

**JACKSONVILLE STATE UNIVERSITY**  
**Manual of Policies and Procedures**

**POLICY NUMBER:** IV:06:02

**DATE:** January 31, 1997

**REVISION/REVIEW DATES:** Aug 1997, March 1998, Sept 2008, Oct 2010, Jan 2011, July 2011

**SUBJECT:** Courtesy Vehicles

**APPROVED:** William A. Meehan, President

**PURPOSE**

To delineate reporting requirements for dealer-provided courtesy vehicles.

**POLICY**

The IRS has certain guidelines for the reporting of taxable, non-cash benefits such as courtesy vehicles. In accordance with these guidelines, each individual provided with a courtesy vehicle should keep a record of business and personal mileage use on a monthly basis.

Both Federal and State statutes require that personal use mileage on courtesy vehicles be considered as taxable income computed using IRS Publication 535-Business Expenses Table for Lease Value. Commuting miles, use by family members, or use in another line of business are examples of personal use. The University has elected to withhold Federal and State tax on the value of personal use of a courtesy vehicle.

In order for a business providing a courtesy vehicle to receive contribution benefits, the Athletic Director and Associate Athletic Director for External Affairs must be aware of any courtesy vehicles provided. The recipient of the courtesy vehicle is responsible for obtaining the fair market value of the courtesy vehicle (when the vehicle is received) and providing the information to the Athletic Director, the Associate Athletic Director for External Affairs, and the Controller on [Form 54](#). This form must be submitted each time a vehicle is received. The Athletic Director and Associate Athletic Director for External Affairs can record the donation.

The fair market value of the vehicle will be the basis for determining the taxable income derived from the personal use of the courtesy vehicle. [Form 53](#) provides a means for reporting the personal use of a courtesy vehicle.

1. On or before the 15<sup>th</sup> of each month, anyone using courtesy vehicles must submit a record of mileage driven for courtesy vehicles for the previous month. The form should 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 University. 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. The Controller and the Associate Athletic Director for External Affairs should be notified when a courtesy vehicle is returned, or if an individual is no longer using a courtesy vehicle.

#### **RESPONSIBILITY**

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

#### **EVALUATION**

This policy will be reviewed every five years by the Office of the Controller.