

I. Purpose

The purpose of this policy is to establish procedures governing the authorization for vehicle allowances for specific department heads and supervisory personnel in lieu of providing a City owned vehicle. The option to receive a vehicle allowance or use of a City vehicle is that of the employee submitting a request and the City Manager.

II. Eligible Employees

Eligible employees are departmental heads and supervisory staff, meeting the minimum criteria under this policy and with approval from the City Manager. It is, however, ultimately the City Manager's discretion to approve or deny any vehicle allowance request.

III. Vehicle Allowance Criteria

A. Vehicle allowances may be provided to certain departmental and supervisory staff in lieu of providing a City owned vehicle. The following factors are considered in order to obtain approval for a car allowance.

1. The employee's City of Cottonwood duties require city business usage of a personal vehicle.
2. The employee considering request for a vehicle allowance should provide proof that they log over 7,000 miles annually on City related business and not have a vehicle available for use in the department.
3. A City vehicle or vehicle allowance is normally furnished to an individual in a similar capacity at a comparable community.
4. An appropriate source of funds must be available; however, available funding is **not** sufficient justification for an allocation.

B. A person approved for a vehicle allowance is not permitted to submit mileage for reimbursement as a travel expense.

C. Authorized Amount

1. The authorized vehicle allowance amount may not exceed \$450 per month.
2. All amounts require the City Manager's approval.

D. Approval Procedure

1. An employee seeking initial approval of a vehicle allowance will complete the Vehicle Allowance Request and Approval Application (FOG XIV-1) and submit it his/her General Manager for review and approval.
2. The form with appropriate GM signatures is then forwarded to the Administrative Services General Manager and the City Manager for their review and approval.
3. The application must include justification, and the recommended monthly vehicle allowance amount (not to exceed the maximum amount under this policy).

4. Upon receiving the approved memo, the employee will forward the approved memo to the Human Resources Division for processing.
5. Typical start date for approved vehicle allowance is the fiscal year in order to provide the funding allocation to the respective department.

E. Employee Owned Vehicle Requirements

1. Employee must have a valid Arizona drivers license, and in good standing.
2. Employee must promptly notify the City of any adverse matters regarding their driver's license status.
3. Employee must maintain their vehicle in good working order.
4. Employee must maintain at the very least, minimum insurance coverage in accordance with State requirement, at the sole responsibility of the employee.
5. Employee may not use a vehicle that is not registered to them.
6. Under no circumstance is the City responsible for maintenance, repairs, and/or fuel costs associated with the employee's personal vehicle.

F. Payment Procedure

The vehicle allowance payment will be established on the employee's payroll record and will be paid each month of the fiscal year unless notified in writing of a change.

G. Taxability

1. Vehicle allowances are considered taxable income subject to federal and state taxes.
2. Vehicle allowances are not considered as part of gross wages according to the Arizona State Retirement System and the Public Safety Personnel Retirement System.
3. Vehicle allowances are not considered part of benefits base salary for insurance purposes or any other purpose.

IV. Right to Change Policy

The City of Cottonwood reserves the rights to interpret, change, modify, amend, or rescind this policy, in whole or in part, at any time without the consent of employees.

VEHICLE ALLOWANCE REQUEST AND AUTHORIZATION

To: Administrative Services

From: _____ Department

Date:

Subject: Request for Vehicle Allowance in lieu of City Vehicle

I request that the following employee be provided a vehicle allowance.

Temporary: _____ Length of Time: _____ Permanent Issue: _____

Employee Name: _____

Employee Title: _____

Is this public safety personnel: yes _____ no _____

Reason for request:

By signing this request, I understand the responsibilities of using my personal vehicle and opting for a vehicle allowance. I am also aware violation of any section of the policy will subject me to disciplinary action.

Employee Signature

General Manager Signature

Authorized Amount: \$_____

Approved: _____ Disapproved: _____

City Manager Signature

Administrative Services General Manager Signature