



Town of Littleton Vehicle Use Policy

I. Purpose

The purpose of this policy is to establish guidelines and standards for:

- Vehicle Uses – Municipal, Personal, and Stipends
- Personal Vehicle Use for Work Related Travel
- Municipal Vehicle Assignments
- Commuting and Imputed Tax
- Vehicle Accident Reporting
- Responsibilities When Driving a Municipal or a Personal Vehicle
- Policy Exemptions

II. Applicability

This policy applies to all employees of the Town of Littleton unless specifically mentioned in a similar policy by a governing board. For the purposes of this policy, vehicles purchased by the Light & Water Departments are governed by the Light & Water Commissioners. Vehicles purchased by the School Department are governed by the School Committee. All other Town vehicles will be governed by the Board of Selectmen regardless of department and/or appointing authority.

Employee's whose employment is regulated by individual agreement or collective bargaining agreements are subject only to those portions of this policy that are not specifically regulated by law or agreement.

If any provision of this policy violates any governing law or regulation, or if any law or regulation applicable to this policy becomes effective after the effective date of this policy, then this policy shall be deemed changed to be in compliance with such governing law or regulation

III. Definitions

1. **Vehicle Stipend** – the amount approved by the governing Board to compensate an employee for regular and routine use of a Personal Vehicle for work related travel. Vehicle Stipends are considered a wage or salary item and as such, are subject to taxation.
 2. **Expense Reimbursement** – payment for approved expenses relating to Personal Vehicle use upon receipt of written documentation. Expense reimbursement is not considered to be a wage or salary item.
 3. **Municipal Vehicle** – those automobiles, truck, vans, or other self-propelled equipment owned, rented, or leased by the Town and licensed for travel on a public way.
 4. **Personal Vehicle** – that vehicle owned or available for private use by the employee.
 5. **Commuting** – the use of Municipal Vehicle for travel between the employee's residence and his or her principal work location. Under Internal Revenue Service (IRS) regulations, the benefit of
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using a Municipal Vehicle for commuting is considered taxable income to an employee and the value of the personal use of the Municipal Vehicle will be included in his or her compensation.

IV. Vehicle Uses

1. **Municipal Vehicles** - It is the policy of the Town that certain positions require employee access to Municipal Vehicles, either during their work shift or on a 24-hour on-call basis. Municipal Vehicles are not Personal Vehicles and are not for personal use. Municipal Vehicles should be viewed as belonging to the Town and are assigned solely for purposes consistent with providing services to the Town and its citizens and visitors.
 - a. **Registering and Insuring a Municipal Vehicle** - Whenever a new municipal vehicle is purchased and registered, the Town Accountant's office must be notified and appropriate paperwork completed immediately to add the vehicle to the Town's insurance policy.
2. **Personal Vehicles** - It is the policy of the Town to reimburse employees for reasonable expenses which they incur as a result of Personal Vehicle use on behalf of the Town. Receipts and expense reports must be submitted in a timely manner in order for employee to be reimbursed for such expenses.
3. **Vehicle Stipend** - It is the policy of the Town that in the event an employee is required to use his or her Personal Vehicle on a year round basis, and that employee has not been assigned a Municipal Vehicle, the governing Board may authorize the payment of a Vehicle Stipend. Such stipend may be rescinded with 90-day written notice and will not be paid in combination with personal automobile expense reimbursement.

V. Administrative Requirements

1. **Reimbursement of Work-Related Travel Expenses** - When an employee is authorized to use a Personal Vehicle for work-related travel, he or she shall be reimbursed for mileage at the IRS standard mileage rate, unless covered by contract or stipend. Employees will be notified by the Accounting Department of any changes to the IRS rate. In addition to the mileage rate, the Town will reimburse employees authorized to travel outside of the Town, driving a Personal or Municipal Vehicle, within the scope of employment, for tolls and reasonable parking expenses, when receipts are provided.

Employees receiving a Vehicle Stipend may be reimbursed for reasonable parking expenses. Those employees will not be reimbursed for tolls that are paid by the employee during his or her normal commute to work.

In order to be reimbursed for Personal Vehicle use, employees must complete a Reimbursement Expense Form provided by the Accounting Department and submit the same with appropriate supporting documentation and/or receipts in a timely manner. Employees will not be reimbursed for commuting between their homes and offices or other regular work locations or any other personal use.

2. **Insurance** – It is recommended that employees who use Personal Vehicles for work related travel have the following minimum levels of insurance coverage:

- Bodily Injury: \$100,000/\$300,000
- Property Damage: \$50,000

VI. Municipal Vehicles

1. **Requirements** - Employees are required to have a valid motor vehicle license for the class of vehicle to be operated issued by the Commonwealth of Massachusetts or their state of current residence and must show proof of such valid license to his/her Supervisor or Department Head prior to being assigned a Municipal Vehicle. Prior to the assignment of a municipal vehicle, a copy of the operator's Massachusetts driving record will be reviewed as described in this policy.

2. **Employee Driving Records** - Employees authorized to use municipal vehicles may be subject to periodic driving record checks, through the Registry of Motor Vehicles. This is necessary for the Town to appropriately identify potential risk of liability.

Driving records may be reviewed by the HR Department, Department Head and/or governing board. Employees may be disqualified from driving municipal vehicles if driving records are determined to be a safety concern.

3. Assignment of Municipal Vehicles

a. The assignment of Municipal Vehicles with commuting privileges (24 hour access) will be made by the appropriate governing Board and will only be considered for employees who require a vehicle for the ordinary and necessary discharge of their job functions, as identified in an approved position description provided by the Department Manager and Human Resources Department. The following criteria will be used in the determination of eligibility for 24-hour vehicle use:

- Bona-fide non-compensatory reason that requires commuting in the municipal vehicle.
- Officially designated 24 hour on-call status;
- Requirement for frequent emergency availability during non-working hours;
- Issuance of a pager or other communication device; and/or,
- Emergency or other equipment contained in the vehicle.

The vehicles currently classified as 24 hour emergency use for the Town of Littleton are:

- Police and Fire Chiefs
- Police Deputy Chief
- Police Lieutenants and Detectives (unmarked)
- Highway Manager
- Highway General Foreman

- On-Call Water Employee Vehicle
- On-Call Light Employee Vehicle

All other vehicles should be secured on Town premises at the close of business:

- All other Police and Fire Vehicles
- Park and Recreation Vehicles
- Cemetery Vehicles
- Driver's Ed Vehicles
- Building Commissioner Vehicle
- Light Department Vehicles
- Water Department Vehicles
- Mart Vehicles
- School Department Vehicles

- b. Municipal Vehicle assignments may be rescinded in writing at the discretion of the appropriate governing board. Allowance of commuting privileges to non-emergency municipal vehicles may be made by the governing board (*see Attachment A*).
 - c. The reimbursement of fuel costs associated with personal use of vehicles shall be determined by the appropriate governing board as either a direct reimbursement to the Town or additional imputed income to the employee. This policy treats Town provided fuel as a reimbursable expense by the employee. The governing board must vote to exempt this provision (*Attachment A*) in order for fuel to be treated as imputed income.
 - d. The Town may install GPS monitoring systems in any municipal vehicle.
4. **Imputed Income Taxation** - Employees authorized to commute in a Municipal Vehicle may be subject to imputed income regulations as set forth by the Internal Revenue Service, which considers a certain portion of the vehicle use (namely the commute) to be income for the purposes of income taxation. The Town Treasurer shall be responsible for determining any tax liability and will be provided with the names of all employees authorized to use Municipal Vehicles for commuting purposes. In the first year of service, the employee will provide an estimate of both total miles and personal miles he/she anticipates driving during the following reporting period. The normal commuting distance of the employee will be used as a minimum estimate of personal miles driven during the reporting period. Each subsequent December 1st, the employee will be required to submit a *Mileage Reporting Form* (*see Attachment E*) as well as a copy of their mileage log. Any true-up between the estimated personal miles and the actual personal miles driven will occur in December of each year.

Employees who are assigned marked and unmarked police vehicles, and/or Municipal Vehicles that meet eligibility criteria as defined under 26 CFR 1.274-5T will not be subject to imputed income taxation as a result of the vehicle assignment. This includes Police and Fire Chiefs, Police Deputy Chief, Lieutenants and Detectives.

VII. Rules and Responsibilities

1. Employees who drive a Municipal or Personal Vehicle are responsible for, but not limited to, the following:
 - Municipal Vehicles may only be used for legitimate municipal business.
 - Individuals assigned a Municipal Vehicle with commuting privileges may make “incidental personal uses” such as stopping at a grocery store or going to the bank, on his/her way home, but only if the stop does not add mileage to the trip.
 - Operators should exercise sound judgment at all times when using assigned Municipal Vehicles and should avoid the appearance of misuse.
 - The Massachusetts Ethics Code discusses unwarranted privileges. Using public equipment or resources for personal use constitutes use of an official position to obtain an unwarranted privilege not similarly available to others. Misuse of an assigned Municipal Vehicle is an ethics violation.
 - Municipal Vehicles will not be used to transport any individual who is not directly or indirectly related to municipal business. Passengers shall be limited to Town employees and individuals who are directly associated with Town work activity (committee members, consultants, contractors, etc.). Family members shall not ordinarily be transported in Municipal Vehicles. Police Officers transporting individuals in the performance of their normal job duties are exempt from this provision.
 - The use of Personal Vehicles for transporting individual’s unrelated to municipal business shall not occur on town work time.
 - Municipal Vehicles shall contain only those items for which the vehicle is assigned.
 - The Town shall not be liable for the loss or damage of any personal property transported in the Municipal Vehicle or for any personal property while using their Personal Vehicle for work related travel.
 - Employees are expected to keep Municipal Vehicles clean, and to report any malfunction, damage, needed repairs or other vehicle problems to their supervisors immediately.
 - Employees assigned Municipal Vehicles for commuting purposes are expected to park such vehicles in safe locations and to lock the car when not in use. Operators should never leave vehicles unattended with the ignition keys in the lock or anywhere in the vehicle.
 - Unless expressly exempted by law, employees are to ensure that they and all passenger(s) in a Municipal Vehicle wear seat belts at all times, if the Municipal Vehicle is so equipped.
 - All operators assigned a municipal use vehicle will be tested for drugs and alcohol as provided by US DOT regulations and the Town’s drug/alcohol policy.
 - Employees may not operate Municipal Vehicles or Personal Vehicles being used for work related travel, under the influence of alcohol, illegal drugs, or any controlled substances.
 - Employees are prohibited from possessing alcoholic containers, illegal drugs, or controlled substances in a Municipal Vehicle or in a Personal Vehicle being used for work related travel.
 - Police Officers who are required to carry prohibited items in performing their normal job duties are exempt from applicable provisions.

- Employees operating a Municipal Vehicle or a Personal Vehicle while on work related travel, must maintain a valid motor vehicle license issued by the Commonwealth of Massachusetts or the state of their current residence, which must be provided upon request by a Supervisor during a specific or periodic license check.
- Employees operating a Municipal Vehicle or a Personal Vehicle while on work related travel, shall drive defensively and obey all applicable traffic and parking regulations, ordinances, and laws.
- Employees who incur parking or other fines/citations while operating or using an assigned Municipal Vehicle or using a Personal Vehicle on work related travel, will be personally responsible for payment of such fines/citations.
- Employees who are issued citations for any offense while operating or using a Municipal Vehicle must notify their Supervisor immediately when practicable, but in no case later than 24 hours after the issuance of an issued citation.
- Any employee who is assigned a Municipal Vehicle and who is arrested for or charged with a motor vehicle offense for which punishment includes suspension or revocation of the motor vehicle license, whether in his or her Personal Vehicle or in a Municipal Vehicle, must notify his or her Supervisor immediately when practicable, but in no case later than 24 hours after such arrest or charge has occurred. License suspension or conviction of an offense will be grounds for loss of Municipal Vehicle privileges.
- No employee may use a Municipal Vehicle for out of state use without advance approval of the appropriate governing board.
- When utilizing a Municipal Vehicle, employees are required to obtain fuel from designated Municipal fueling facilities, unless fueling is required in the course of out of town travel.
- Smoking is not permitted in a Municipal Vehicle in accordance with M.G.L. c270 s22. Those utilizing a Personal Vehicle for work related travel should be considerate of others in the vehicles that do not smoke.
- Drivers misusing Town vehicles may be held personally liable for damages to persons or property, as well as their own legal expenses and defense, since the driver is acting outside the course and scope of permitted Town business. Drivers who misuse Town vehicles are also subject to disciplinary action by the Town.

VIII. Cellular Phones and Handheld Electronic Devices

1. The use of cellular phones and handheld electronic devices is governed by the Town's *Municipal Wireless Telephone Usage Policy*.

IX. Vehicle Accidents

1. When an employee using a Municipal Vehicle or Personal Vehicle on work related travel is involved in a motor vehicle accident, the operator must:
 - Stop the vehicle
 - Obtain the following information:
 - Name(s) and address(es) of the other driver(s);

- Drivers license number(s) of the other driver(s);
 - Name(s) and address(es) of the owner(s);
 - Registration number(s) of the other vehicle(s) involved;
 - Name(s) and address(es) of other driver(s) insurance company(ies); and,
 - Name(s) and address(es) of any witness(es) to the accident.
- Do not admit liability for the accident, even if the employee believes it was their fault.
 - Immediately report details to the employee's immediate supervisor.
 - When any person has been injured and/or when vehicles have suffered significant damage, the local or state police must be called to the scene.
 - Do not move the vehicle in these circumstances until authorized by the police.
 - Unless an injury prevents the operator from doing so, he/she must fill out a Vehicle Accident Report within 48 hours of the accident. A blank copy of the form may be obtained from the Accounting office. The completed VAR shall be filed with their direct Supervisor.
 - The Supervisor shall ensure all information is in the report and file a copy with the Town Administrator's office.
 - The Supervisor shall also file a copy with the Human Resources Department for placement in the employee's personnel file.

X. Special Circumstances

1. This policy is intended to provide a basic framework governing the use of Personal and Municipal Vehicles in the Town and such cannot contain procedures governing every situation that might arise. Employees seeking clarification of this policy should contact their supervisor or the HR Department. Exemptions from certain provisions of this policy may be authorized by the appropriate governing body (i.e. Board of Selectmen, School Committee, Light and Water Commissioners), under mitigating circumstances, at the request of the Department Head. Such exemptions must be documented and signed off by the employee (see Attachment B), approved by the appropriate governing board, and noted by the Human Resources Department, so as to be placed in the employee's personnel file.

XI. Exemptions

1. Exemptions to the Vehicle Use Policy are strictly limited. Exemptions that will increase the liability to the Town are not allowed. Issues related to insurance coverage, transportation of individuals unrelated to Municipal business, operating a vehicle without a valid motor vehicle license, are examples of what may not be exempted.

XII. Discipline

1. Failure to comply with any and all applicable provisions of this policy may result in disciplinary action up to and including suspension or removal of Town vehicle privileges, suspension and/or termination of employment.



Town of Littleton
Vehicle Use Policy
Attachment A – Exemption Limitations

The following is a guide for the appropriate governing board in determining what sections of the Town's *Vehicle Use Policy* may be exempted.

Keep in mind that **Attachment B** of the *Vehicle Use Policy* must be filled out and appropriately signed, approved, and placed in the employee's personnel file for an exemption to be fully authorized.

Only the following sections of the *Vehicle Use Policy* may be exempted, if the employee provides an adequate mitigating circumstance(s) that is/are approved by the board.

- If the governing board believes that there are extenuating circumstances that require an individual to be assigned a Municipal Vehicle with commuting privileges, but does not meet the eligibility requirements in this section.
- If the governing board wishes to treat fuel usage as additional compensation and not require reimbursement by the employee for fuel used for personal travel. As additional compensation, the employee will be taxed appropriately for this additional compensation.

Only the above 2 sections of the *Vehicle Use Policy* may be exempted. All other sections of the policy may not be exempted. Exemptions for individuals with contract agreements with the Town are subject to contract amendments initiated by the governing board to ensure consistency with application and intent, and subsequently approved by the appropriate appointing authority.

By allowing exemptions from the *Vehicle Use Policy*, the governing board has determined that any of the above exemptions listed on approved **Attachment B** are needed for the employee to perform his/her job responsibilities more effectively or that the indicated exemptions will not inhibit the employee from further meeting his/her job responsibilities.



Town of Littleton
Vehicle Use Policy
Attachment C – Guidelines for Acceptable Drivers

An acceptable rating to drive a Town vehicle or for employees to use personal vehicles for municipal business shall be 1 or 2.

Ratings (based on last 3 years of driving experience)

(1) Superior – no traffic citation or motor vehicle accidents

(2) Good – no more than 1 moving traffic citation, or 1 motor vehicle accident (not at fault)

(3) Marginal – no more than 2 moving traffic citations, or 2 motor vehicle accidents (not at fault), or 1 at fault motor vehicle accident

(4) Probationary status – anything in excess of marginal rating. A six months watch is indicated and MVR's checked at six months intervals.

(5) Unacceptable – any driver whose MVR shows any one of the following records is not acceptable:

- Three or more accidents (at fault) in the last three years.
- One or more Type A violations in the last three years.
- Any combination of accidents and Type B violations equaling four or more in the last 2 years.
- An operator's license that has been suspended or revoked within the past three years.

Type A Violations

1. Driving while intoxicated
2. Driving under the influence of drugs
3. Negligent homicide arising out of the use of a motor vehicle
4. Operating a motor vehicle during a period of suspension or revocation of an operator's license.
5. Using a motor vehicle for the commission of a felony.
6. Aggravated assault with a motor vehicle.
7. Operating a motor vehicle without the owner's authorization.
8. Permitting an unlicensed person to drive.
9. Reckless driving.
10. Speeding contest.
11. Hit and run (bodily injury and physical damage) driving.

Type B Violations

All moving violations not listed as Type A violations.



Town of Littleton Vehicle Use Policy

Attachment D –Withholding and Reporting of Personal Use of Municipal Vehicles

INTRODUCTION

Per Internal Revenue Service (IRS) code section 61, personal use of an employer provided vehicle is a taxable fringe benefit. The taxable value of the personal use must be included in an employee's gross income and is subject to income and Medicare tax withholding. Consistent with IRS guidelines, the Town uses the annual lease valuation rule.

ANNUAL LEASE VALUATION RULE

Under the annual lease valuation rule the taxable value of a vehicle consists of two amounts: the annual lease value (ALV) of the vehicle and the value of employer provided fuel. The ALV is obtained by referencing the vehicle's fair market value on the date the vehicle is first used to the corresponding amount in the IRS ALV table. The ALV is then multiplied by the percentage of personal use to determine the taxable value. The ALV table does not take into account fuel provided by an employer. Employees will be required to reimburse the Town for fuel used for personal miles at the current retail rate or, if approved by the governing board, all personal miles driven with Town provided fuel will be multiplied by an IRS determined rate (currently 5.5 cents per mile) and added to the taxable portion of the ALV.

REPORTING PERIOD

Consistent with IRS regulations, the Town uses the reporting period of December 1st to November 30th for determining the taxable value to be included in an employee's gross income. Based on prior year usage, an estimated amount will be added monthly to taxable income throughout the year. The amount reported as taxable income for December will include the difference between the estimated monthly amounts and the actual usage as reported for the period of December 1st to November 30th.

REPORTING

Attachment E must be completed annually by all employees who have a Town provided vehicle. This form will be sent to employees by the HR Department on or near November 1st of each year. The form must be completed and returned to the HR Department by December 5th of each year. Attachment F is provided as an example of how the annual lease value rule is applied and is for illustration purposes only.

It is the responsibility of Town departments to notify the HR Department when an employee is provided with a Town vehicle or if an employee changes vehicles. If mileage logs are not submitted by December 5th of each year, then all miles driven in that year will be considered to be personal miles and the employee will be taxed accordingly.



Town of Littleton
Vehicle Use Policy

Attachment E –Employee Form for Reporting Mileage for Town Vehicles

Annual Lease Valuation

To be returned to the HR department by December 5th

Reporting Period: December 1st _____ to November 30th _____

Current Vehicle Odometer Reading: _____

Employee Name: _____

Vehicle: _____
Year / Make / Model

A: Total Miles Driven during above period: _____
B: Total Miles Driven for Personal Use: _____
C: Personal Miles as a % of Total Miles (B / A) _____ %
D: Number of Miles in B for which the Town provided fuel: _____

The above information represents an accurate reflection of business and personal use for the reporting year based on adequate record keeping.

Employee Signature Date

Please attach a copy of your mileage log. You should retain your original mileage log and a copy of this form for your records. *If personal miles are not submitted, all miles driven will be considered personal miles and will be taxed accordingly.*



**Town of Littleton
Vehicle Use Policy
Attachment F –Annual Lease Value Sample Calculation**

A: Fair Market Value of Vehicle		\$29,000.00
B: Annual Lease Value from IRS Table		\$7,750.00
C: Miles Driven for Year:		
1) Business	6,000	40%
2) Personal	<u>9,000</u>	<u>60%</u>
3) Total	15,000	100%
D: Fair Market Value of Fuel provided by Town @ 5.5 cents x total miles ⁽¹⁾		\$825.00
E: Total Value of Vehicle & Fuel		\$8,575.00
F: Personal Use of Vehicle (E * C3 %)		\$5,145.00
Monthly Value of Personal Use (F / 12)		\$428.75

These wages are subject to Medicare tax (if applicable) as well as State and Federal income tax.

Fair Market value is the vehicle purchase price. If leased, the suggested retail price less 8% will be used. This value will be used for the first four years of use and will be re-determined at the beginning of the fifth year and every four years thereafter.

⁽¹⁾ 5.5 cents per mile is the current IRS approved rate and is subject to change by the IRS. This method of imputing income for fuel usage must be approved by the governing board when adopting this policy. Employees under the jurisdiction of the Board of Selectmen will reimburse the Town directly for fuel costs at the appropriate retail cost per gallon.



Town of Littleton
Vehicle Use Policy
Attachment G – Acknowledgement

I, _____ (print name), as an employee of the Town of Littleton, hereby acknowledge that I have received, read, understand, and agree to abide by the Town's *Vehicle Use Policy*.

If assigned a Municipal Vehicle and/or receive a Vehicle Stipend and/or use a Personal Vehicle for work related travel, I shall comply with the respective provisions of the policy or those portions of the policy not specifically regulated by law or collective bargaining agreement or individual agreement/contract.

In addition, for Municipal Vehicle usage, I understand that the HR Director may obtain, on an annual basis, a copy of my driving record, which shall only be used in determining my safety record, enabling me to be assigned and/or operate a Municipal Vehicle, should the need be required in accordance with this policy.

Once signed, this form will be placed in the employee's personnel file by the HR Director for records purposes.

Employee Signature: _____

Date: __/__/__