

JACKSONVILLE STATE UNIVERSITY
Manual of Policies and Procedures

POLICY NUMBER: IV:06:02

DATE: January 31, 1997

REVISION/REVIEW DATES: August 1997, March 1998, September 2008, October 2010, January 2011, July 2011, July 2023

SUBJECT: Courtesy Vehicles and Automobile Stipends

APPROVED: Dr. Don C. Killingsworth, Jr., President

PURPOSE

To describe the relationship between the employee and the dealer and/or the college with regard to courtesy vehicles used for business only or business and personal use. Additionally, the policy provides guidance on what positions qualify to receive courtesy vehicles or automobile stipends and outlines the tax implications.

POLICY

Local automobile dealers may provide courtesy vehicles to JSU Athletic Department employees for institutional as well as personal use. Employees must notify the university when they accept a courtesy vehicle for business and personal use. Notification is made by submitting the ["Courtesy Vehicle Agreement for Business and Personal Use" Form 54](#) to the Athletic Director, the Senior Associate Athletic Director, and the University Controller. Also, the recipient of the courtesy vehicle is responsible for obtaining the fair market value of the vehicle (when the vehicle is received) and providing the information on [Form 54](#)).

IRS regulations (Treas. Reg. § 1.61-21(d)) require an employer to identify as taxable income the value of any personal use accruing to an employee utilizing a dealer-provided vehicle. The benefit (personal use) associated with operation of a courtesy vehicle provided by an automobile dealership to an employee is subject to inclusion in the employee's taxable income. Employees provided with a courtesy vehicle must keep a record of business and personal mileage use on a monthly basis on [Form 53](#). The Senior Associate Athletic Director will review the personal miles reported quarterly for reasonableness prior to submission to Payroll.

- Payroll will calculate the taxable income associated with the employee's personal use of the courtesy vehicle based upon the "Annual Lease Value Tables" as stated in Code Sec. 61 of the Federal income tax regulations.
 - The amount of this benefit will be reflected in the payroll register as a "taxable fringe benefit" on a quarterly basis and will be included in the employee's annual W-2. The Athletics Director will verify the Courtesy Vehicle Agreements are properly completed with the required insurance attached prior to JSU staff driving the courtesy vehicle. The Athletics Director shall provide the Office of the Senior Vice President for Finance & Administration/CFO (SVPFA/CFO) with insurance certificate.
1. On or before the 15th of each month, anyone using courtesy vehicles must submit a record of mileage driven for courtesy vehicles for the previous month. The form must be submitted to the Controller with a copy to the Athletic Director.
 2. Employees are required to maintain adequate records substantiating the business use of a courtesy vehicle. If adequate records are not maintained, full value use of the courtesy vehicle will be subject to tax.
 3. Courtesy vehicles are not exempt from federal gasoline tax since they are not the property of the JSU. Therefore, neither University credit cards nor gasoline purchased by the University may be used in these vehicles. Operating expense for courtesy vehicles, including vehicle insurance and personal liability, incurred in business use will be reimbursed at one-half the rate per mile that is paid on employee travel.
 4. When traveling for university business, rental vehicles may be used when it is in the best interest of the university. Rental vehicles are considered appropriate when renting is the least costly alternative, renting is the only method of transportation available or renting eliminates substantial delays.

5. The Controller and the Senior Associate Athletic Director must be notified when a courtesy vehicle is returned or changed, or if an individual is no longer using a courtesy vehicle. The form must be sent to the SVPFA/CFO for insurance adjustment.

Automobile Stipends

An automobile stipend is a monthly amount provided through the payroll process to the qualified individuals who are not assigned University vehicle. Automobile stipends may be provided to certain professional staff. The following factors are considered in order to obtain approval for an automobile stipend.

- The individual's JSU duties require business usage of a personal vehicle.
 - A vehicle or automobile stipend is normally furnished to an individual in a similar capacity at a comparable major institution.
 - An administrator is regularly called to perform official duties outside the normal workday.
 - An appropriate source of funds must be available; however, available funding is not sufficient justification for an allocation.
1. Automobile stipends must be authorized annually at the beginning of each fiscal year on the [Automobile Stipend Request Form \(Form 59\)](#). Automobile Stipend Request Forms must be approved by the immediate supervisor(s) and the appropriate Vice President(s) or President. The approved request must be submitted to Payroll for payment and proper tax reporting. At the end of each fiscal year, Payroll will forward to the Controller and SVPFA/CFO a report listing each person receiving automobile stipend payments, the funding source, and the fiscal year total.
 2. The university does not insure vehicles for which an automobile stipend is provided. The owner of the vehicle is responsible for insuring the vehicle and assuring the vehicle is properly classified on their insurance policy.

3. The stipend is based on a calculation that considers annual mileage traveled by the employee and the mileage reimbursement amount. The authorized automobile stipend amount may not exceed \$350 per month without the President's written approval, based upon review and recommendation by the SVPFA/CFO.
4. Automobile stipends are considered taxable income subject to federal income tax and other withholdings. The stipends are not considered retirement covered wages and are not considered a part of benefits base salary for insurance purposes.
5. Employees who receive an automobile stipend will not receive travel mileage reimbursement or use of a University-provided vehicle except upon written approval of the Controller or SVPFA/CFO. When traveling for university business, rental vehicles may be used when it is in the best interest of the university. Rental vehicles are considered appropriate when renting is the least costly alternative, renting is the only method of transportation available or renting eliminates substantial delays.

RESPONSIBILITY

The Senior Vice President for Finance & Administration/CFO is responsible for this policy.

EVALUATION

This policy will be reviewed at least every five (5) years.