

CITY OF CENTENNIAL, COLORADO  
13133 East Arapahoe Road, Centennial, Colorado 80112

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**ADMINISTRATIVE DIRECTIVE  
No. 2013-CM-AD-02**

**VEHICLE ALLOWANCE DIRECTIVE**

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**I. AUTHORITY:**

Article 2 of Chapter 2 of the City's Municipal Code, provides the City Manager with the authority to carry out the administrative affairs of the City, including promulgating administrative policies consistent with federal, state and local laws.

**II. PURPOSE OF DIRECTIVE:**

The purpose of this Directive is to define the City's practices for employee vehicle allowances. It is expected that specific positions will require travel related to City business. A vehicle allowance is intended to reimburse the employee for travel-related expenses, such as fuel, vehicle maintenance, insurance, parking, tolls, and public transportation.

**III. SCOPE:**

This Directive applies to City employees who receive a vehicle allowance. City Council and employees hired by City Council are excluded from this Directive unless otherwise provided by City Council Policy or law.

**IV. DEFINITIONS:**

**City Vehicle** is a motor vehicle owned or leased by the City and operated by a City employee.

**Personal Vehicle** is a motor vehicle that is operated by a City employee and is not owned or leased by the City.

**Vehicle Allowance** is a fixed amount paid to an employee each month for the regular use of the employee's personal vehicle for City business and for other local travel-related expenses incurred while performing City business.

**V. DIRECTIVE:**

**A. Vehicle Allowances**

The City Manager shall have the discretion to determine which employee positions are eligible for a vehicle allowance and the appropriate allowance amount, subject to annual budget appropriations.

## **B. Vehicle Usage**

Employees who receive a vehicle allowance shall use their personal vehicle for transportation/travel for City business within a 50 mile radius of the Centennial Civic Center. Employees who receive a vehicle allowance shall not use a City vehicle to perform their duties within the 50 mile radius, except for the following unusual and non-routine circumstances:

- 1) **Public Safety** – the duties being performed require a marked City vehicle to provide increased visibility for safety or recognition as a City official performing a government function;
- 2) **Personal Safety** – the environmental conditions (snow, ice, high wind, etc.) render the operation of an employee's personal vehicle unsafe;
- 3) **Professional Courtesy** – an employee will be transporting additional individuals or official guests;
- 4) **Significant Distance** – a single planned event will result in travel outside the 50 mile radius; or
- 5) **Additional Capacity** – an employee will be transporting items for City business that do not fit in his/her personal vehicle or that would require a different type of vehicle for transport.

## **C. Mileage Reimbursements**

Employees who receive a vehicle allowance are ineligible to receive reimbursement for mileage for travel in a personal vehicle while performing City business within a 50 mile radius. If an employee who receives a vehicle allowance is traveling beyond the 50 mile radius, the employee may utilize a City vehicle (with the approval of the employee's immediate supervisor) or submit their mileage for reimbursement. The employee shall deduct all mileage driven within the 50 mile radius from their total mileage when seeking reimbursement. Employees and their managers are responsible for ensuring that only eligible mileage/travel expenses are reimbursed.

## **D. Requirements**

1. Employees are responsible for maintaining the appropriate license and registration for their vehicle with the Colorado Division of Motor Vehicles and the appropriate auto insurance in accordance with Section E of this Directive.
2. Employees who receive allowances are responsible for all expenses incurred in the operation of their personal vehicle. These expenses include the cost of the appropriate insurance, loan or lease/rental payments, vehicle levies, gasoline, traffic fines, vehicle maintenance costs, and other vehicle expenditures.
3. In the event an employee's driver's license is suspended, revoked, or restricted for any reason, the employee shall promptly notify his/her supervisor with written notice of said suspension, revocation, or restriction within one (1) working day. At that time, the employee's supervisor shall immediately notify Human Resources.

The employee shall not operate any vehicle on City business during the term of the stipulated suspension, revocation, or restriction.

4. In the event an employee is convicted of a major traffic violation (such as a DUI, DWAI, reckless driving, etc.), the employee shall promptly notify his/her supervisor with written notice of said conviction within one (1) working day. At that time, the employee's supervisor shall immediately notify Human Resources. The employee shall not operate any vehicle on City business until notified by Human Resources.

**E. Insurance**

1. The minimum insurance required by the City to operate a personal vehicle on City business is the state statutory minimum for car insurance in Colorado.
2. Employees who receive a vehicle allowance must provide proof of personal vehicle insurance coverage to the City and must update the City in a timely manner concerning any changes or cancellations related to this coverage.
3. An employee involved in a traffic accident while operating his/her personal vehicle on City business is personally liable for all resulting damages, costs of defense, and penalties, fines, and expenses.

**F. Vehicle Allowance Payments**

Vehicle allowances are paid to employees on the first payroll processing of the month. For tax purposes, vehicle allowances will be treated in accordance with IRS regulations. Tax treatment is subject to change to comply with IRS regulations.

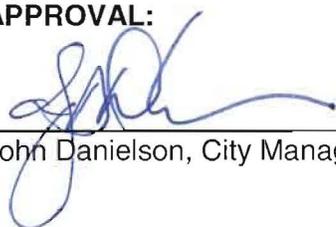
**G. Termination of Allowance**

Vehicle allowances are a privilege and not a right or employment benefit. Vehicle allowances may be terminated when an employee vacates a position, when the travel requirements of a position change, if an employee violates this Directive, or at the discretion of the City Manager.

**VI. EFFECTIVE DATE:**

This directive shall be effective upon signature by the City Manager.

**VII. APPROVAL:**

  
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John Danielson, City Manager

10/3/13  
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Date