4.03.02.00 Motor Vehicles

4.03.02.00 Motor Vehicles

Policy/Guideline Area

Business and Finance Policies

Applicable Divisions

TCATs, Community Colleges, System Office

Purpose

The purpose of this policy is to establish the minimum regulations and procedures concerning the maintenance and operation of motor vehicles by institutions and employees within the Tennessee Board of Regents System.

Definitions

- State vehicle or motor vehicle - any motor vehicle owned by the Board or a TBR institution.
- Institution - any institution within the TBR System, as well as the System Office.
- Employee - any person employed full or part-time by an institution or any person serving as a volunteer for an institution. A volunteer is a person who meets the criteria set forth in Tenn. Code Ann. § 8-42-101(3)(B). Each institution is responsible for timely and properly registering volunteers with the Division of Claims and Risk Management, within the State of Tennessee Department of Treasury.

Policy/Guideline

I. General Provisions

   A. Motor vehicles are maintained to facilitate the official business of the System. It is the responsibility of all employees to use state vehicles efficiently and economically.

B. All state vehicles shall be used in accordance with the provisions of this policy.

II. Presidents and Chancellor

A. The presidents and the Chancellor (Eligible Executives) may be provided an assigned motor vehicle for their use or receive an automobile allowance. The terms of such use shall be set forth in their respective employment agreements or letters of appointment.

III. Motor Pools

A. Each institution is authorized to maintain a central motor pool from which vehicles may be dispatched for official business. Each institution may establish an institutional policy to supplement this policy, which may include a requirement that a motor pool vehicle must be used if available. An institutional policy shall not conflict with the terms of this policy.

B. Motor pool vehicles may be used for either trip assignments or special assignments.

1. Motor pool vehicles available for trip assignments will be centrally controlled by the institution and made available for specific trips, returned to the motor pool upon completion of trips, and shall be used only for official business and not for personal use.

2. Special assignment of motor pool vehicles may be made to a division or a person when necessary for use on a regular basis.

3. Motor pool vehicles, including those used for trip assignments and special assignments, may not be used for commuting purposes unless the employee:

a. Is departing upon or returning from an official trip away from their official station, or the employee needs the vehicle to conduct institution business after regular working hours or before usual working hours on the next day; or

b. Has been recommended by the president and approved by the Chancellor to be authorized to use the vehicle for commuting purposes.

IV. Authorized Operators and Passengers

A. Only employees with proper authorization may operate a state vehicle. Authorization to use a state vehicle shall be limited to official use within the scope of employment.

B. All employees must have a valid driver's license prior to being authorized to operate a state vehicle.

C. Passengers in state vehicles shall be limited to the following:

1. Employees of an institution in the TBR System;
2. Students of the institution engaged in institutional or school sponsored activities; and
3. Other persons when it is necessary or appropriate for them to accompany an employee on official business or as guests of the institution. The spouse and children of employees generally are not considered a guest of the institution unless their attendance is required at the event and they are listed on approved travel authorizations. This provision does not apply to Eligible Executives.

V. Penalties for Misuse of Vehicles

A. Employees who misuse state vehicles will be subject to disciplinary action, up to and including termination of employment. Misuse includes, but is not limited to, any of the following:

1. Utilization of radar detection devices;
2. Violations of traffic laws, including speeding, reckless driving, and illegal parking;

3. Negligent, reckless, willful, or malicious operation that results in damage to the vehicle or injury to persons or property;
4. Use of a vehicle for personal business or unauthorized commuting purposes; or
5. Use of a vehicle contrary to the provisions of this policy.

B. An employee may be required to pay for damages to the vehicle caused by reckless, willful, or malicious misuse.

VI. Notice of Liability and Penalties for Misuse

A. A notice of liability and penalties for misuse of motor vehicles (Exhibit 1) shall be posted at the site where vehicles are normally checked out and be contained in each vehicle.

VII. Exceptions

A. Any exception to this policy must be approved in writing by the Chancellor.

Procedures

I. General

A. An Eligible Executive may elect to receive:
1. Assignment of an institutional motor vehicle for their use; or
2. A motor vehicle allowance.

B. This election should be made at either:
1. The time of employment, or
2. As assigned motor vehicles are replaced.
    a. This replacement should occur as needed based on the useful life of the vehicle and accumulated mileage.
    b. Under no circumstances should the replacement cycle be less than three (3) years.

C. Once an employee elects to take the motor vehicle allowance, the employee cannot change to an assigned vehicle.

II. Assignment of an Institutional Motor Vehicle

A. Eligible Executives selecting this option shall be provided an appropriate motor vehicle by the institution. For purposes of this plan, an appropriate motor vehicle is defined as a late model (no more than five years old) four-door, passenger, mid-size or full-size vehicle. The Chancellor shall approve the selection of assigned vehicles for Eligible Executives. Operating and maintenance cost of the assigned motor vehicle shall be the responsibility of the institution. In recognition that use of the assigned motor vehicle may include non-business, use, Eligible Executives are required to maintain appropriate types and amounts of insurance to cover any non-business use.

B. The institution is responsible for complying with applicable tax laws related to use of the vehicle, which includes, but is not limited, to reporting on the employee's Form W-2 the value of personal use, which shall be considered compensation and subject to withholding.

III. Motor Vehicle Allowance

A. Eligible Executives selecting this option shall receive a monthly cash allowance. The Eligible Executive shall be responsible for all expenses attendant to the:

1. Purchase or lease (and replacement as needed) of a motor vehicle appropriately suited for the conduct of institutional business, which is a late model (no more than five years old) four-door passenger mid-size or full-size vehicle; and

2. Operation, insurance, maintenance, and repair cost of said motor vehicle.

B. The monthly automobile allowance amount shall be calculated and periodically updated by the System Office.

1. The allowance consists of two components:

a. A capital component based on the estimated monthly lease value of a full-sized sedan; and

b. An operating component that applies a mileage rate that considers only the marginal operational cost of a vehicle and assumes 12,000 business miles are driven annually.

C. The monthly automobile allowance, under Internal Revenue Service (IRS) Regulations, must be included in compensation on the employee's Form W-2 and is subject to federal withholding and applicable FICA taxes. Additionally, automobile allowance payments are considered compensation for employee benefit purposes.

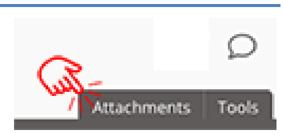
D. Eligible Executives whose business-related travel exceeds 12,000 miles annually are eligible to be reimbursed for business-related mileage. If requesting such reimbursement, the Eligible Executive must provide the institution with a log that documents that the motor vehicle for which the allowance is paid has been used for 12,000 business-related miles. The log submitted shall comply with IRS guidance for documentation of business usage of a motor vehicle. After this annual 12,000-mile threshold is achieved, the Eligible Executive may submit mileage reimbursement requests for any business-related miles. The reimbursement rate shall equal the Board's then current approved mileage rate, less than the current IRS standard mileage rate attributed to depreciation. Mileage reimbursement paid under this item is not considered compensation for income tax purposes and are not subject to federal withholding and applicable FICA taxes.

IV. Funding

A. Each institution is responsible for funding vehicles for Eligible Executives.

Exhibits

For Exhibits, click the Attachments button at the top left of the page.



Sources

Authority

T.C.A. §§ 49-8-203, 8-42-101

History

TBR Meetings, June 29, 1979; June 27, 1980; September 30, 1983; June 29, 1984; June 27, I986; June 24, 1988; September 21, 1990; March 18, 2005; June29, 2007; Board Meeting, September 26, 2014; Board Meeting March 27, 2015. Sept 2018 combined Guideline B-030 into this policy; revised effective March 18, 2026.

Related Polices

4.03.03.00 General Travel