



Diocese of Rockford
Office of Finance and Administration
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MEMORANDUM

To: Diocesan Administration Building Department Heads
From: Jodi M. Rippon, C.P.A.
Date: June 30, 2010
Re: Diocesan Vehicle Policy

This policy should be reviewed by the appropriate Diocesan Department Director with an employee prior to the employee having authorization to drive a vehicle owned/leased by the Diocese of Rockford.

Driver Responsibilities:

- Restrict use of the vehicle to work related travel for parish, school or agency business.
- Maintain a current & valid U.S. driver's license.
- Authorize the Diocese to obtain and review the employee's Motor Vehicle Record at any time during employment.
- Ensure that all safety devices, including seat belts, are used by all vehicle occupants.
- Operate vehicle in accordance with Federal, state and local motor vehicle regulations and traffic laws.
- Understand that the authorized driver is personally responsible for any traffic or parking tickets or fines. Diocesan funds may not be used for payment.
- Report all traffic accidents, license suspensions, traffic violations (including parking violations) or damage to the vehicle to the appropriate supervisor within 12 hours of the occurrence.
- Notify Gallagher Bassett Insurance of vehicle damages including those caused by traffic accidents. Provide documentation regarding the date of loss, circumstances, and two repair estimates. Upon receiving repair authorization, complete in timely manner.
- Maintain a mileage log documenting the following: date, to/from destination, business purpose and total miles driven. The monthly travel log should be submitted to the employee's immediate supervisor at the end of each month and include both beginning and ending vehicle mileage.

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- Maintain the vehicle in a clean and orderly condition, and ensure that scheduled maintenance services are performed at the proper time or mileage.
- Secure the vehicle at all times, keys removed and the vehicle locked when left unattended.
- Consumption of alcohol or any controlled substance by the driver or any other passenger prior to or during operation of the vehicle is strictly prohibited.
- Return vehicle immediately if employment ceases for any reason.

Diocesan Department Responsibilities:

- Notify the Office of Finance & Administration with the make/model/VIN for any vehicle acquired or disposed of by the Diocesan Department.
- Provide funding for the lease payments, gas, maintenance, insurance and vehicle license.

Guidelines for Personal Use of Company Car:

- Diocesan owned vehicles should not be loaned to parishioners, family members, employees, volunteers, friends, etc. for personal use.
- Diocesan owned/leased vehicles are not to be used for family vacations.

Taxable Fringe Benefit:

If an employee is authorized to use a diocesan vehicle for personal use, tax consequences must be considered. The determination of the tax liability for the employee will be made on an individual basis taking into consideration business and personal usage, mileage accountability/substantiation and current IRS valuation methods. The Department of Financial and Administrative Services may be contacted to answer specific questions.

- **Commuting Method.** Personal use limited to commuting for non-compensatory purposes (more convenient to the Diocese for the employee to travel directly to various locations directly from home) and the employee owns their own personal vehicle for non-business driving purposes would be a taxable benefit to the employee for both social security and federal/state tax purposes at the current IRS daily rate.
- **Lease Valuation Method,** using either fair market lease value or IRS tables. If the employee uses a diocesan-owned vehicle for personal use, either the total, or a percentage, of the annual value of the lease plus gas would be a taxable benefit to the employee for both social security and federal/state tax purposes.