

# City of Melfort Policy Manual

<i>POLICY TITLE:</i> <b>Vehicle Policy</b>	<i>POLICY NUMBER:</i> <b>1.6.85</b>	<i>EFFECTIVE DATE:</i> <b>July 1, 2021</b>
<i>ORIGIN:</i> <b>Administration</b>	<i>APPROVED BY CITY MANAGER ON:</i> <b>Internal Policy</b>	<i>DATE AMENDED:</i>

## 1. PURPOSE

This Vehicle Policy applies to City of Melfort employees. The Vehicle Policy is to provide guidelines for the use of vehicles owned by the City of Melfort, take home privileges and the reporting of information for the assessment of taxable benefits in accordance with Canada Revenue Agency requirements.

## 2. POLICY

### 2.1 Use of City-owned Vehicles

City-owned vehicles shall be used for City business only. Any person driving a city-owned vehicle must be included on the City's list of approved drivers for insurance purposes and in possession of a valid driver's license. **It is the duty of an employee to advise the City Manager of any driver's license disqualifications.** Passengers, other than City of Melfort employees on the job, members of Council, or individuals associated with City business or pets, shall not be permitted.

### 2.2 After-Hours Use

**2.2.1** Outside of regular working hours, vehicles are to remain at City places of business, with the exception of those employees who drive City fleet vehicles assigned to them and who have been granted take home privileges under Section 2.3 of this policy. Vehicles assigned to employees with take home privileges shall only be used for callouts or emergencies after hours. These vehicles shall not be used for private purposes.

**2.2.2** A vehicle may be taken home for the purpose of leaving the next morning from the employee's home to a work site other than his/her regular place of business (e.g. out-of-town conference/meeting), but no personal kilometres are to be driven while the vehicle is at the employee's residence. The trip home in these circumstances is not considered personal driving.

### 2.3 Take Home Privileges

**2.3.1** The following employees are granted take home privileges for the City fleet vehicles assigned to them, provided they choose to accept this privilege by signing the Take Home Privilege Agreement:

- a) Director of Protective Services/Fire Chief
- b) Director of Works & Utilities

- c) City Foreman
- d) Facility Manager
- e) Building Official
- f) Bylaw/Safety Officer
- g) Water Meter Repairman
- h) On-call Works Employee

- 2.3.2** Employees granted take home privileges are allowed to drive the City vehicle from their residence to work and back. There are to be no other personal kilometres driven by the employee.
- 2.3.3** All violation tickets, driving-related charges and parking tickets issued to employees during the course of their employment, are payable personally by the employee.
- 2.3.4** Employees must report all incidents, near misses or violations that may occur whether it is in a City vehicle or a personal vehicle while conducting City Business.
- 2.3.5** With the exception of employees residing outside City limits, employees with take home privileges are not required to reimburse the City for the kilometres driven to and from their regular place of work; however, these kilometres are considered personal kilometres by the Canada Revenue Agency and the employees are subject to a taxable benefit which may be reported on their T4.
- 2.3.6** Employees residing outside City limits are subject to the requirements of Section 2.3.5 above and will be required to reimburse the City for the kilometres driven to and from the municipal boundary to their residence, which are considered to be personal kilometres. The charge consists of a per kilometre rate for operating costs, as specified by the Canada Revenue Agency. These personal kilometres must be reported each month and the charges will be deducted from the employee's next salary payment. Personal use of an employer vehicle is subject to a Taxable Benefit under the Canada Revenue Agency rules. The amounts reimbursed to the City for driving the vehicle are applied against the taxable benefit and any remaining taxable benefit will be added to the employee's T4 and tax must be paid on the amount.
- 2.3.7** If employees drive directly from their residence to a project or work site other than their regular place of business, then the kilometres are not considered personal. Also, if employees return directly home from a project or work site without reporting to their regular place of business, then the kilometres are not considered personal.

**Example:** For employees with take home privileges who drive home from their regular place of business and leave from home to a work site in the morning, the trip home would be personal; the trip to the work site the next morning would not.

- 2.3.8** Employees with take home privileges must submit the Take Home Privilege Reporting form on an annual basis, on or before the 1<sup>st</sup> day of December.

## **2.4 Canada Revenue Agency (CRA) Taxable Benefit Implications**

- 2.4.1 A taxable benefit occurs if personal kilometres are driven by an employee in a City vehicle. The length of time the vehicle was available for personal use to the employee, type of vehicle and the number of kilometres driven are all considered in determining the taxable benefit. The vehicle is considered to be “available for personal use” for the period(s) during the calendar year that the employee was approved for take home privileges.
- 2.4.2 If the employee does not use the vehicle for personal driving, there is no taxable benefit, even if the vehicle was assigned to the employee for the entire year.
- 2.4.3 Taxable benefits are calculated in accordance with *The Income Tax Act*.

### **3. COMPLIANCE**

- 3.1 Violation of this policy may result in disciplinary action up to and including termination of employment.
- 3.2 Department Directors are responsible for informing their employees of the provisions of this policy.

### **4. RESPONSIBILITIES**

- 4.1 City Manager will monitor this policy for compliance and recommend updates as required.

**City of Melfort Vehicle Policy 1.6.85**  
**Appendix 1 – Take Home Privilege Agreement**

**Take Home Privilege Agreement**

*I hereby understand and acknowledge the following:*

1. My agreement to Take Home Privileges is voluntary;
2. I am included on the City's list of approved drivers for insurance purposes;
3. The City vehicle assigned to me will not be used for private purposes and will only be used for callouts or emergencies after hours;
4. Unless I reside outside of City limits, I am not required to reimburse the City for the kilometres driven to and from my regular place of work and home; however, these kilometres are considered personal kilometres by Canada Revenue Agency and are subject to a Taxable Benefit which will be reported on my T4;
5. If I reside outside of City limits, I am required to reimburse the City for the kilometres driven to and from the Melfort municipal boundary to my residence, in accordance with Section 2.3.6. I acknowledge these kilometres, in addition to the kilometres driven to and from the municipal boundary to my regular place of work, are considered personal kilometres by Canada Revenue Agency and are subject to a Taxable Benefit which will be reported on my T4. I agree to pay this reimbursement automatically through payroll deduction;
6. I agree to complete an annual Take Home Privilege Reporting Form to report all personal kilometres under this Agreement;
7. I may cancel the Take Home Privilege Agreement at any time by submitting written notice, signed and dated, to the City.

\_\_\_\_\_  
Signature of Employee

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of City Manager

\_\_\_\_\_  
Date

## Appendix 2 - Take Home Privilege Reporting Form

Driver Information	
_____ Employee Name	_____ Department
Vehicle Information	
_____ Year, Make and Model	_____ Type (e.g. Truck, SUV, Van)
Vehicle Usage Dates	
_____ Assigned vehicle start date (MM/DD/YY)	_____ Assigned vehicle end date (MM/DD/YY)

Take Home Privilege – Employees residing within city limits				
Complete the km driven to and from your home and place of business for the calendar year. That is the only value required to determine the taxable benefit				
_____ Daily km	x	_____ No. of days worked	=	_____ Annual km

Take Home Privilege – Employees residing outside of city limits				
<b>Personal Kilometre Report for the month of _____, 20_____</b>				
Complete the km driven to and from your home and the Melfort municipal boundary.				
_____ Daily km	x	_____ No. of days worked	=	_____ (A) Monthly km*
*This value will be used to calculate the operating cost of the Vehicle.				
Complete the km driven to and from the Melfort municipal boundary and place of business for the reporting month. There is no reimbursement required for these kilometres				
_____ Daily km	x	_____ No. of days worked	=	_____ (B) Monthly km

Authorization	
<b><i>I hereby certify the following: The information provided above accurately states the take home privilege of the vehicle and may result in a taxable benefit being reported on the employee's T4.</i></b>	
_____ Signature of Employee	_____ Date
_____ Signature of Supervisor	_____ Date

**For Office Use Only:**

**Calculation of Monthly Reimbursement and Taxable Benefit for employees residing outside of municipal boundaries.**

Month of \_\_\_\_\_, 20\_\_\_\_\_

**Reimbursement to City:**

Kms to and from municipal limits to residence (A) \_\_\_\_\_  
x per km Operating Cost \_\_\_\_\_ \$ \_\_\_\_\_

**Total Monthly Fee for Take Home Privileges (C)** \$ \_\_\_\_\_

**Monthly Taxable Benefit**

Kms to and from municipal limits to residence (A) \_\_\_\_\_  
Plus (+) kms to and from municipal limits to workplace (B) \_\_\_\_\_  
Times (x) per km Operating Cost \_\_\_\_\_ \$ \_\_\_\_\_  
Less total monthly fee for Take Home Privileges (C) (\$ \_\_\_\_\_)  
**Total Monthly Taxable Benefit** \$ \_\_\_\_\_ \*

\*If the value of the monthly taxable benefit is 0 or less, no taxable benefit will be applied for the month.

**Payroll Deduction**

The monthly fee has been deducted from and the monthly taxable benefit has been applied to PP # \_\_\_\_\_, 20 \_\_\_\_\_