



ADMINISTRATIVE PROCEDURE

SAN DIEGO UNIFIED SCHOOL DISTRICT

NO: 7190

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CATEGORY: **Personnel, General**

EFFECTIVE: **7-1-83**

SUBJECT: **District Cars for Designated Employees**

REVISED: **9-30-04**

A. PURPOSE AND SCOPE

1. To outline administrative procedures governing the granting of district cars for certain designated classified and certificated employees.
2. **Related Procedures:**

Absences on district business (use of district car)	7155
Automobile safety inspection/reporting	5455
Employee payment for use of personal car	2510

B. LEGAL AND POLICY BASIS

1. **Reference:** Board policy: I-1350, I-2800; Government Code Sections 3540-3549; Code of Federal Regulations, Title 26, Parts 1, 31, 54.

C. GENERAL

1. **Originating Office.** Suggestions or questions concerning this procedure should be directed to the superintendent.
2. **District Car Entitlement**
 - a. Upon direction by the board and as recommended by the superintendent, certain designated certificated or classified employees shall be entitled to a district automobile for full-time use in performance of job duties.
 - b. District automobiles shall be fully maintained by the district, including, but not limited to, keeping said automobiles in safe, usable condition, effectuating all necessary repairs, providing parts replacement, and furnishing all gasoline, oil, grease, and radiator coolant, all at district expense. Additionally, insurance provided for all automobiles owned by the district shall cover use of the district-provided automobiles by designated employees.
 - c. If an automobile furnished to a designated employee is used for personal use beyond boundaries of the district, the employee shall furnish gasoline for operation of that automobile.

3. Personal Use (Internal Revenue Services Regulations, Title 26)

- a. **District cars.** An employee provided with a district car is required to have the personal use portion of Fair Rental Value of the provided vehicle added to his/her W-2 as wages. Employees subject to FICA also must have contributions deducted on the appropriate value. The FICA deduction will be processed by the Payroll/Employee Benefits Department, Human Resources Division, Office of School Site Support, in December of each year.
- b. **District trucks.** An employee provided with a district truck to be used as a condition of employment is required to have an IRS-established rate of three dollars (\$3.00) per day added to his/her reported wages for personal commute miles. Employees subject to FICA also must have contributions deducted on the appropriate value. The FICA deduction will be processed by the Payroll/Employee Benefits Department in December of each year.

D. IMPLEMENTATION**1. Fiscal Control Unit, Accounting Operations Department, Financial Operations Division, Office of School Site Support**

- a. Not later than January 31, or within 30 days after a vehicle is provided to a designated employee, informs employee that the district opts to *not* withhold taxes on the Fair Rental Value added to his/her wages.
- b. Not later than December 1 each calendar year, prepares two listings (in triplicate):
 - (1) **District cars.** Lists names of employees furnished district cars; states Fair Rental Value of each automobile provided (per Internal Revenue Service Regulation schedule); indicates individual FICA contribution for personal use value (C.3.a.).
 - (2) **District trucks.** Lists names of employees furnished district trucks; provides number of actual workdays in the calendar year for each individual (figures provided by Business Operations Division); indicates FICA contribution for personal use value (C.3.b.).
- c. Forwards one copy of each listing to the Payroll/Employee Benefits Department; retains two copies of each listing for use in W-2 processing.

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2. **Fiscal Control Unit, Accounting Operations Department**, not later than December 30 each calendar year, adds wages subject to withholding tax to W-2 update system for employees furnished with district vehicles.
3. **Payroll/Employee Benefits Department**, upon receipt of employee lists, inputs withholding tax deductions into the payroll database to affect December pay warrants for employees furnished with district vehicles.

E. FORMS AND AUXILIARY REFERENCES

F. REPORTS AND RECORDS

G. APPROVED BY

Kerry B. Flanagan

Chief of Staff, Kerry Flanagan
For the Superintendent of Public Education