

<b>Subject:</b>	<b>Transportation Allowance and Mileage Reimbursement Policy</b>	<b>Number: 2-2</b>
		<b>Date Issued: February 15, 2000</b> <b>Date Revised:</b>
<b>Responsible Department:</b>	<b>DAS—Risk Management</b>	<b>Approved:</b>

## Purpose

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

## Policy

Basic Policy:

1. An employee whose full-time duties involve daily 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. Privately owned vehicles used in the course and scope of city business must undergo annual inspection by the Department of Administrative Services. Employees authorized to receive reimbursement from the City in connection with this program may be required to demonstrate that they are properly licensed by the State of California at any time.
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 Rental or Mileage Reimbursement:  
The four categories listed below apply to a considerable number of employees. 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 requested/justified in writing to the Department of Administrative Services, Risk Management Division.**
  - Category 1. The City Manager receives a transportation allowance under Category 1 of the Private Vehicle Rental Program. The transportation allowance established for this category is \$350 per month.
  - Category 2. (A) Assistant City Managers and Department Directors shall receive a transportation allowance under Category 2.

(B) Assistant Department Directors, Division Managers, and Section Supervisors responsible for twenty-four (24) service functions may receive a Category 2 transportation allowance if appropriate.

(C) Primary staff representatives to governmental bodies or community organizations requiring numerous off-hour meetings may receive an allowance under Category 2.

(D) Individuals 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 the Assistant City Managers and Department Directors, an annual review of Category 2 claimants is required. This review will verify job responsibilities, mandatory insurance coverage and valid driver's license. This review is the responsibility of the Department of Administrative Services, Risk Management Division, and the applicable department director.

(F) The transportation allowance established for this category is \$300 per month.

Category 3. (A) An employee whose assignment includes full-time duties requiring 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 \$.33 per mile.

Category 4. (A) Employees who must occasionally travel to conduct official City business, but who do not have access to division assigned vehicles, will use Department of Administrative Services' pool vehicles when available. When pool vehicles are not available, employees may be directed to use their private vehicles and will be reimbursed at the Category 4 rate of \$.40 per mile.

(B) If mileage consistently exceeds 600 miles per month for City business, reassignment to Category 2 or assignment of a City-owned vehicle should be considered.

(C) Category 4 claimants require Department Director approval after meeting the requirements in Paragraph 4 (A), above, as well as the requirements regarding inspection, insurance, driver's license, etc. (see Procedure).

#### 4. Out-of-City Travel:

Category 1 and 2 claimants 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

\$.33 cents per mile, plus parking fees, or the cost of the least expensive air fare plus a maximum of \$20 per trip for airport bus, limousine, or taxi fees, whichever is less. 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 rates. 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. Should an employee's vehicle be out of service in excess of 30 days due to breakdown or accident, the claimant must have the vehicle re-inspected to receive the rental allowance.
- c. Employees receiving a transportation allowance and mileage reimbursement under Categories 1, 2 and 3 shall not use City-owned/leased vehicles unless the City business trip is greater than 50 miles from City Hall.
- d. The Department of Administrative Services, Fleet Management Division, 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.
- e. On July 1 of each year, the allowance rates for Categories 2, 3, and 4 shall be increased by an amount equal to the change in the Consumer Price Index, Los Angeles-Anaheim-Long Beach, Urban Wage and Clerical, from March of the previous calendar year to the March immediately preceding the July 1 date; however, such adjustment shall not exceed 10 percent. Fixed monthly allowances shall be rounded to the nearest \$5, and the mileage rates shall be rounded to the nearest whole cent.
- f. Employees who are absent from work in excess of 30 calendar days shall no longer be entitled to the transportation allowance and mileage reimbursement as provided for in this policy.

## Procedure

1. Individuals who receive a transportation allowance will complete Form VH-1, have their vehicles inspected by the Fleet Management Division and show evidence of a valid California driver's license. The Form VH-1 and the Vehicle Inspection Form will be submitted to the Department of Administrative Services, Risk Management Division, along with a copy of current insurance coverage. Insurance coverage for Categories 1, 2, and 3 must prove public liability insurance in the amount of \$100,000 per individual and \$300,000 per accident, and property damage insurance of \$50,000. Insurance coverage for Category 4 claimants must be the minimum State requirement, which is currently \$15,000 per individual, \$30,000 per accident,

and \$15,000 property damage. In all categories, insurance must cover the individual while operating the vehicle on City business.

2. The Department of Administrative Services, Risk Management Division, 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 and the vehicle safety check as well.
3. The Department of Administrative Services, Risk Management Division, will review all requests for Categories 2 and 3 to determine whether the nature of the work assignment and anticipated vehicle usage justify the rental of the employee's private vehicle.
4. After review and approval, the Department of Administrative Services, Risk Management Division, will forward the forms to the City Manager 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.
5. Monthly payment of fixed allowances for Categories 1, 2, and 3 shall be from an authorized list maintained by the Department of Administrative Services, Accounting.
6. Claims for variable mileage under Categories 3 and 4 shall be submitted using the Monthly City Business Vehicle usage Record, Form VH-2.
7. Request for payment of vehicle reimbursement must be submitted no later than two months following the actual usage. 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.
8. Each department shall notify the Department of Administrative Services, Risk Management Division and Accounting, of any change in the claimant's job status affecting mileage allowance or vehicle rental.



