

DEALER CAR PROGRAM

ACQUISITION

Each Michigan Athletic Department employee who is assigned a courtesy dealer vehicle is accepting the vehicle on behalf of the Department. The employee is responsible for the physical acquisition of the courtesy vehicle from the dealer.

FUEL

The employee is responsible for purchasing fuel for their courtesy vehicle. All business miles driven by the employee will be reimbursed at the applicable mileage reimbursement rate for courtesy vehicles. As with all mileage reimbursement, the mileage is claimed on a Travel Expense Voucher with applicable dates, locations, and purpose.

MAINTENANCE

The Department will reimburse for necessary, reasonable preventative maintenance expenses (e.g. oil changes) not covered by the dealer.

INSURANCE

Insurance for the vehicle will be provided through the University Office of Risk Management. Risk Management will provide a certificate of insurance, which should be kept in the vehicle as proof of insurance. **The employee and his/her spouse are the only approved drivers for the vehicle.** Minor children are specifically prohibited from driving the vehicle. Insurance is provided, however, for all occupants in the vehicle. In order for insurance to be provided, it is the driver's responsibility to provide the vehicle year, make, model, vehicle identification number (VIN), and license number to the Athletic Department business office. This information must be provided on a **Vehicle Data Sheet** and will immediately be forwarded to UM Risk Management.

VEHICLE DAMAGE

All accidents on campus must be reported to the Department of Public Safety. All off-campus accidents must be reported to the local law enforcement agency. The police report is used to determine driver fault. In addition, accidents involving public property damage and/or personal injury must be reported to the University Risk Management Department as soon as possible.

A completed Driver's Report of Vehicle Damage or Public Incident must accompany all vehicle damage claims. These forms have been distributed to all drivers. Additional forms are available in the business office.

In cases of significant vehicle damage, please consult with the business office before any repairs are started. In some cases, the Department may send an insurance adjuster to inspect vehicle damage or require additional quotes.

There is a \$100 employee co-pay for repair costs for all miscellaneous vehicle damage such as body scratches, windshield cracks, and bumper dings. The collision coverage has a deductible of \$250 for any accident, with the exception of situations where mini-tort damages can be collected from the other party's insurance company (i.e. the other driver is ticketed). In addition, the employee is responsible for the \$250 deductible on claims where he/she has failed to report the vehicle on a Vehicle Data Sheet.

TRAFFIC AND PARKING VIOLATIONS

University policy clearly states that University employees are responsible for paying all parking and traffic violations incurred, even on business trips.

TAX REPORTING AND WITHHOLDING

The employee will have one-twelfth of the annual lease value (ALV) of the vehicle added monthly to their taxable income through the University Payroll Office. The annual lease value is calculated using 92% of the base manufacturer's suggested retail price (MSRP) and the IRS annual lease value tables. The ALV tables include the cost of insurance and maintenance. If complete and reasonable quarterly business/personal mileage information is forwarded to the business office according to the Vehicle Mileage Reimbursement Policy, only the personal use portion of the ALV will be subject to income tax. If logs are not provided, the personal use percentage is assumed to be 100%. The appropriate amount of Federal and State tax will be withheld by the Payroll Office, depending on the number of exemptions and marital status claimed on the employee's W-4.