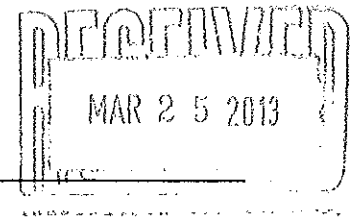


City of Northampton, Massachusetts
Human Resources Department



Effective Date: 3/11/2013

ASSIGNMENT, UTILIZATION AND TAXATION OF CITY OWNED VEHICLES

POLICY

This policy is meant to provide an outline of the assignment criteria and administrative policies/procedures governing individual/department use of City-owned vehicles. This policy does not cover specific vehicles outlined in policies of the Northampton Police Department and Fire Department that are more specific than this policy.

SCOPE

This policy applies to all City vehicles, including those assigned to the Northampton School Department. This policy pertains to all City and School employees.

DEFINITIONS

Assigned take-home vehicle means a City vehicle that is used by an employee for City business and for regularly commuting to/from work.

Assigned vehicle/Motor Pool vehicle means a City vehicle assigned to a department, but not to a specific employee and not used for an employee to commute to/from work.

Emergency response means an employee who has primary responsibility to respond to emergencies, which require immediate response, and to maintain and enforce law and order.

Work station means the office or site a City employee reports to perform normally scheduled work.

POLICY/PROCEDURE

The City wishes to restrict the number of City-owned vehicles being used by employees to commute to/from work to only those times when it is in the best interest of the City. The use of City vehicles for take home increases operational costs, adds mileage to City vehicles, increases wear & tear on vehicles, decreases the useful life of the pool of vehicles available to address the needs of the City.

Use of personal vehicles is preferred over the assignment of take-home vehicles for conducting City business before and after normal working hours. **Employees will be reimbursed at the IRS standard mileage rate allowance for this type of travel.**

Assignment of a City vehicle shall not be made for the convenience of employees, nor as substitute compensation for any employee. The Mayor (or his designee) must authorize the assignment of a take-home vehicle. The assignment must be for the efficient and effective delivery of vital services on an after-hours basis, or for other purposes to meet the needs of the City.

Use of City vehicles for personal purposes is prohibited, other than travel to/from work and a short stop for a personal errand on the way to/from work.

PROCESS

A. Take-Home Vehicle Authorization

To receive a take-home vehicle assignment one of the three criteria must be documented on the Take-Home Vehicle Authorization Form:

- 1.) Emergency Response: A take-home vehicle may be assigned to a City employee who:
Is called out at least 12 times per quarter, or 48 times per year and have primary responsibility to respond to emergencies which require immediate response to protect life or property; and,
 - Cannot use another form of transportation to respond to the emergencies; and
 - Cannot pick up a City owned vehicle at designated sites without significantly impacting the employee's ability to respond to the emergency in an appropriate timeframe.
- 2.) Special Equipment Vehicles: Take-home vehicles may be assigned if an employee needs specialized equipment or a special vehicle to perform City work outside the employee's normal work schedule.
 - Communication access shall not be considered, by itself, as a valid reason for a specifically assigned vehicle.
 - Employees must have the primary responsibility to respond to calls and are available to respond when requested.
- 3.) Economic benefit to the City: Take-home vehicles may be assigned when there is an economic benefit to the City. This may occur if the employee's travel reimbursement costs are greater than the commuting costs associated with a take-home vehicle assignment.

In limited instances, and normally for a limited duration, the Mayor may approve a take-home vehicle that does not strictly meet this justification criterion.

B. IRS Reporting Requirements

Employees assigned a take-home City vehicle will have their taxable gross increased by an amount that represents the value of this "non-cash taxable fringe benefit" as outlined in IRS publication 15-B Employer's Tax Guide to Fringe Benefits. The employee who is assigned a City take-home vehicle shall receive a copy of the Take-Home Vehicle Fringe Benefit form for use when completing their personal income tax forms.

C. Responsibilities

The Mayor (or designee) has final approval authority for all take-home vehicle assignments. All assignments expire at the end of the fiscal year and must be reviewed and authorized for the assignment to continue.

Department Heads must review their department operations to determine if operational needs meet the criteria set forth in this policy for a take-home vehicle assignment. By May 15th of each year, department heads must review this information and complete a new Take-Home Vehicle Authorization Form for any assignment they are requesting to continue. Department heads must continually review their department operations so that if the need for a take-home vehicle is no longer necessary, the assignment ends and the employee's payroll reflects the termination of the assignment.

Employees requesting a take-home vehicle assignment must meet one of the following criteria:

- 1.) If emergency response is being used as the justification, it must be supported by data demonstrating the actual number and nature of required emergency responses in the past year. There must be a minimum of 12 emergency responses per quarter, or 48 times per year to meet the standard.

In addition, there must be an explanation as to why alternative forms of transportation cannot be used to respond to the emergencies and why a City vehicle cannot be picked up in a designated City parking lot.

2.) If special equipment is used as the justification, the following information must be provided:

- Description of necessary equipment
- Explanation of why a City vehicle is required to transport the special equipment;
- How the equipment is being used;
- Why the vehicle cannot be picked up in a designated City parking lot; and
- Description of the type and nature of emergency that requires the use of such equipment.

3.) If economic justification is used, it must be supported by a calculation of cost savings to the City (annual cost to reimburse employee's use of personal car for business purposes versus cost of City vehicle assigned to be taken home by employee).

Employees shall:

1. Submit completed Take-Home Vehicle Authorization and Take-Home Vehicle Fringe Benefit Forms to their Department Head (or the Mayor if the employee is a department head) for review and approval. All forms must be re-submitted and approved at least annually, or when an employee's job assignment changes;
2. Maintain a valid Massachusetts driver's license;
3. Provide off-street overnight parking at the employee's home;
4. Comply with operator responsibilities, accident reporting requirements and other procedures;
5. Not transport any non-City employees in the vehicle, except when conducting official City business;
6. Only use the vehicle for business and commuting to and from work, with "de minimus" personal use (brief stop, on the way, for a personal errand);
7. Be personally responsible for any traffic citations received while driving a City vehicle, and promptly pay any fines.

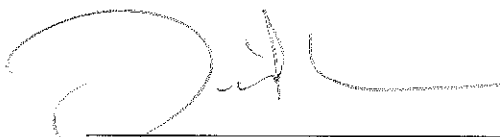
The Mayor shall have final approval of all Take-Home Vehicle Authorization and Take-Home Vehicle Fringe Benefit Forms.

City Vehicles Assigned to a Department


Departments are assigned a certain number of City vehicles (motor pool) for conducting City business during the workday, but not for employee commuting to and from work.

The most economic alternatives for short distance (same day) business trips are privately owned vehicles and motor pool vehicles. Employees using their own vehicles will be reimbursed under the City's Travel Policy or the employee's CBA.

Approved:



David J. Narkewicz
Mayor



Glenda G. Stoddard
Human Resources Director

**City of Northampton
Take Home Vehicle Authorization Form**

Employee Name: _____ Dept: _____

Home address: _____

Estimated daily round trip commuting miles: _____

Average Total Daily Mileage: _____

Number of emergency call-outs in previous year Jan 1-Dec 31 _____

Requests authorization for a take-home vehicle for the following reason:

Emergency Response: I have primary responsibility for responding to emergency situations which require immediate response to protect life and/or property, AND I am called out at least twelve (12) times per quarter. A "call-out" is defined as a directive to report to a worksite during off-duty time. *Please provide the following justification and back-up documentation:* number and nature of call-outs in the prior year, explanation of why alternative transportation cannot be used and why a City vehicle cannot be picked up in a City parking area.

Special Equipment: I have primary responsibility for responding to emergency situations which require immediate response to protect life and/or property, AND I need a special vehicle or must carry substantial specialized equipment in order to perform my work outside of normal working hours. *Please provide the following justification and back-up documentation:* number and nature of call-outs in the prior year including the locations, explanation of what specialized equipment is necessary and why a City vehicle, with the specialized equipment, cannot be picked up in a City parking area.

Economic Benefit: There is an economic benefit to the City. The cost of reimbursing me for travel would exceed the costs associated with a take-home vehicle. *Please provide the following justification and back-up documentation:* A detailed explanation of the travel costs and why alternate transportation cannot be used.

All documentation is attached _____ pages.
All information is true and accurate to the best of my ability.

Employee/Requestor Signature Date

Department Head Signature Date

Mayor Signature Date

Denied Approved: Vehicle description: _____
License plate: _____

City of Northampton
Take Home Vehicle Fringe Benefit

This agreement between _____ and the City of Northampton, Massachusetts is written for the purpose of adherence to the Internal Revenue Service (IRS) statutes governing the use of take-home vehicles (Ref. Publication 15-B, Rev. January 2010).

I understand that the City of Northampton is providing a vehicle to me, which may be used for both business, and for commuting to and from work, with de minimus (negligible) personal use. The IRS defines "de minimus personal use" as a stop for a personal errand on the way from home to work or from work to home.

I understand that the use of a City vehicle for commuting purposes is considered a taxable fringe benefit by the IRS and that the fair market value of this benefit must be included in my wages. I further understand that the City will use the "Cents Per Mile" Rule to determine my benefit. The City will calculate my benefit at the current IRS mileage reimbursement rate times the number of days in my work schedule. I understand that this fringe benefit will be entered into the City's payroll system on the last payroll of the calendar year and is subject to Federal and State withholdings (NOT subject to Retirement).

Acknowledgement: I understand and agree to abide by all safety and operational rules around the use of a City owned take-home vehicle. I have read and understand the conditions for the use of a City vehicle for the purpose of commuting to and from work.

I certify that this is my home address and will notify the City immediately if my home address changes:

Street Address City/Town

Employee Signature Date

Human Resource receipt