UNIVERSITY SYSTEM OF GEORGIA

VEHICLE ALLOWANCE

CITATION REFERENCE

OFFICIAL TITLE	POLICY ON VEHICLE ALLOWANCE
VOLUME	HUMAN RESOURCES
RESPONSIBLE OFFICE	USG HUMAN RESOURCES OFFICE
ORIGINALLY ISSUED	DECEMBER 13, 2024
REVISED	NA

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Policy Statement

The University System of Georgia (USG) provides vehicle allowances under limited circumstances. Employees are expected to submit mileage reimbursement requests or rent a vehicle in accordance with established USG procedures and guidelines. When an Institution determines it is more cost effective and beneficial to the Institution that an eligible employee receive a vehicle allowance, instead of reimbursement or car rental, the Institution President (or their Designees) must approve the decision.

This HRAP establishes the criteria for, and the administration of, employee vehicle allowances as outlined in the procedures section of this document. Violations of USG, Institution, or related state policies and procedures should be promptly addressed and may result in disciplinary action.

This HRAP does not cover the Institution President whose compensation package and any associated allowance are established and approved by the Board of Regents (BOR).

Applicability

All units of the USG are covered by this policy.

Who Should Read This Policy

All Human Resources staff within the USG should be aware of this policy.

Definitions

The following definitions apply to this policy:

- **Vehicle Allowance.** A vehicle allowance is a fixed amount that is paid to an eligible employee in addition to their regular salary each pay period to offset use of their personal vehicle to conduct authorized local and regional business travel as required in the regular performance of their job.

- **Significant travel** is defined as travel conducted by an eligible employee whose documented job responsibilities require a significant percentage of travel time as a primary aspect of the job and/or traveling 10,000 miles or more on an annual basis to conduct Institution business. Commute miles (miles between an employee's residence and work) are excluded and do not count towards determination of significant travel.

Requirements

Eligibility Requirements. Vehicle allowances shall only be provided on a limited basis to those employees whose job duties require that they spend a significant amount of their working hours traveling between multiple locations on Institution business as a primary/routine function of their job (e.g., Advancement and Athletics).

Standard Vehicle Allowance Amount. Institutions may only provide approved eligible employees up to the standard vehicle allowance amount which is $558 monthly/$6,700 annually. This sum is determined by the USG using the IRS Annual Mileage Rate multiplied by the minimum 10,000 expected travel miles, minus the employee's normal commute miles. For example, in 2024 the IRS standard mileage rate was $.67 resulting in a monthly stipend of $558 or $6,700 annually.

The President may approve limited exceptions to the eligibility requirement and standard vehicle allowance amount for athletic staff. Such exceptions must be reported to the USG Office of Human Resources and Office of Fiscal Affairs each fiscal year.

Treatment of Vehicle Allowance. Reference BPM 3.2.1 "Vehicle Allowance" for details on Payroll, Taxes, and Pension Eligibility.

Salary Adjustments. A vehicle allowance is not considered part of an employee's base pay for the purpose of adjustments to the employee's salary (e.g., Merit, Cost of Living Increases, Promotional Increases) or the calculation of other benefits (i.e., compensated absences or leave payout).

Funding. While identifying an appropriate funding source is required, funding availability alone is not sufficient justification for granting a vehicle allowance.

Mileage Reimbursement. An employee approved for a vehicle allowance is not permitted to submit mileage for reimbursement as a travel expense or utilize rental vehicles for local or regional travel. Institutions should have clearly defined procedures to ensure that this does not occur and maintain full documentation of limited instances where an exception is needed to meet business necessity and approved by the Chief Business Officer or designee. Refer to the state travel policy for non-mileage related travel reimbursement (i.e., Tolls and parking while on business).

Driver Requirements. All employees who drive on official Institution business must comply with the requirements outlined in the Human Resources Administrative Practices Manual (HRAP) on Motor Vehicle Use and are subject to the driver qualifications, disqualification, and annual training requirements. Employees must also be made aware of and comply with the disclosure of criminal charges requirement under the HRAP on General Criteria for Employment. An employee's vehicle allowance will be immediately suspended because of a revocation or suspension of their driver's license, cancellation of their motor vehicle insurance, or convicted criminal activity. A Disqualified Driver may not drive on Institution and/or USG business until their Motor Vehicle Record has been reviewed and a final determination is made by the Institution designated officer in coordination with the office of legal affairs.

Insurance. The Institution will not provide private motor vehicle insurance for an employee's vehicle. The employee must ensure the vehicle is properly insured and correctly classified on their insurance policy.

Documentation and Reporting. All employees receiving a vehicle allowance must complete and submit to their supervisor a Vehicle Business Use Report to include business mileage at least quarterly. Specified positions within the athletics department, as determined by the Institution, may be excluded from this reporting requirement.

At the end of each fiscal year, the Institution's Motor Vehicle Manager is responsible for providing a report to the Institution's Chief Business Officer listing each employee receiving vehicle allowance payments, the funding source, and fiscal year total amount expensed for all vehicle allowances. This report will be used to audit compliance and continuation of such allowances.

Process and Procedures

Each Institution must have written procedures to ensure that vehicle allowances are approved and managed in compliance with USG policies and procedures. These Institution procedures must provide, at a minimum:

1. Office of Human Resources (OHR) Review and Approval. Prior to communicating a vehicle allowance allocation to the employee, the requesting department or unit must submit a request for a vehicle allowance along with an updated position description to the Institution's Office of Human Resources. OHR will review the position responsibilities and travel requirements to determine whether a position potentially qualifies for a vehicle allowance. Upon approval OHR will coordinate with the Institution's Motor Vehicle Manager.

2. Designated Motor Vehicle Manager. The Institution must designate a position with responsibility for serving as the Institution's Motor Vehicle Manager. This role may be performed by the Institution's Fleet Manager as applicable.

   The Motor Vehicle Manager is responsible for conducting a cost-benefit analysis. The vehicle allowance is intended to cover gas, maintenance, and depreciation attributable to the business miles driven.

   All decisions to award a vehicle allowance must be approved by the unit or division leader and include a documented cost analysis of the employee/position's prior travel reimbursement, and/or use of fleet/rental vehicle as an alternative to the proposed vehicle allowance. Reference BPM 3.2.

3. The Motor Vehicle Manager's recommended vehicle allowance for any employee shall be in compliance with this policy (standard allowance) and reviewed and approved by the Institution's Chief Business Officer and President.

4. All employees who are approved to receive a vehicle allowance must accept the vehicle allowance in writing. The employee vehicle allowance agreement must at least include the following:
   - The employee must agree that they accept the vehicle allowance in lieu of reimbursement for a rental vehicle or business miles traveled in their personal vehicle.
   - The amount of the allowance, noting that the allowance is subject to all appropriate tax withholding and deductions.
   - The employee must agree to maintain motor vehicle insurance on any vehicles driven while conducting business.
   - Acknowledge awareness and compliance with HRAP on Motor Vehicle Use.

- Agree to report to HR immediately if their driver's license is suspended or revoked or if they no longer own a personal vehicle.
- Agree to complete quarterly Vehicle Business Use Reports containing business travel mileage and all additional information reasonably requested by the Institution.
- Understand that the vehicle allowance may be discontinued at any time at the sole discretion of the Institution.

5. If, at any time the employee's job responsibilities no longer require significant travel hours, and/or the required report no longer shows significant travel miles, the job responsibilities and business case for a vehicle allowance should be reviewed by OHR and/or the motor vehicle manager and unless there are documented extenuating circumstances, the Institution shall discontinue the vehicle allowance paid to the employee effective the next pay period.

   A review should also be conducted by the Office of Human Resources whenever a position with a vehicle allowance is vacated or upon substantial changes to job responsibilities (i.e., reclassification). Managers who supervise an employee with a vehicle allowance must notify HR in a timely manner of any substantial changes to the job responsibilities and/or travel expectations.

6. To ensure appropriate/job-based vehicle allowance application, the President or designee must conduct an annual review of the vehicle allowance program. Periodic reviews will also be conducted by USG.

Responsible Parties and Contact Information

Party	Responsibility	Phone/Email/URL
Vice Chancellor for Human Resources, USG	Ensure compliance with policy.	404-962-3235 usg-hr@usg.edu
Institution Motor Vehicle Manager	Ensure compliance with policy.	**Institution Designee**
Institution Chief Human Resources Officers	Ensure compliance with policy.	See University System HR Officer Listing

Appendices (Internal Documents, Forms and Web Links)

- Business Procedures Manual (BPM) 3.2 Vehicle Allowance and
- Business Procedures Manual (BPM) 4.0 Travel Regulations

- Human Resources Administrative Manual (HRAP) Motor Vehicle Use

Related Documents and Resources (External)

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