

## Domicile Vehicle Policy- A&F Administrative Bulletin #10

This bulletin supersedes Executive Office for Administration and Finance (A&F) Administrative Bulletin #10, previously issued on January 1, 2010. All state agencies in the Executive Department must comply with the provisions of this bulletin.

### **Table of Contents:**

- Purpose and Scope
- Domicile Vehicle Guidelines
- Forms and Links
- A&F Secretary Approval and Effective Date

### **Purpose and Scope**

Effective July 1, 2016, all state agencies must comply with the following updated policy, in order to ensure the efficient and appropriate use of domicile vehicle assignments.

### **Domicile Vehicle Guidelines**

#### *Domicile Vehicle Requests*

In limited situations, an employee may be authorized to take a state vehicle home at the end of business hours. In order to obtain domicile assignments, the employee must demonstrate either of the following:

Emergency responder requiring special vehicle and/or equipment: This requires a showing that the employee is a first line responder (employee is among those responsible for going immediately to provide assistance) to emergencies (an unexpected situation that calls for immediate response or action of which the employee does not have advance notice) after regular businesses hours and that the employee requires a special purpose vehicle or special equipment that is part of or kept in a state vehicle. The employee must also provide an example of at least twelve off-duty emergencies without advance notice responded to in the previous calendar year.

OR

Employee does not report to a designated office: This requires a showing that the employee does not report to a designated office in connection to his or her regular duties, and that such duties require the use of a state vehicle. The domicile assignment also must greatly enhance the efficiency of the employee's work.

#### *Exceptions*

The guidelines above will be strictly construed. Exceptions to these guidelines will be reviewed on an individual basis. If such an exception is granted, it is subject to the same annual review process as other domicile assignments.

#### *Approval Process*

The process for annual domicile approval is as follows:

- A. Employee must demonstrate his or her need for domicile assignment by completing and signing the Domicile Vehicle Request Form.
- B. Employee obtains approval from his or her Manager, who, in turn, provides the Domicile Vehicle Request Form to the Cabinet Secretary.
- C. If the Cabinet Secretary approves the request, he or she provides the completed and signed Domicile Vehicle Request Form for each employee requesting domicile assignment to the Office

of Vehicle Management (OVM) Fleet Administrator within the Operational Services Division (OSD).

- D. OVM Fleet Administrator provides signed forms to the Secretary of A&F by October 30 of each year.
- E. The OVM Fleet Administrator will provide notification to secretariats and agencies of A&F determinations.

Requests for domicile assignments will be approved on a calendar year basis by A&F and reviewed on a bi-annual basis by the OVM. OVM will do at least one audit per year of domicile vehicle usage and may perform more as necessary.

Domicile Vehicle Request Forms are due by October 30 to A&F in order to have approval beginning on the first day of the following year.

A&F reserves the right to deny domicile assignments if the employee fails to establish a reasonable need for such assignments. In extraordinary cases requiring a new domicile assignment or a change to an existing domicile assignment during the calendar year, Cabinet Secretaries may approve and submit Domicile Vehicle Request Forms to the OVM Administrator at the time such need arises. For instance, should a new employee hired during the year need a domicile vehicle assignment, he or she should fill out the Domicile Vehicle Request Form and go through the same process outlined above. New employees are not required to provide examples from the previous year. In the event a new employee is hired for a role where the previous employee in that role had a domicile vehicle, the new employee must submit a new form for domicile assignment.

#### *Domicile Vehicle Request Form*

Domicile Vehicle Request Form supersedes all forms used prior to July 1, 2016 including any required letters or acknowledgement forms.

#### *Compliance with OVM Policies and Procedures*

Before requesting domicile approval, employees must meet all other guidelines for state vehicles outlined in the OVM Policies and Procedures.

This includes:

- mileage requirements for state vehicle use or the appropriate waiver
- fuel efficiency standards
- compliance with audit procedures
- any other policies contained in OVM Policy and Procedures not listed here

Telematics devices are required on all new state vehicles requesting domicile assignments. Domicile assignment requests for older vehicles are not required to have telematics devices installed.

***The availability of a domiciled state vehicle as a component of an employee's compensation package is not under any circumstances an acceptable reason for domicile assignments.***

#### *Required Fringe Benefit for Tax Reporting of Domicile Assignments*

Federal and State Law require employers, including the Commonwealth, to include "Fringe Benefit Income" on annual W-2 forms submitted to the Internal Revenue Service (IRS) and Department of Revenue (DOR) for each employee. Such fringe benefit income includes an employee's use of an employer-provided vehicle for business purposes which is also used for personal commuting. The

primary provisions are found in Federal Payroll Tax Law and Regulations, United States Code, Title 26 Internal Revenue Code, Code 61 Reg. 1.61-21(f)(3).

Each year OVM will issue specific guidance to fleet managers and payroll directors on this subject. A&F recognizes that the IRS rules on this subject are complex and that this bulletin can only offer general guidance.

**Forms and Links**

The Domicile Vehicle Request Form can be found here:

<http://www.mass.gov/anf/docs/anf/administrative-bulletins/domicile-vehicle-form.pdf>

For more information on state vehicle polices, visit the OVM website here:

<http://www.mass.gov/anf/budget-taxes-and-procurement/oversight-agencies/osd/office-of-vehicle-management.html>

**A&F Secretary Approval and Effective Date**

This Administrative Bulletin published by the Executive Office for Administration and Finance shall be effective as of July 1, 2016.

Kristen Lepore, Secretary

Effective Date July 1, 2016