

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM
BUSINESS PROCEDURES MANUAL

Procedure 4.17
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Effective Date: October 28, 2009

Supersedes: Business Procedure 4.17 dated August 1, 2009

Applies To: Colleges and the System Office

Procedure Responsibility: System Purchasing and System Facilities Management

Vehicle Acquisition and Assignment

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Section 4.17.1 – General

KCTCS has need through normal business to use vehicles. In such instances it is KCTCS' best interest to acquire vehicles through either the Commonwealth of Kentucky's Transportation Cabinet Fleet Services and/or through the competitive bid or price contract process as the situation is best served. This procedure outlines the business processes for acquiring a vehicle as well as the assignment of the vehicle to individuals and operating units.

Section 4.17.2 – Acquisition of a Fleet Vehicle

- A. Requests for a fleet vehicle should be made to the KCTCS System Office of Facilities Management. *Note:* Fleet vehicles are leased from the Kentucky Transportation Cabinet.
- B. KCTCS System Office of Facilities Management will make the necessary arrangements with the Transportation Cabinet for the requested vehicle and with the KCTCS System Office of Budget and Planning and the KCTCS Office of Business Services to charge the appropriate account for the vehicle. Reference Business Procedure 2.3 - Vehicles.

Section 4.17.3 - Acquisition of KCTCS Owned Vehicle

- A. Requisitions for a KCTCS (College or System Office) owned vehicles are to be routed to the KCTCS Office of Purchasing for bidding or acquisition through the price contract process. All vehicle requisitions will be reviewed by the KCTCS Office of Facilities Management for consistency with other vehicles purchased by KCTCS.
- B. The final decision approving the purchase of a new vehicle rests with the KCTCS vice president for finance. *Note:* For safety reasons KCTCS does not allow the purchase or rental of 15-passenger vans.
- C. The KCTCS Office of Facilities Management - Division of Property Management will license each vehicle with Kentucky official tags and will retain and file all original Certificates of Title and Bill of Sale for each acquired vehicle.
- D. The Division of Property Management will ensure that each vehicle is covered with liability insurance. In addition, each vehicle less than five years old can be covered with collision and comprehensive insurance. The final decision to secure this physical damage coverage will be made by the college.
- E. The KCTCS Office of Facilities Management - Division of Property Management will ensure that vehicle markings (seals and logo) are applied to each KCTCS owned vehicle.
- F. The college using the vehicle will be responsible for making the request to KCTCS Office of Purchasing to secure a Voyager card designated for the purchase of fuel for the vehicle. The college shall complete the required forms and return them to KCTCS Office of Purchasing. Please see KCTCS' The POINT, Voyager Vehicle Information.

Section 4.17.4 – Replacement of Existing Vehicles

- A. All vehicles that require replacement will be coordinated through the KCTCS Office of Facilities Management - Division of Property Management, who will work with either the Kentucky Transportation Cabinet or KCTCS Office of Purchasing to obtain the replacement vehicle. *Note:* For safety reasons with the replacement of 15 passenger vans, only 12-passenger vans will be allowed for purchase.

It is recognized that a passenger van will often be the most effective means of transportation for certain activities and events involving employees and/or

students. This procedure is intended to implement uniform standards of usage in an effort to maximize the safety of those utilizing the van, especially in regard to colleges currently having 15 passenger vans within their fleet.

1. There are to be no back seat passengers. Passengers are limited to 11 without cargo/luggage or 9 with cargo/luggage.
 2. If possible, the back seats should be removed to avoid the possibility of passengers using the seats.
 3. All passengers must wear seat belts.
 4. Drivers should be certified by the Kentucky Department of Transportation to drive a 15 passenger van. Please consult the following web link for more information. [Van Driver Coaching Program](#)
 5. All cargo is prohibited on the roof. No roof racks may be installed
 6. Cargo inside the van must be stacked no higher than the top of the van seats.
- B. The KCTCS Office of Facilities Management - Division of Property Management will dispose of the vehicle being replaced in accordance with Business Procedure 2.9.

Section 4.17.5 – Vehicle Assignments to Individuals

- A. All vehicles permanently assigned to individuals at a college or the System Office must be approved by the KCTCS President or designee (the KCTCS vice president of finance). For administrative purposes, designee shall serve as follows:
1. The KCTCS President will approve permanently assigned vehicles to those individuals that report directly to the KCTCS President.
 2. The KCTCS vice president of finance or college president/CEO will approve all other permanently assigned vehicles except as stated above.
 3. As a condition of assignment to a KCTCS company vehicle, a monthly mileage travel log must to be completed and submitted within three (3) working days following the calendar month end. Depending on IRS interpretation, non business mileage may be considered to be taxable to the employee. Failure to complete and submit a log will result in 100% of the fair market value of the vehicle to be deemed to taxable to the employee and appropriate payroll taxes will be withheld and reported.

The log must be submitted to KCTCS Payroll. For college employees the log should be routed through the local college's payroll office. For System Office employees, the log should be routed directly to KCTCS Payroll.

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- B. Requests for permanently assigned vehicles to individuals are to be submitted to the KCTCS Office of Facilities Management. All requests must include the justification for the request.
- C. All approved requests will be kept on file in the KCTCS Office of Facilities Management - Division of Property Management.
- D. Recommended agreement – as an assurance to understanding and compliance to IRS requirements, it is recommended that personnel assigned a vehicle sign a statement of understanding as to the expectations in the use the vehicle and required logs to be completed. The following is the preferred model for an agreement of understanding which the employee would sign prior to being assigned a KCTCS vehicle.

Section 4.17.6 – Vehicle Assignments to Operating Units

- A. A request for permanently assigned vehicles to an operating unit of a college must be approved by the college president/CEO.
- B. A request for permanently assigned vehicles to an operating unit of the System Office must be approved by the KCTCS vice president of finance.

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Section 4.17.7 – Example Log

**MODEL VEHICLE LOG
KCTCS ASSIGNED VEHICLE REQUIREMENT**

EMPLOYEE NAME

REPORTING MONTH

VEHICLE NAME, MAKE (INCLUDE YEAR) AND LICENSE #

	Month		YTD
Ending Odometer			
Beginning Odometer			
Total Miles			
Business Miles			

Section 4.17.8 – Example Contract of Understanding

**MODEL AGREEMENT
KCTCS ASSIGNED VEHICLE REQUIREMENTS**

- Use of KCTCS vehicles is limited to business use only. In instances where there is personal mileage for whatever reason, it shall be documented and may be treated as a taxable benefit depending on IRS interpretation. See Notes.
- As a condition of assignment of a KCTCS vehicle, a monthly mileage log is to be completed and submitted to KCTCS Payroll within three (3) working days following the calendar month end. This mileage log shall include daily entries of vehicle usage with corresponding supporting documentation. See section 4.17.7 for example of log. For college employees the log should be routed through the local college's payroll office. For System Office employees, the log should be routed directly to KCTCS Payroll.
- A year to date summary (for the vehicle year of November 1 through October 31) for each employee with business and personal mileage, with the beginning and ending odometer mileage, is to be provided to the KCTCS Payroll by not later than November 10 of each year.

Note: Failure to complete and submit a log will result in 100% of the fair market value of the vehicle to be deemed taxable to the employee and appropriate payroll taxes withheld and reported. In the event that an employee attends a meeting or training from the employee's residence to the site of the meeting/training or in the event that an employee responds to an emergency, such mileage shall be considered business use.

UNDERSTANDING AND AGREEMENT

I _____ Emp ID _____ hereby
(Print Name)
acknowledge my understanding of the above KCTCS requirements for usage of an assigned vehicle and agree to abide by the no personal use limitation, except as stated above. I understand failure to do so may result in disciplinary action, up to and including termination of my employment.

Employee Signature

Date

System Office Business Services

Date

Original to KCTCS Payroll
Copy to Originating Department

End of procedure