




# Best practices for take-home vehicle programs

Some governments allow select employees to drive their assigned work vehicle home, otherwise known as a take-home vehicle. Governments can justify this practice because it benefits them or the public in some substantial way. For example, an employee may frequently respond to after-hour emergencies occurring away from their normal duty station using specialty equipment. By having access to a take-home vehicle, that employee can respond faster to the emergency location.



The background of the page is a stylized illustration of a city street. On the left, there is a yellow building with arched windows. In the center, a traffic light is visible. On the right, a blue car is driving on a road with white lane markings. The sky is a mix of blue and green, suggesting a clear day.

Governments may incur significant costs when they authorize take-home vehicles and pay for the employee's personal commute. Those costs include additional fuel, maintenance and repair, as well as costs resulting from more frequent vehicle replacement. Governments also assume a higher risk of property and casualty insurance claims, due to the increased exposure to motor vehicle accidents. On the other hand, governments may also save on certain costs, such as overnight storage costs.

If your government has determined the benefits exceed the costs of such a program, this guide will help you understand and apply best practices, as well as improve your policies and internal controls.

## Getting started

- **Develop a comprehensive take-home vehicle policy.** Refer to the various best practices in this document to help you develop your policies. Include the specific, objective criteria that qualify an employee for a take-home vehicle ([Appendix A](#)). Also, establish expectations for any employee driving a government vehicle ([Appendix B](#)).
- **Centrally administer the program.** Assign a primary department to oversee program administration, centrally track vehicles and data, and coordinate among all players (finance, participating departments, risk management).
- **Check your insurance policy.** Ensure your insurance policy covers personal use of your vehicles for liability and vehicle damage (some commercial policies contain an exclusion). If you lack coverage, some governments may have the qualifying employee add an endorsement to their personal policy.
- **Comply with IRS requirements.** Establish processes to notify employees when the IRS considers their commute mileage taxable income, and to collect the information you need for W-2 reporting. Your payroll staff should understand the related tax regulations and be informed of all take-home vehicle assignments, including changes to them. For more information, refer to the IRS's [Fringe Benefit Guide](#).

## Assigning take home vehicles

- **Adopt eligibility criteria.** The government should benefit in some substantial way from the take-home vehicle assignment; it should serve an operational purpose. See [Appendix A](#) for assistance in developing eligibility criteria for your policy. Governments should not authorize take-home vehicles solely based on employee status, seniority, position, rank or as an employment perk.
- **Use actual data to make decisions about take-home vehicle assignments.** Perception can be different from reality, so use actual data in your analysis. For example, an employee might expect to respond to emergency callbacks, but if this rarely or never occurs, then you may decide against authorizing the take-home vehicle.
- **Require justification for costly vehicle types.** Governments will spend more to purchase and maintain certain vehicles, such as sports-utility vehicles. Governments should ensure the vehicle type is justified based on the actual purpose and use.
- **Require authorization and eligibility documentation.** Someone central should approve take-home vehicles to ensure consistent entity-wide practices, in addition to the department head's approval. No one should approve their own take-home vehicle. Use a standardized form that incorporates language and criteria from your policy.
- **Require the employee to acknowledge their responsibilities.** Some governments include this in the eligibility or authorization documentation, while others use a separate agreement for this purpose.

Alternatives to take-home vehicles include vehicle allowances, mileage reimbursement or a central motor pool. A vehicle allowance is a monthly stipend that the employer pays to an employee to compensate them for using their personal vehicle for work purposes.

## Putting limitations in place

- **Establish minimum utilization standards.** Require employees to use take-home vehicles for a minimum amount of business use, usually expressed as a minimum number of business miles per month or year. It is costly for governments to purchase and maintain vehicles, so you want to ensure there is a demonstratable, quantifiable business use.

For example, one government requires at least 500 business miles per month. Establish your minimum utilization standard at your break-even point considering the purchase cost and vehicle maintenance, as compared to other low-cost transportation options. You may decide to make exceptions for vehicles critical to your mission. For others, you might consider how you can make better use of the vehicle or consider lower-cost alternatives, such as employee mileage reimbursement, vehicle allowances, or a motor pool.

- **Impose commute mileage limits.** When employees have exceedingly long commutes, your costs will increase, it may prevent employees from responding to emergencies quickly, and it can create equity issues among employees (those with long commutes receive more benefit than those with short commutes). Some options include:
  - **Restrict the commute length.** You might impose a maximum mileage limit or a commuting boundary, like within city or county limits. You could allow an employee to park the vehicle in a safe place within the commute limit, such as a police or fire station. Alternatively, you could require employees to reimburse you when they exceed the commute limit.
  - **Establish a maximum emergency response time.** Set a maximum emergency response time for the employee to report to the emergency location.
- **Require a minimum amount of business use.** You should ensure that business use is reasonable in comparison to the employee's commuting use. For example, one government's policy states, "employee commute mileage cannot exceed mileage driven for business purposes."
- **Require a minimum number of emergency callbacks.** The employee should perform emergency callbacks regularly to qualify for a take-home vehicle. For example, one government's policy requires at least 48 emergency responses a year to qualify for a take-home vehicle.
- **Determine how much discretion departments have to authorize short-term take-home vehicle assignments.** The government should decide if they will allow short-term assignments, and how much discretion departments have in making those decisions.
- **Consider nonemployee passenger limits.** Nonemployee passengers can increase liability risk as well as reduce employee response time in emergencies.



## Tracking vehicle data and program information

- **Keep track of take-home vehicle assignments and records.** Maintain a current master list of all take-home vehicle assignments and retain supporting records such as authorizations, eligibility documentation and mileage logs.
- **Use mileage logs to collect important data.** This data should include the driver's name and position, location of the vehicle when the driver is off duty, the primary work location, beginning and ending odometer readings, and date and purpose of travel including distinction between business and nonbusiness mileage. You might also track the number of callbacks or after-hours meetings, off-duty accidents or accommodation of multiple passengers. Some governments use standard forms, while others use technology such as logging through an application or telematic devices.
- **Monitor mileage logs.** Practice oversight to ensure employees submit all mileage logs promptly and activity recorded appears reasonable. Someone other than the driver should periodically reconcile recorded odometer readings to the actual vehicle mileage.
- **Track take-home vehicle program costs.** You should track annual costs to evaluate the program and help make decisions about allocating limited resources. You should include all related program expenses in the calculation.

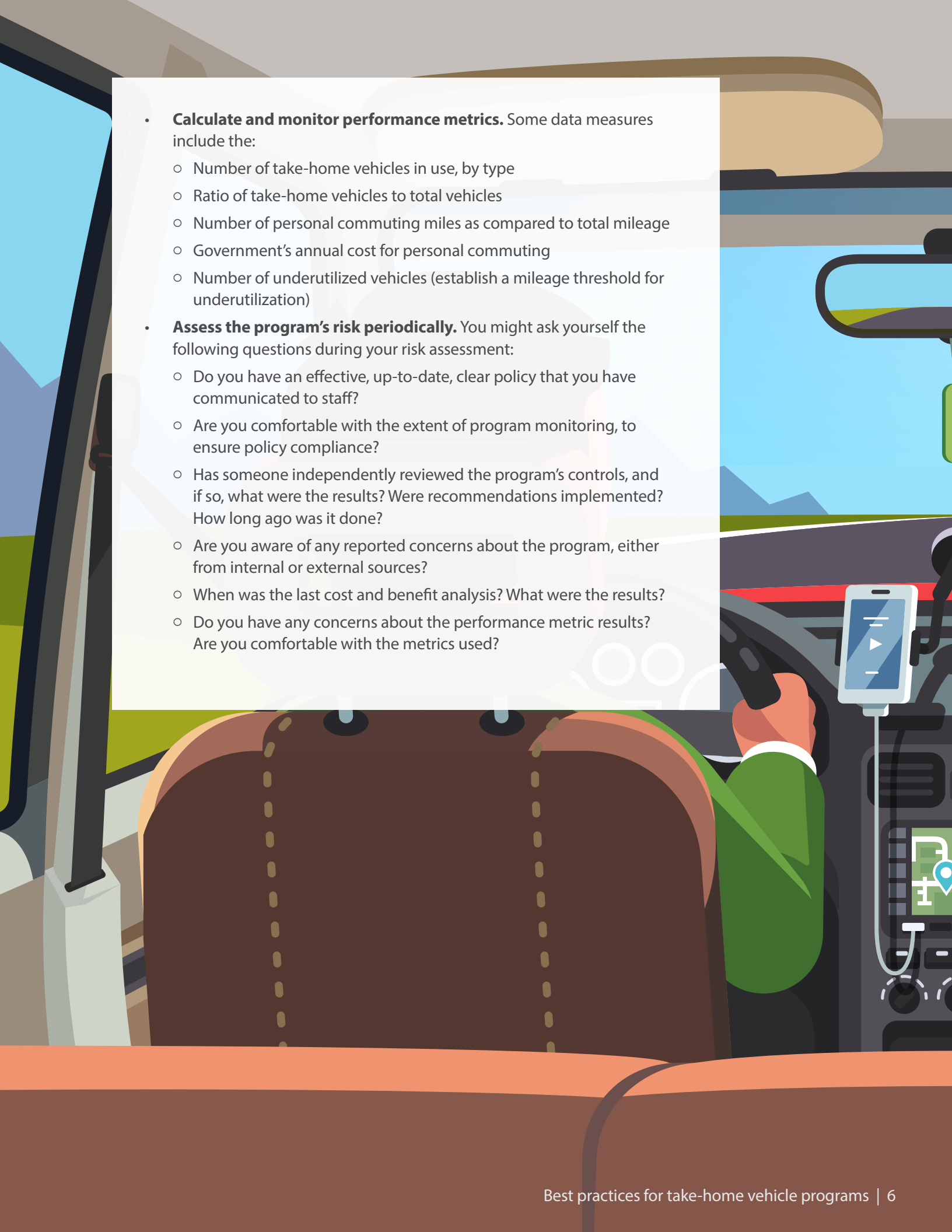
## Monitoring your program

- **Monitor for improper vehicle use.** Use mileage logs or a Global Positioning System/telematics to monitor that employees comply with vehicle use restrictions, including where they store them during nonwork hours. (Using a Global Positioning System/telematics, you can create a geofence and receive automatic notification when a vehicle leaves a predefined area. You can also use this technology to compare driving data with employees' scheduled days off.)
- **Periodically review vehicle assignments; annually or when employee responsibilities change.** Review employees with take-home vehicle assignments at least annually to ensure they continue to meet eligibility requirements, have clean driving records and have sufficient business use to justify the vehicle assignment. If an employee's job duties change, then reevaluate eligibility promptly.



Mileage logs provide key data that allows you to quantify actual business use and personal commuting and make other important decisions about your take-home vehicle program.

Clearly mark vehicles as government property to discourage improper use, as required by RCW [46.08.065](#).

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- **Calculate and monitor performance metrics.** Some data measures include the:
    - Number of take-home vehicles in use, by type
    - Ratio of take-home vehicles to total vehicles
    - Number of personal commuting miles as compared to total mileage
    - Government's annual cost for personal commuting
    - Number of underutilized vehicles (establish a mileage threshold for underutilization)
  - **Assess the program's risk periodically.** You might ask yourself the following questions during your risk assessment:
    - Do you have an effective, up-to-date, clear policy that you have communicated to staff?
    - Are you comfortable with the extent of program monitoring, to ensure policy compliance?
    - Has someone independently reviewed the program's controls, and if so, what were the results? Were recommendations implemented? How long ago was it done?
    - Are you aware of any reported concerns about the program, either from internal or external sources?
    - When was the last cost and benefit analysis? What were the results?
    - Do you have any concerns about the performance metric results? Are you comfortable with the metrics used?

## Related resources

- [King County Take-Home Vehicle Policy](#) – This policy contains many examples of the best practices described above. It also includes an assignment authorization request form and a vehicle mileage log form.
- The Office of the Washington State Auditor’s [Best Practices for Fueling Government-owned Vehicles](#) – Refer to this resource to help you improve controls over your fueling, to ensure it is appropriate and authorized.

## For assistance

This resource has been developed by the Center for Government Innovation of the Office of the Washington State Auditor. Please send any questions, comments or suggestions to [Center@sao.wa.gov](mailto:Center@sao.wa.gov).

## Disclaimer

This resource is provided for informational purposes only. It does not represent prescriptive guidance, legal advice, an audit recommendation, or audit assurance. It does not relieve governments of their responsibilities to assess risks, design appropriate controls, and make management decisions.

## Appendix A: Predefined criteria to justify take-home vehicles

Most commonly, employees eligible for take-home vehicles frequently respond to emergency callbacks, require special equipment to address the emergency, and must report to the emergency location quickly. You may have many factors to consider when developing your specific criteria. Some questions to consider include:

### The vehicle and any specialized equipment

1. Does the callback (from home to a work location) require response in a specialized work vehicle or could the employee use a personal vehicle?
2. Does the work vehicle contain specialized equipment necessary for the callback response? How much and what type of equipment? How critical is this equipment? Should you exclude some equipment from qualifying, such as a phone, radio or siren?
3. Does the work vehicle provide other community benefits if taken home during nonwork hours (such as a neighborhood police presence)?
4. If the employee drives the work vehicle home during nonwork hours, does this allow the employee to more easily access their assigned work area, thereby allowing for greater work efficiency?

### Response

5. Does the employee respond to emergency calls after-hours, as part of their primary/assigned duties? Does the employee have specialized duties or skills that make their participation in the response critical?
6. Must the employee respond directly to the emergency location? (If the employee reports to a central location instead of the emergency location, could you store the vehicle at this location?)
7. Have you adopted a standard response time for emergency callbacks? If so, does the employee need to respond directly from the home location to comply with the established standard response time? (Note: you should define your standard response time and avoid vague terms such as “as soon as possible.”)
8. Does the employee reside within a reasonable distance of potential emergency locations, such that they could reasonably comply with your established response time? (If they live too far away, it becomes questionable how much public benefit they provide in an emergency.)

### Frequency

9. How often does the employee actually respond to emergency callbacks? Is it frequent or rare? Does it meet a minimum standard for actual callbacks per year?
10. Is the employee consistently on call or does the responsibility rotate among several personnel? If the employee’s schedule rotates, can you assign the take-home vehicle on a part-time rather than full-time basis?



## Appendix B: Policy considerations for when employees operate government-owned vehicles

A government's policy should address its expectations for employees operating government-owned vehicles, including take-home vehicles. For example, some areas the policy might cover include:

- **Minimum driver qualifications, such as a valid driver's license.** Decide if you will require a clean driving record, but also plan on defining it. Address if employees will need to report driver's license suspensions or revocations to their supervisor.
- **Standard of conduct.** Consider defining the expected standard of conduct for employees who operate your vehicles. You might see some of the following requirements imposed in such a policy:
  - › Maintain possession of valid U.S. driver's license while operating the vehicle
  - › Always use seat belts and prohibit more passengers than there are seat belts. Do not allow passengers to ride in the rear cargo area of trucks, vans or sport utility vehicles.
  - › Close all doors when the vehicle is in motion
  - › Exercise due diligence to drive safely
  - › Obey traffic laws
  - › Do not exceed maximum speed (as posted by speed limit signs)
  - › Maintain the security of the vehicle and its contents
  - › Do not smoke in the vehicle
  - › While operating the vehicle: Do not use cell phones (unless using GPS or hands-free), headsets or earphones. Do not type or read text or email messages. Do not use iPods, MP3 players or similar devices.
  - › Do not tow anything without prior authorization
  - › Do not transport hazardous materials without prior authorization
  - › Clean the hood, windows and roof of ice and snow before operating the vehicle
  - › Turn off the vehicle, remove the keys, roll up all windows and lock it if you are out of immediate sight and control
  - › Keep the vehicle clean and free of trash
  - › Secure the vehicle keys when not in use

- **Special security or storage instructions.** Provide directions to employees on how they should properly secure vehicles, such as when stored during nonwork hours. Establish expectations for vehicle storage to protect them from inclement weather, vandalism or other issues – especially if the employee is to provide storage.
- **Incident reporting.** Describe how employees should handle and report any accidents or other infractions, theft, vehicle damage or traffic violations. Include a reporting timeframe, such as within two days after the incident.
- **Payment of fines/infractions.** Address who will pay fines or infractions incurred while the employee is driving the vehicle.
- **Use of intoxicating substances.** Adopt restrictions regarding alcohol, legal or illegal drugs, or other intoxicating substances that could impair the employee operating the vehicle.
- **Transporting nonemployees.** Determine whether you will allow the employee to use the vehicle for any personal use or transport any nonemployee passengers. Clearly state the conditions for when you allow this and when you do not.
- **Maintenance responsibility.** Address who is responsible for arranging maintenance or repair, including preventative maintenance at appropriate intervals. Also address who is responsible for performing periodic inspections for vehicle safety including but not limited to: tires, brakes, lights, emergency equipment, fluid levels, windshield wipers, etc.
- **Partial commuting.** Decide if you will restrict partial commuting. Partial commuting is when an employee uses a work vehicle to accomplish part of their personal commute. They leave their personal vehicle at a work location close to home and then use a government-owned vehicle to complete their commute to a different work location.
- **In case of employee leave.** Establish expectations for when the assigned driver of a vehicle is on leave. Decide who should hold the keys and where the vehicle should be stored.