



Personal Use of Employer Provided Vehicles

This policy is applicable to any employee who has been given exclusive full time use of a University owned vehicle per their employment agreement. An employee’s personal use of vehicles provided by Bryant University is taxable. Examples of taxable personal use include commuting between the employee’s residence and work, vacation, weekend use, for any non-business-related purposes or use by a spouse or dependent. The value of any gasoline purchased on a University P-Card for such vehicles which pertains to personal travel/use must be reimbursed to the University.

It is the employee’s responsibility to report their personal use of a University provided vehicle to the Accounts Payable department on a quarterly basis. This information needs to be supported by documentation maintained by the employee detailing the personal use. The attached form detailing personal mileage, business mileage and total mileage on the vehicle must be filled in and submitted to Accounts Payable on the due dates listed below. For the purpose of accurately calculating the amount reimbursable to the University for gasoline, the value of any gasoline paid from personal funds (your personal cash or personal credit card) for University owned vehicles must also be reported on this form and all receipts supporting the value of fuel purchased from personal funds for University owned vehicle must also be attached to the form. When an employee utilizes a University P-Card for fuel purchases, it will not be necessary for the employee to provide Accounts Payable with documentation supporting the value of fuel paid for by the University. The employee will only need to provide the form detailing the mileage.

The dates and timeframe that the employee must provide such information to Accounts Payable (form for business mileage, total mileage, and documentation for fuel used for personal travel not charged on University P-Card) are as follows:

Time Period of Personal Use	Date Form is Due to Accounts Payable
December 1 – February 29	First week of March
March 1 – March 31	First week of June
June 1 – August 31	First week of September



September 1 – November 30

First week of December

If an employee is provided with a new car in exchange for an older car, the mileage information for each of the cars must be provided on a separate form for that time period. Please note the following general rules per Publication 15-B (2014) of the Internal Revenue Service:

- An employer-provided vehicle is a fringe benefit.
- The valuation of this fringe benefit is the valuation of the personal use portion of the vehicle.
- A record of business versus personal mileage is required. If no recordkeeping is maintained by the employee, the value of the total use of the vehicle is considered to be wages to the employee, and the employee can then deduct any business use on Form 1040, which they file with the IRS for their taxes. Correspondingly, in such circumstances, all fuel purchases will also be considered as being for personal use and the entire amount of fuel charged on the University's P-Card will be considered as reimbursable back to the University.
- The IRS indicates the General Valuation Rule must be used to value the personal use of an employer provided vehicle.
- Under the General Valuation Rule, the value of a fringe benefit is its fair market value (FMV).
- For Bryant, the applicable rule to use for valuation is the Lease Value Rule. This rule requires the FMV of the vehicle be determined. Bryant uses the Kelly Blue Book* value for this purpose.
- Once the FMV is determined as of the first day during the year in which the employee had use of the car, Table 3-1 in IRS Publication 15-B is used to determine the annual lease value. This Table includes the value of maintenance and insurance for the vehicle. If these services are not provided by the University, the annual lease value is not reduced per the IRS. If the University provides any service other than maintenance and insurance for the vehicle, the FMV of the service must be added to the annual lease value of the vehicle.
- The annual lease value as determined by the Table is then multiplied by the percentage of personal miles out of total miles driven by the employee. This amount is taxable and is included in the employee's W-2.

Kelly Blue Book value takes mileage of the vehicle into account as well as geographic location and is therefore the value used by the University for this purpose. Example of computation to be used by the University:



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- Determine what the employee would pay to lease the vehicle (FMV as described above).
- Determine personal use based on miles driven. For example:
 - Total Miles 10,000
 - Business miles 8,000
 - Personal miles 2,000

2,000/10,000 = 20% personal use

- Final calculation of amount to be included in the employee’s wages:
 - Annual Lease Value \$3,000
 - Personal Use Percentage 20%
 - Amt. included in wages \$800

This amount pertaining to personal use of an employer provided vehicle will be provided by Accounts Payable to the payroll office on a quarterly basis and will be reported on the employee’s W-2 at year-end. For the purpose of computing the amount reimbursable back to the University for any gasoline used for personal travel which was purchased on the University’s P-Card, the following is a sample computation:

Example	Amount
a. Value of gasoline purchased using personal funds (from form filled by employee)	\$100
b. Value of gasoline purchased using University P-card (computed by A/P using P-card records)	\$500
c. Total value of gasoline purchased for University vehicle	\$600
d. Personal use percentage	20%



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e. Cost of gasoline for personal use	\$120
f. Amount reimbursable back to the University (a. minus e.)	\$20

The Accounts Payable office will compute this amount and inform the employee by email to make a payment on the amount reimbursable back to the University.