I. **PURPOSE:** To comply with Federal law requiring a written policy governing use of an employer provided vehicle for business purposes which is also used for personal commuting.

II. **POLICY:** Board of Education Policy Number 3545 Use of Board of Education Vehicles.

III. **BACKGROUND:** The value of the personal use by an employee of a Board Vehicle for commuting purposes is a taxable fringe benefit. Exempted from this interpretation is the use of a utility vehicle or a vehicle that would not lend itself to personal use. Unless a certification of non-personal use of an assigned vehicle is made by the employee and by the employer via a written document, the use of the Board Vehicle will be a taxable benefit. The value of the personal use of a Board Vehicle for commuting purposes will be added to the employee’s gross wages and will require withholding of the appropriate FICA and Medicare taxes. The amount added to taxable wages for commuting mileage for any employee whose compensation exceeds that of federal employees at the Executive Level V or “Control Employees” ($145,700 in 2010-2011) is determined by the Cents-Per-Mile Rules or Annual Lease Valuation Rules, which ever is applicable. For other employees, Prince George’s County Public Schools uses the commuting valuation method to tax commuting vehicle use and adds $3 per day to the taxable wages of a person who uses a Board Vehicle for commuting use. Income taxes will not be withheld on the value of the taxable fringe benefit.

IV. **PROCEDURES:**

A. Responsibilities

1. The supervisor of each department or office will track the use of Board vehicles taken home to:

   a. Identify the person, reason, and date and time for which the Board vehicle is being used.
   
   b. Ensure that vehicle usage does not exceed the 35-mile radius.
   
   c. Prohibit the use of take-home vehicles outside of Prince George’s County.

2. Board Vehicles are only to be used for official business. Official business activities are defined as activities with purposes that can be reasonably and directly associated with an employee’s function within the school system.
3. Take-home vehicles should be authorized only for employees whose job responsibilities justify this requirement. Such justification includes emergency 24-hour duty or other special requirements.

4. Take-home vehicles assignments will be made on a weekly (Sunday to Sunday), rotating schedule. Only six (6) PGCPS vehicles, per week, will be authorized at any given time. When not in use, these vehicles must be returned to the approved pick-up/drop-off location (Brown Station Road Facilities Service Base (FSB) or the Accokeek, Brandywine, Greenbelt, John Hanson, Laurel, or Mullikin Bus Lot).

5. Division of Supporting Services employees designated as “first responders” or as “on-call”, due to emergency events, may make it necessary for a vehicle to be driven out of county; however, this can only be authorized by the Chief of Supporting Services. When an employee is on any leave status, the assigned vehicle must be parked at one of the approved pick-up/drop-off locations.

6. Full deployment of take-home vehicles may be required for emergency situations. The decision to do so will be made 24-hours in advance.

7. Employees are prohibited from driving take-home vehicles out of Prince George’s County.

B. Monthly Commuting Fringe Benefit

1. The employee completes the “Employee Certification of Monthly Commuting Fringe Benefits” Attachment 1 monthly and forwards it to Payroll Services.

2. Control Employees, defined as elected officials or highly compensated employees (see Treas. Reg. § 1.61-21(e)), should complete the “Control Employee Certification of Commuting Fringe Benefits” Attachment 2 monthly and forward it to Payroll Services. Maintain daily mileage log (IRC § 274(d) to track business versus personal use.

3. Payroll Services records the employee’s FICA and Medicare expense.
4. Payroll Services initiates the journal entry to pay the Board’s share of FICA and Medicare. The monthly commuting benefit amount will be accrued annually for each employee submitting forms and the total annual commuting benefit amount will be added to the employee’s Form W-2 for the year.

C. Changes

1. Changes in number of one-way commutes will be the responsibility of the employee to maintain current.

2. Change in charge per commute is a Payroll Services function.

3. Change in FICA or Medicare rates is a Payroll Services function.

V. RELATED PROCEDURES: None.

VI. MAINTENANCE AND UPDATE OF THESE PROCEDURES: These procedures originate with the Business Management Services Division and update will be the responsibility of that Division.

VII. CANCELLATIONS AND SUPERSEDURES: This Administrative Procedure cancels and supersedes Administrative Procedure 3545, dated January 1, 2009.

VIII. EFFECTIVE DATE: June 1, 2011.

Approved by:
William R. Hite
Superintendent of Schools

Attachments: 1 - Employee Certification of Monthly Commuting Fringe Benefits Form
2 - Control Employee Certification of Commuting Fringe Benefits Form

Distribution: Lists 1, 2, 3, 4, 5, 6, 10, and 11