Minnesota Department of Corrections

Policy:	**104.4615**
Title:	**Use of State Vehicles**
Effective Date:	**10/17/17**

PURPOSE: To identify requirements and restrictions on the use of state-owned or leased vehicles, rental vehicles, and the use of personal vehicles when used in the conduct of State of Minnesota business.

APPLICABILITY: Minnesota Department of Corrections (DOC); department-wide

DEFINITIONS:

Agency fleet administrator – employee designated to coordinate the fleet program.

Annual control number – a number issued by the facility or central office financial services to requesting employees who travel less than an average of 12,600 reimbursable miles per year and can demonstrate that it is resource-efficient to issue an annual control number.

Commuting – for purposes of this policy and for IRS requirements, commuting is defined as direct travel from the employee's home to the employee's permanent work station or back. A trip is not considered a commute when a business stop is made *en route* or when an employee utilizes a canine vehicle that has been permanently assigned to the employee. Trips between home and temporary work sites, from one temporary work site to another, or from a temporary to a regular work site are not considered commutes.

Department Account – a specific unit/location account set up with the Department of Administration's fleet and surplus services division.

Department Fleet Coordinator – employee assigned to coordinate fleet activities including fleet cards within the established Department Account set up with the Department of Administration (Admin) fleet and surplus services division.

Fleet Car Assignment – Designation of a specific vehicle to a specific individual; unit or location.

Mileage rate – a reimbursement rate for incurred, claimed mileage set by bargaining unit agreements and compensation plans. There is a higher and a lower rate depending on whether a state vehicle is available.

PROCEDURES:

A. Obtaining an annual control number
   1. The employee must:
      a) Be eligible (travel less than an average of 12,600 reimbursable miles per year and be able to demonstrate that it is resource-efficient to issue an annual control number;
      b) Complete a Request for Annual Control Number memo (attached);
      c) Obtain his/her supervisor's and division assistant/deputy commissioner's approval; and
      d) Submit the request to financial services.

   2. Financial services staff reviews the request.

a) If the request complies with policy, financial services staff assign an annual control number and inform the requesting employee of the annual control number.
b) If the request does not comply with policy, the request must be returned to the employee's supervisor for clarification.
c) Requests for annual control numbers are retained in financial services according to the retention schedule.

3. The employee must record the annual control number on all requests for reimbursement of travel expenses, allowing for mileage reimbursement at the higher rate.

4. The annual control number expires when the employee begins working in a new job/position or from a new work location.

B. Obtaining a state vehicle for temporary use

1. Prior to travel, employees must check availability of a state vehicle using the Outlook calendar or other existing electronic reservation system. All employees are expected to use a state vehicle for travel if available.

2. Carpooling must be used whenever feasible.

3. If a personal vehicle is used for state business, employees must be reimbursed for actual mileage at the rates specified by the applicable collective bargaining unit or compensation plan.

4. If no vehicle is available, the employee may use his or her own vehicle and claim current IRS rate for those miles. A copy of the Outlook calendar or other electronic calendar, which shows that no vehicle is/was available, must be attached to the employee expense report.

5. If a vehicle is available but the employee chooses to use his or her own vehicle instead, the mileage must be reimbursed at $.07 less than the current IRS rate. A copy of the Outlook calendar or other electronic calendar does not need to be attached to the expense report.

6. When a state vehicle is available but it is more resource-efficient to use a personal vehicle for a specific trip or for a short time period, supervisors may write a note on the expense report stating that is not resource-efficient to use a state vehicle. Employees are reimbursed mileage at the higher rate in these circumstances.

7. If a work location does not maintain vehicles for staff use, employees are reimbursed at the higher mileage rate.

8. Except for 4) and 5) above, any mileage being claimed on an expense report without a copy of an Outlook calendar or other electronic calendar attached is automatically reimbursed at the lower mileage rate.

C. Assignment of state vehicle

An individual employee may be assigned a state vehicle if the employee's average monthly travel is over 1,050 miles or if the division assistant commissioner determines it to be cost-effective or a public safety measure for the department.

1. The employee's supervisor must annually review the assignment of the state vehicle.

2. Vehicle purchases must be made in accordance with Policy 104.4616, "Obtaining New and Replacement Vehicles," and Policy 104.300, "Purchasing."

D. Fleet Card Assignment

Fleet fuel cards are issued to purchase fuel for leased Department of Administration Fleet Services or department-owned vehicles and must be utilized in accordance with DOC Policy 104.302, "Use of Fleet Cards."

E. Recording business, commuting or personal use of state vehicles

1. With the exception of the OSI fugitive unit, a Daily Travel Log must be kept in vehicles and maintained by drivers of all vehicles registered for highway use.
   a) Odometer readings, mileage, and other details for each trip must be entered by the driver.
   b) For trips lasting more than one day, odometer readings and mileage must be entered on the log for each day.
   c) Logs must include names of all of the cities where stops were made during the day.
   d) Vicinity driving must also be noted on the log.
   e) All vehicle logs must be completed through the last day of each month and submitted to the designated financial services staff within five business days.
   f) Units may develop their own internal review process to follow prior to submission to financial services.
   g) Logs are retained in financial services in accordance with records retention schedules.

2. Minn. Stat. §16B.55 prohibits the personal use of a state vehicle for other than authorized state business or specified, authorized commuting.
   a) Any other use of a state vehicle for personal benefit is strictly forbidden.
   b) By statute, use of a state vehicle for commuting to and from an employee's residence is prohibited except for the following circumstances:
      (1) On a day when it may become necessary for the employee to respond to a work-related emergency during hours when the employee is not normally working.
      (2) If the employee has been assigned the use of a state vehicle for authorized state business on an extended basis, and the employee's primary place of work is not the state work station to which the employee is permanently assigned.
      (3) If the employee has been assigned to the use of a state vehicle for authorized state business away from the work station to which the employee is permanently assigned, and the number of miles traveled or the time needed to conduct the business will be minimized if the employee uses a state vehicle to travel to the employee's residence before or after traveling to the place of state business.
   c) Employees authorized to use a state vehicle for commuting must establish with their supervisor a normal commute distance.
   d) Daily Travel Logs for employee-assigned vehicles must be turned in to supervisors at month end.

e) Supervisors must review commute mile distances prior to forwarding the Daily Travel Logs to financial services.

f) Canine transport vehicles are exempt from the commute mileage reporting requirement.

3. The value of personal use of employer-provided vehicles by state employees must be reported on the Employee's Biweekly Time Report and included in wages reported on the employee's W-2 form.

   a) The state will withhold federal, state, FICA, and Medicare taxes on the value of such use.

   b) Unauthorized or unreported personal use of a state vehicle may be grounds for disciplinary action.

4 Staff permitted to use state vehicles pursuant to Minn. Stat. §16B.55 must record personal usage using one of three valuation rules found in SEMA4 Operating Policy PAY0019 Reporting Personal Use of Employer-Provided Vehicles for Tax Purposes. (Most state employees must use the commute rule below). Questions regarding which valuation rule is appropriate for use must be directed to financial services.

   a) Commute rule: this method values usage at $1.50 per one-way or $3.00 per round-trip commute. Employees must record earn code "CAR" on his/her time record, with a 0.5 for a one-way commute or a 1.0 for a round-trip commute. To use this rule, employees must meet the following criteria:

      (1) The employer requires the employee to commute in a vehicle for bona fide non-compensatory business reasons. Examples of acceptable reasons include: lack of space to store the vehicle, the expectation that the employee will respond to emergency calls from home, or security reasons.

      (2) Use of the vehicle for personal purposes other than commuting is prohibited.

      (3) The employee is not a control employee of that state. A control employee is an elected official or any employee whose compensation equals or exceeds that of a federal employee at Executive Level V (for example, $146,400 in 2013).

      (4) The vehicle is used in connection with the employer's business.

      Supervisors are responsible for comparing time records to the Daily Travel Logs each month. For employees using the commute rule, if commute mileage recorded on the Daily Travel Log is in excess of established commute distances, the employee must switch to the cents-per-mile rule for the remainder of that year.

   b) Cents-per-mile rule: this method values usage at the IRS standard mileage rate. Employees must record earn code "CMI" on the time report and report each mile of personal use. To use this rule, employees must meet the following criteria:

      (1) The vehicle is driven at least 10,000 miles/year.

      (2) The fair market value of the vehicle is:

         (a) $16,000 for a passenger automobile other than a truck or van, or $17,500 for a truck or van made available in 2015.

         (b) $16,000 for a passenger automobile other than a truck or van, or $17,300 for a truck or van made available in 2014;

         (c) $16,000 or less for vehicles first made available in 2013; $17,000 for a truck or van;

(d) $15,900 or less for vehicles first made available in 2012; $16,700 for a truck or van;
(e) $15,300 or less for vehicles first made available in 2011; $16,200 for a truck or van;
(f) $15,300 or less for vehicles first made available in 2010; $16,000 for a truck or van;
(g) $15,000 or less for vehicles first made available in 2009; $15,200 for a truck or van;
(h) $15,400 or less for vehicles first made available in 2008; $16,700 for a truck or van;
(i) $15,100 or less for vehicles first made available in 2007; 16,100 for a truck or van;
(j) $15,000 or less for vehicles first made available in 2006; $16,400 for a truck or van;
(k) $14,800 or less for vehicles first made available in 2005; $16,300 for a truck or van;

(3) The vehicle is reasonably expected to be regularly used in the employer's business.

(4) The employee must keep a log to substantiate the business and personal use of the vehicle.

c) Annual lease value rule: this method values usage based on the vehicle's fair market value. The personal use value is the ratio of personal miles to total miles, multiplied by the annual lease. The value of gasoline used is also added into the pro-rated lease value. Financial services calculates the value at the end of each calendar year based on travel logs submitted by the employee. Employees can only use this rule if they cannot meet criteria for either the commuting rule or the cents-per-mile rule above.

F. Vehicle Operator Responsibilities

1. Minimum obligations and requirements for drivers

a) The driver must possess and maintain a valid U.S State or Canadian Province driver's license.

b) Drivers must be at least 21 years of age when driving out of state and at least 18 when driving in Minnesota, with a minimum of at least two years of motor vehicle driving experience.

c) Personal use of State vehicles is prohibited, except where specifically allowed by statute.

d) Unauthorized drivers or passengers are not permitted in state vehicles.

e) The driver must not drive under the influence of alcohol or drugs that impact driving performance.

f) Drivers must always remove the keys and lock unattended vehicles when in an unsecured area. To maintain insurance coverage on rental vehicles, it is required that the vehicle be locked and keys removed whenever unattended.

g) The driver must conduct a pre-trip inspection for safety concerns by checking the tires, wipers, lights, and other safety equipment for observable defects.

h) If the driver determines that the vehicle is unsafe, the driver must report it to the prescribed authority and exchange the vehicle for an acceptable vehicle.

i) If a personal vehicle is used for state business, the minimum limits of liability that employee must have are $100Kper person/300K per accident.

j) Commercial vehicle drivers are subject to Department of Transportion/Commercial Driver's License (DOT/CDL) regulations and DOC Policy 103.041 Commercial Driver's License.

k) Vehicles must be operated in a manner that is consistent with intended use and safety and in accordance with manufacturer's ratings and guidelines, including fuel specifications, load capacity and trailer towing capacity.

l) Vehicles must be operated on the type and grade of fuel recommended by the manufacturer, E85 must be used in flex fuel vehicles when it is reasonably available.

m) Staff may allow offenders/residents to drive a state vehicle designated for driver education on public roadways. This behind-the-wheel training must occur with a staff supervisor present and in accordance with state vehicle and traffic laws.

2. Driver's responsibilities

a) Department employees must operate all vehicles in accordance with safety and traffic laws, rules and regulations set forth by local, state, and federal government, including commercial vehicle requirements if applicable. All vehicles must be operated safely. Vehicles must not be operated in any fashion that may endanger any person or property. Drivers are prohibited from texting and are discouraged from making cell phone calls while operating a vehicle.

b) Drivers are personally responsible for all traffic violations and fines that occur while driving state vehicles.

c) Drivers must possess the minimum requirements listed in the above section.

d) Authorized drivers are: state employees; contract employees with authorization to drive a state vehicle specifically cited in their contract; interns who have been granted permission by the Department of Labor and Industry (DLI); and drivers for certain disabled employees with the permission of that employee and the approval of the employee's supervisor.

e) All occupants in state vehicles must wear a seat belt (to include a lap belt and shoulder belt when equipped).

(1) The same applies to employees in private vehicles while conducting state business.

(2) Exceptions to this requirement are made for occupants of perimeter vehicles during perimeter patrol, and occupants who possess a written certificate from a licensed physician verifying that because of medical condition or disability the person is unable to wear a seat belt.

f) Drivers must avoid distractions while driving.

g) In accordance with Minn. Stat. § 169.475, employees may not operate a motor vehicle while using a wireless communications device to compose, read, or send an electronic message, when the vehicle is in motion or a part of traffic. Exceptions to this are:

1. If the wireless device is used solely in a voice-activated or other hands free mode;
2. For obtaining emergency assistance, to report a traffic accident, medical emergency, or serious traffic hazard, or to prevent a crime about to be committed;
3. In the reasonable belief that a person's life or safety is in immediate danger; or
4. In an authorized emergency vehicle while in the performance of official duties.

h) All vehicles must be maintained in safe operating condition. Drivers are responsible for notifying their fleet coordinator and/or immediate supervisor of vehicular defects. Safety related defects must be corrected prior to vehicle use.

i) Drivers must complete a defensive driving course at least every three years.

G. Vehicle Maintenance

In order to keep vehicles in safe operating condition, each fleet coordinator must develop a vehicle maintenance schedule for their respective vehicles that includes:

1. Preventive maintenance;

2. Repair Maintenance;

3. Maintenance records; and

4. Vehicle Inspections

H. Accidents/Theft

1. In the event of a car accident, employees must follow steps outlined in Policy 105.125, "A Workplace Accident and Injury Reduction (AWAIR) Program." The guidelines must be kept in the state vehicle.

1. Safe vehicle operation is the primary preventive measure that may be used to help avoid accident and injuries involving state vehicles.

2. Vehicle operation involves a significant number of potential liabilities.

3. State vehicles are insured for liability utilizing the program provided through the Department of Administration, Risk Management Division.

4. The State of Minnesota is self-insured and is assigned the self-insured identification number A-1046 by the Department of Commerce, insurance Division.

   a) This number is contained on the insurance information card that is maintained with each vehicle.

   b) This card must be used as evidence for accident reporting purposes.

5. Accidents must be reported on the State of Minnesota Employee Motor Vehicle Accident Report form (attached).

   a) In addition to this form, a similar Minnesota Motor Vehicle form may need to be completed.

   b) In the event of an accident or damage to a state vehicle, the driver must:

      (1) Call police and obtain emergency medical care for any injured people.

      (2) Secure the names, addresses and contact information of all injured persons, witnesses, owners, and drivers; and obtain the driver's license numbers and insurance information of all drivers involved, and the license plate numbers of all vehicles involved.

      (3) Report the accident to the Risk Management Division Claims Department, the driver's supervisor, and the fleet coordinator immediately, or on the first business day following an accident,

      (4) Not admit liability or make any statement except to the police or an identified representative of Gallagher Bassett Services, Inc. (the state

contractor for the provision of loss adjusting services), Risk Management Division, or the Attorney General's staff.

(5) In case of personal injury or death, contact Gallagher Bassett Services, Inc. at the phone number listed on their reporting form.

6. Staff must immediately report the theft of a state vehicle to local law enforcement, Risk Management and their supervisor(s).

x. If the license plates are missing from the state vehicle, facility employees must provide immediate, written notification to their vehicle coordinator. All other employees must provide immediate, written notification to the office services supervisor in central office. The facility vehicle coordinator or office services supervisor in central office will notify law enforcement of the missing license plates.

7. In the event of an accident or damage to a personal vehicle while an employee is on duty in the performance of assigned duties, the employee must complete an incident report and immediately notify his/her supervisor or watch commander.
   a) If available, the employee must provide a copy of the police report.
   b) If an injury or illness occurs, the supervisor or watch commander must complete the:
      (1) Injury, Illness, and Incident Data Form (IDF) form; and
      (2) Agency Claims Investigation form for each individual involved in the accident.
   c) All forms must be submitted to the safety administrator and human resources management within 24 hours.

8. Serious accidents and/or injuries/illnesses involving a state vehicle or vehicle being rented by the state must also be reported to the appointing authority, OD, safety administrator/designee and appropriate supervisor.

9. Completed IDF forms and agency claim documentation must be retained by Human Resources.

10. The Safety Administrator is responsible for enforcing agency policy to:
    a) Review the accident;
    b) Determine the cause of the accident;
    c) Determine if the accident was preventable;
    d) Determine and document any findings of fault; and
    e) Provide information to the employee's supervisor and Human Resources for determining appropriate action.

11. Auto accidents and abuse must be looked at on a case by case basis and appropriate employee accountability actions must be taken.
    a) Reviews are documented using the Injury, Illness and Incident Data form (IDF) in DOC Policy 105.125 "A Workplace Accident and Injury Reduction (AWAIR) Program.
    b) Risk Management reserves the right to discuss findings with the Safety Administrator.

I. <u>Vehicle audits by financial services</u>

1. All vehicle logs must be completed through the last day of each month and submitted to the designated financial services staff within five business days.

2. Finance staff must verify the following items on the vehicle log:
   a) The date, odometer readings, total miles, travel from/to columns, employee ID number, and driver's name column are completed for each trip/day.
   b) The beginning mileage is the same as the ending mileage from the previous trip.
   c) The person submitting the log or the supervisor of the area has signed and dated the form as the "Department Authorized Signature."
   d) The total mileage sum shown at the bottom of the form is correct.

3. Finance staff periodically verifies that personal and commuting mileage is entered on the appropriate staff's time record.

4. For locations with vehicles, designated finance staff must review a minimum of ten percent of vehicles each month. Staff must compare the Vehicle Request Log and the mileage log to verify accuracy and use MapQuest or another approved website to verify that the miles traveled are consistent with the actual distance recorded.

5. Financial services must follow-up on discrepancies as appropriate and maintain a file of audits performed.

INTERNAL CONTROLS:

A. Requests for Annual Control Numbers are retained in financial services.

B. Submitted Daily Travel logs are retained in financial services according to record retention guidelines.

C. Audit documents are retained in financial services.

D. Completed IDF forms and agency claim documentation are retained by Human Resources.

ACA STANDARDS: None

REFERENCES:
Minn. Stat. §§ 16B.55 and 169.475
Applicable labor agreements and compensation plans
Department of Administration policy and procedure #99.1, Procedures Governing Use of State Vehicles
Policy 103.041, "Commercial Driver's License."
Policy 104.461, "Employee Travel & Reimbursement of Expenses."
Policy 104.302, "Use of Fleet Cards"
SEMA4 Operating Policy and Procedure Number PAY0019, "Instructions to Employees for Reporting Personal Use of Employer-Provided Vehicles."
SEMA4 Operating Policy and Procedure Number PAY0021, "Employee Business/Travel Expenses."
State of Minnesota Model Fleet Safety Management Standards
Admin, Accident Reporting

REPLACES: Policy 104.4615, "Use of State Vehicles," 8/2/16.

All facility policies, memos, or other communications whether verbal, written, or transmitted by electronic means regarding this topic.

ATTACHMENTS: Request for Annual Control Number memo (104.4615A)
Daily Travel Log (104.4615C)
Vehicle Audit Form (104.4615D)
Using Outlook to Request a State Vehicle (104.461G)

APPROVED BY:
Deputy Commissioner, Facility Services
Deputy Commissioner, Community Services
Assistant Commissioner, Facility Services
Assistant Commissioner, Operations Support

Instructions
104.4615MINNCOR, "MINNCOR Motor Pool"