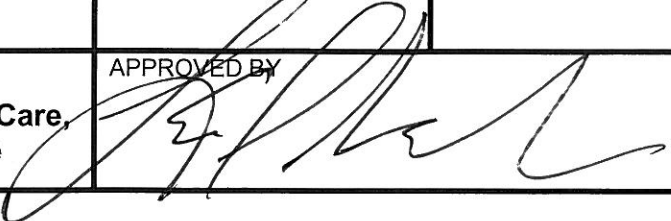
 <p style="text-align: center;">STATE OF ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES</p> <p style="text-align: center;">Policy and Procedure</p>	POLICY AND PROCEDURE NUMBER 11.04.010	PAGE 1 of 9
	EFFECTIVE DATE June 24, 2010	
SUBJECT Use and Storage of State Vehicles and Equipment	SUPERSEDES 11.04.010	DATED March 1, 2009
CHAPTER State Equipment Fleet	SECTION Equipment Use, Care, and Maintenance	APPROVED BY 

PURPOSE

This formalizes the policy and procedures (P&P) of the department on informing users of state-owned, leased, and contractor-supplied vehicles and equipment of the rules, regulations, and restrictions regarding its use and storage.

POLICY

State-owned, leased, and contractor-supplied vehicles and heavy equipment dispatched to the custody of state employees will be used in compliance with AS 44.68.010 through AS 44.68.040.

Sec. 44.68.010. "Authorized uses. State-owned vehicles may be used only in the conduct of state business. A state officer or employee may not use or permit the use of a state-owned vehicle except in the conduct of state business."

Sec. 44.68.020. "Regulations. The Department of Transportation and Public Facilities shall adopt regulations that

- (1) define what is the use of state-owned automotive and mechanical vehicles in the conduct of state business and distinguish this use from misappropriation for private use;
- (2) prescribe use governing the storage of state-owned vehicles in those locations where storage space, under the jurisdiction of the Department of Transportation and Public Facilities, is available for storage of state-owned vehicles;
- (3) provide for the marking of state-owned vehicles as property of the state and for the use of distinctive license tags for state-owned vehicles."

Sec. 44.68.030. "Exemptions. AS 44.68.010 – 44.68.040 do not apply to the use of vehicles by the governor."

Sec. 44.68.040. "Violations. A state officer or employee who violates AS 44.68.010 – 44.68.040 or regulation adopted under AS 44.68.010 – 44.68.040 is subject to dismissal from state employment upon hearing as provided for other dismissals for cause."

State statutes prohibit the use of state vehicles for anything outside of state business. State business includes commuting between home and work when authorized for business purposes; this is referred to as business use commuting. However, Internal Revenue Service (IRS) regulations identify business use commuting as personal use of an employer-provided vehicle. The IRS requires that business use commuting be identified as compensation on employees' W-2s. This includes leased and contractor-supplied vehicles. Attachment A is a flow chart that can assist in determining if authorized business use commuting in a state vehicle is reportable income.

Throughout this document, a state vehicle is defined as a state-owned or leased vehicle.

PROCEDURE

A. Definition of Allowable Use and Authorization Procedures

1. The use of state or contractor-supplied vehicles for purposes such as attending to personal affairs, social engagements, or unauthorized commuting is prohibited. Official state use and nonofficial personal use must not be mingled. Stops at stores, restaurants, hotels, day care centers, or other business for personal purposes are not permitted unless the employee is in the process of conducting official state business, the stops are to meet the physiological needs of the employee, and the stops are a reasonable distance from where the employee is conducting official state business. The appearance of misuse of state or contractor-supplied vehicles must be avoided whenever possible.
2. Only individuals on official state business will be permitted to travel in state or contractor-supplied vehicles. Exceptions require advance written authorization by the using agency's commissioner and will be for trips involving special circumstances that justify such an exception.
3. Business use commuting in state or contractor-supplies vehicles must be authorized under the following conditions:
 - a. The long-term commuting by an employee in a state or contractor-supplied vehicle for the conduct of state business must be approved annually in advance and in writing by the using department commissioner. Approved long-term business use commuting must be consistently applied across all positions with similar duties within each department. Long-term is defined as regular business commuting or more than one day per month or 12 or more cumulative days by the employee during a calendar year.

- b. *De minimis* commuting by an employee in a state or contractor-supplied vehicle for conduct of state business must be approved in advance and in writing by the employee's supervisor. For the purposes of approval and reporting, *de minimis* is defined as irregular and occasional business commuting with no more than one day per month and less than 12 cumulative days by the employee during a calendar year. The only reasons for *de minimis* commuting are:
- An employee is temporarily engaged in field work or work not confined to a permanent duty station, or
 - The temporary nature of an employee's work precludes the possibility of scheduling the work during regular work hours, or
 - When temporarily leaving for or returning from an official trip in a state or contractor-supplied vehicle outside of regular work hours.
- c. "On call" status alone is not sufficient justification for *de minimis* or long-term commuting by an employee in a state or contractor-supplied vehicle.

B. Reporting Income from Commuting Use of State and Contractor-Supplied Vehicles

1. Authorized business use commuting as defined below is not considered personal use by the IRS and is not a taxable benefit to the employee:
 - a. In any state or contractor-supplied commuter highway vehicle that seats at least six adults (not including the driver), there must be the reasonable expectation that 80 percent of the vehicle mileage will be for commuting transportation. Employees must occupy at least one-half of the vehicle's seats (not including the driver's). If commutes exceed 76 round trips in a month, any compensation received over \$230 per month is taxable.
 - b. In a state or contractor-supplied vehicle that is one of the following types of vehicles:
 - Clearly marked police and fire vehicles.
 - Clearly marked public safety vehicles.
 - Unmarked vehicles used by law enforcement officers if the use is officially authorized.
 - An ambulance or hearse used for its specific purpose.

- Any vehicle designed to carry cargo with a loaded gross vehicle weight rating of more than 14,000 pounds.
 - Delivery trucks with seating for the driver only or the driver plus a folding jump seat.
 - A passenger bus with a capacity of at least 20 passengers used for its specific purpose.
 - School buses.
 - Tractors and other special purpose farm vehicles.
 - A pickup truck with a gross vehicle weight rating of 14,000 pounds or less if it is clearly marked with state and department decals and it is equipped with one or more of the following items:
 - A hydraulic lift gate.
 - Permanent tanks or drums.
 - Permanent sideboards or panels that materially raise the level of the sides of the truck bed.
 - Other heavy equipment such as an electric generator, welder, boom, or crane used to tow automobiles and other vehicles.
 - A pickup truck with a gross vehicle weight rating of 14,000 pounds or less if it is clearly marked with state and department decals and has been specially designed or significantly modified to transport off of the public highways a load used in construction, manufacturing, processing, farming, mining, drilling, timbering, or other similar operation.
 - A van with a gross vehicle weight rating of 14,000 pounds or less if it is clearly marked with state and department decals, has a seat for the driver only or the driver and one other person, and has one of the following items:
 - Permanent shelving that fills most of the cargo area.
 - An open cargo area and the van always carries material or equipment that is used for official state business.
- c. Any request for exemption from the personal use reporting requirements should be submitted through the commissioner of the requesting department to the Department of Administration, Division of Finance, State Accountant.

2. Except as excluded above, commuting use of a state or contractor-supplied vehicle is considered personal use and is income reportable to the IRS. Valuation for compensation will be computed using the IRS commuting rule, \$1.50 per one-way commute. The alternative would be the lease value rule, which would result in a much larger amount.

Elected officials or state employees whose compensation is equal to or greater than federal government executive level V (\$145,700) in a calendar year must use the lease value method of reporting compensation. The Department of Administration, Division of Finance will calculate the compensation amounts using this methodology.

- a. Commuting between an employee's home and permanent duty station in a state or contractor-supplied vehicle is considered personal use of a state or contractor-supplied vehicle by the IRS and is a taxable benefit to the employee.
 - b. Commuting between an employee's home and a temporary work location in a state or contractor-supplied vehicle is not considered personal use as long as the employee has a permanent duty station and the duration at the temporary work location is expected to be and is actually less than one year.
 - c. Commuting from an employee's home in a state or contractor-supplied vehicle when the employee does not have a permanent duty station is considered personal use and is a taxable benefit to the employee. If the assigned work locations are outside the metropolitan area where the employee's home is located, the commuting is not considered personal use.
3. As defined above, employees who have or may have reportable income from business use commuting must keep a mileage log of the commuting use of the vehicle. This requirement includes those employees who do *de minimis* commuting.
 - a. Employees are required to secure their supervisors' signatures on the mileage log and report those times to their department vehicle managers, or appropriate designees, within three working days after the end of each month or the date on which the employee is terminated, resigns, takes a leave of absence, or retires. The departmental vehicle manager, or appropriate designee, will report the personal use commuting to the Department of Administration, Division of Personnel, Technical

Services Group so that the information is received no later than the sixth day of the month, or the first previous business day if the sixth of the month falls on a weekend or holiday, to ensure timely entry into the state payroll system.

- b. If more than one employee does business use commuting in a vehicle, the reporting requirements apply to each employee.
- c. Employees who fail to accurately report commuting use in a timely manner will have their commuting authorization immediately canceled by their commissioners.
- d. If commuting occurs and logs are not maintained to support the commuter rule, the lease value rule will be used to add compensation to the employee's W-2. This method of valuation will substantially increase the employee's reportable income. The lease value rule will be used for the entire remainder of the calendar year.
- e. Departmental commissioners will maintain a list of authorized non-*de minimis* business use commuting in their departments. This requirement does not apply to law enforcement officers in the Department of Public Safety.
- f. The employee mileage log, the departmental business use commuting list, and the take home approval will be in formats approved by the commissioner of the Department of Transportation and Public Facilities. Please see Attachments B through D.

C. Storage of State-Operated Vehicles

1. State-owned or –operated vehicles will be stored at places under the jurisdiction of the Department of Transportation and Public Facilities or storage places approved by the using department.
2. Vehicles drawn from the equipment pool will be returned to the same location the vehicle was drawn from and into the custody of SEF.
 - An employee authorized to commute for state business purposes in a state or contractor-supplied vehicle will store the vehicle at home in a safe and secure manner. In line with municipal air quality control recommendations in Anchorage and Fairbanks, when the temperature

is below 20F and the state or contractor-supplied vehicle has been parked outside at the employee's home for more than four hours, the employee will plug in the engine block heater for two hours prior to starting the vehicle. In all other locations the minimum temperature for plugging in the engine block heater is 0F.

3. An employee authorized to commute for state business purposes in a state or contractor-supplied vehicle will return the vehicle to the employee's permanent duty station or to a place designated by the employee's supervisor if the employee is absent from work for more than three working days.
4. Under no circumstances will a state vehicle be stored in such a manner that the vehicle will be exposed to traffic and natural hazards, become an inconvenience to the public, or be parked in a space not legal for public parking.

D. Operator's Responsibility

1. Only State of Alaska employees may drive a state or contractor-supplied vehicle. The driver must have on his or her person a valid Alaska driver's license appropriate for the vehicle being operated. With the written approval of the commissioner of the operating department, temporary seasonal employees may use valid, appropriate driver's licenses from their home states. A copy of the written approval will be forwarded to SEF headquarters.
2. Employee operation of state or contractor-supplied vehicles will adhere to all traffic rules and regulations enacted by authority of the state and local governments.
3. Drivers of state-owned vehicles will be responsible for delivering the vehicle to a State Equipment Fleet owned service facility, unless the agency user agreement with the fleet allows otherwise, on the scheduled day or mileage interval established for periodic preventative maintenance.
4. Operators of light duty vehicles are responsible for consistent inspection of the vehicle and logging the inspections in a manner that can be reviewed during preventative maintenance inspections or in case of accidents or injury involving the vehicle. A sample inspection which is attached (Attachment E) can be modified for agency operations. Operators of heavy duty equipment will be responsible for the completion of a daily inspection check list, a sample of which is attached (Attachment E). Agencies may come up with their own form as long as it conforms in content to the example. The check list must be kept for 12 months from completion, at the duty station or agency office, and

- available in case of an accident or injury involving a state vehicle or equipment. A state or contractor-supplied vehicle with equipment that is unsafe will not be operated until necessary repairs are made. Operators will be responsible for reporting any unsafe or defective equipment so arrangements can be made for repairs.
5. Operators of both light and heavy duty equipment are responsible for keeping the vehicle and equipment clean and smoke free. Vehicles and equipment that have to be cleaned prior to servicing, due to excessive wear and tear, unsanitary conditions, trash, and/or cigarette debris that may decrease the value of the vehicle, will receive a billable work order to cover the cost of cleaning. The agency will be notified beforehand that their unit required cleaning and that they will be receiving a charge. Agencies can clean the vehicle or equipment themselves if they so choose.

E. Speed Limits

The following will be the maximum permissible operating speeds for state vehicles and equipment.

Automobiles:	As established by law
Light trucks and vans:	As established by law
Heavy duty trucks:	As established by law, 40 MPH while plowing snow or ice
Motor graders (travelling):	Not to exceed manufacturer's recommendations
Wheel loaders:	Not to exceed manufacturer's recommendations
Truck-mounted cranes/shovels:	Not to exceed manufacturer's recommendations
Rotary snowplows:	Not to exceed manufacturer's recommendations
Vehicles towing trailers:	Not to exceed manufacturer's recommendations

The speeds listed above are maximums and at no time will equipment be operated at speeds greater than road and weather conditions safely permit.

ATTACHMENTS

Attachment A: Flow Chart – Driving State Vehicles Home Has Tax Consequences for Employees.

Attachment B: Employee Personal Use Commuting Log

Attachment C: Department Take Home Vehicle List

Attachment D: Take Home Vehicle Approval

Attachment E: Operators Daily Inspection Checklist

AUTHORITY

AS 44.42.020
AS 44.68.010-040

IMPLEMENTATION RESPONSIBILITY

SEF headquarters, SEF district and office managers, and SEF user agencies

DISTRIBUTION

All department employees via the DOT&PF website.