVE ORDER NUMBER 2-2

SUBJECT: Transportation Allowance and Mileage Reimbursement Policy

Responsible Department: Personnel Services

Date Issued: February 15, 2000

Date Revised: March 19, 2018

Approved: *(Signature on File)*

Purpose

To establish guidelines for the reimbursement to City employees associated with the use of privately owned vehicles used in the course of official City business.

Policy

1. Basic Policy:

An employee whose duties involve travel may be required to use his/her personal vehicle for City purposes and be authorized to receive reimbursement from the City. The City may reimburse the employee for mileage or transportation costs associated with official City business.

Employees authorized to receive reimbursement from the City in connection with this program are required to demonstrate they are properly licensed by the State of California, must maintain proof of auto insurance at all times, and must comply with the Driver Standards Policy (Administrative Order 2-32).

2. Emergency Call-Back and Saturday, Sunday, or Holiday Work:

Employees called back to work for any reason, and employees working Saturdays, Sundays, or holidays, whether as a regular shift or overtime shift, will not receive mileage reimbursement for travel between home and work, and work and home.

3. Private Vehicle Mileage Reimbursement:

Department Directors must recommend the most appropriate method of providing for transportation allowances and reimbursement to compensate employees for the use of private vehicles in conducting City business. Once these reimbursement allowances are established and implemented, **Department Directors will annually review and approve all categories for all employees. Any and all employee category changes must be justified in writing to the Personnel Services Department.**

The transportation allowances for Categories 1 and 2 are as noted below unless otherwise negotiated through employment contracts.

There are four categories applicable to private vehicle reimbursements, which are as follows:

Category 1

The City Manager and City Attorney are designated to receive a transportation allowance under Category 1. The transportation allowance established for this category is \$500 per month.

Category 2

- (A) Assistant City Managers and Department Directors are designated to receive a transportation allowance under Category 2.
- (B) Assistant Department Directors, Division Managers, and Section Supervisors responsible for twenty-four (24) hour service functions may receive a Category 2 transportation allowance if appropriate.
- (C) Employees who are the primary staff representative to governmental bodies or community organizations requiring numerous off-hour meetings may receive an allowance under Category 2.
- (D) Employees responsible for work sites involving excessive mileage, frequent evening, weekend, and early morning inspection travel may be authorized a transportation allowance under Category 2.
- (E) With the exception of Assistant City Managers and Department Directors, an annual review of Category 2 recipients is required. This review will verify job responsibilities, mandatory insurance coverage, and valid driver's license. This review is the responsibility of the Personnel Services Department and the applicable Department Director.
- (F) The transportation allowance established for this category is \$300 per month.

Category 3

- (A) An employee whose duties require the employee to frequently travel between crews or work sites, but does not require frequent off-hours travel, may be directed to use his/her personal vehicle in the conduct of City business and be authorized reimbursement. Justification for a Category 3 allowance shall be based upon work assignments and departmental needs as recommended by the Department Director. If mileage continually exceeds 600 miles per month for City business,

reassignment to Category 2 should be considered and recommended if economically justified.

- (B) The transportation allowance established for this category is \$90 per month, plus the currently published Internal Revenue Service's Standard Mileage Rate for business.

Category 4

- (A) Employees who must occasionally travel to conduct official City business, but who do not have access to division assigned vehicles, shall use pool vehicles when available. When pool vehicles are not available, employees may be directed to use their private vehicles and shall be reimbursed at the Category 4 rate which is the currently published Internal Revenue Service's Standard Mileage Rate for business.
- (B) If mileage consistently exceeds 600 miles per month for City business, reassignment to Category 2 or assignment of City-owned vehicle should be considered.
- (C) Category 4 recipients require Department Director approval after meeting the requirements as stated in (A) and (B) above, as well as those listed in **Procedures** below.

4. Out-of-City Travel:

Category 1 and 2 recipients who take an official City business trip in their personal vehicle to a destination beyond a 50-mile radius of City Hall shall be reimbursed at the currently published Internal Revenue Service Standard Mileage Rate for business plus allowed fees. This reimbursement is in addition to the regular monthly allowance.

5. General:

- a. The City is not responsible for any cost of operation, parking, repair, or damage to the employee's vehicle, except payment of the stated allowance and mileage reimbursement. It is the employee's responsibility to provide all service, maintenance, insurance, and fuel for his/her private vehicle when used for official City business.
- b. Employees receiving a transportation allowance and/or mileage reimbursement under Categories 1, 2, or 3 shall not use City-owned/leased vehicles unless the City business trip is greater than 50 miles from City Hall, except in situations where an employee is being dispatched on City business to locations where damage could possibly result to the employee's personal vehicle. Upon written approval of the

City Manager or designee (e-mail acceptable), an employee may utilize a City-owned or leased vehicle for the specific event.

- c. The Fleet Management Division of the Transportation Department will periodically analyze the comparative efficiencies of utilizing a City-owned vehicle or private mileage reimbursement for transportation in conducting City business. When such analysis determines that it is cost effective and in the best interest of the City to provide a City-owned vehicle, such recommendation will be made to the Department Director involved and to the City Manager to procure a vehicle using the cost savings from unused budgeted private mileage funds.
- d. Employees who are absent from work in excess of 30 calendar days shall not be entitled to receive a transportation allowance and mileage reimbursement until they return to work and there is a departmental need based on work assignments as recommended by the Department Director.

Procedures

1. Employees who receive a transportation allowance under Categories 1, 2, or 3, shall complete Form VH-1, show evidence of a valid California Driver's License, and comply with Administrative Order 2-32. The Form VH-1 will be submitted to the Personnel Services Department, along with a copy of current insurance coverage. Insurance coverage for Categories 1, 2, and 3 must provide public liability insurance at a minimum amount of \$100,000 per individual and \$300,000 per accident, and property damage insurance of \$50,000. Insurance coverage for Category 4 recipients must be at least the minimum State requirement, which is currently \$15,000 for injury/death to one person, \$30,000 for injury/death to more than one person, and \$5,000 for damage to property. In all categories, insurance must cover the employee while operating the vehicle on City business.
2. The Personnel Services Department shall review all requests for Category 1, 2, 3, and 4. This review shall include a driver's record check with the California Department of Motor Vehicles (DMV) and shall include a review of the employee's insurance.
3. After review and approval, the Personnel Services Department will forward the forms to the City Manager or designee for final approval. In all instances, each Department Director shall ultimately be responsible for permitting only insured employees and employees with acceptable driving and safety records to operate any vehicle on City business.
4. Monthly payment of fixed allowances for Categories, 1, 2, and 3 shall be from an authorized list maintained by the Finance Department following receipt of approval by the Risk Manager and City Manager.

5. Claims for variable mileage under Categories 3 and 4, as demonstrated on Form VH-1, shall be submitted using the Monthly City Business Vehicle Usage Record, Form VH-2. It is preferable that requests be submitted the month following the actual usage period; however, Category 4 claims of less than \$10 per month may be accumulated until a total of \$50 is accumulated, or for a maximum of four months.
6. Each department shall notify the Personnel Services Department of any change in the recipient's job status affecting mileage allowance with the completion of an updated Form VH-1.

Related Administrative Orders

1-4 Expenses on City Business
2-4 Vehicle Accident Procedures
2-32 Drivers Standards Policy

Attachments

Form VH-1 – Vehicle Allowance & City Vehicles Taken Home
Form VH-2 – Monthly Vehicle Usage Log

