

UC Davis Policy and Procedure Manual

Chapter 300, Travel and Transportation

Section 17, Transportation Expenses--Automobile

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Responsible Department: Accounting & Financial Services

Source Document: Business and Finance Bulletin G-28, Policy and Regulations Governing Travel

See Section 300-10, Travel Policy Overview, for forms, quick links, and references.

I. General

- A. Travelers may use their private vehicle for business purposes if it is less expensive than renting a car, taking a taxi, or using alternative transportation, or if it saves time.
- B. Persons authorized to travel by automobile (e.g., an automobile is the most economical mode of transportation available) shall be reimbursed for actual meals and incidental expenses (M&IE) incurred en route based on a minimum 300 miles a day by the most direct route (i.e., reimbursement up to the daily M&IE limit for each 300 miles of travel), plus the cost of lodging, when appropriate. Under unusual circumstances such as field trips, actual time in transit may be used without reference to the mileage requirement.
- C. For travelers going directly from their home to their travel destination (e.g., a traveler residing in Sacramento attending a conference in Sacramento), if the drive is less mileage than their normal commute to and from home and headquarters, no reimbursement is allowed.

II. Private Vehicles

The following rules apply to all domestic travel.

- A. Mileage reimbursement rates (<http://www.ucop.edu/ucophome/policies/bfb/g28a.pdf>)

When two or more persons on University business share a private vehicle, only the driver may claim reimbursement for mileage.

1. Standard rate

The standard reimbursement rate takes into account all actual automobile expenses such as fuel and lubrication, towing charges, repairs, replacements, tires, depreciation, insurance. Thus, under IRS regulations, travelers who claim this rate are not obligated to substantiate the actual costs of operating the vehicle.

2. Rate for travelers with physical disabilities

Travelers with physical disabilities who must use specially equipped or modified vehicles may claim reimbursement up to a maximum rate per mile. However, the traveler must certify in a statement submitted with the Travel Expense Voucher that he or she incurred higher operating costs. The actual fixed and variable costs must be specified in the statement.

The traveler should refer to IRS Form 2106, Employee Business Expenses, to obtain additional information on the calculation of actual vehicle operating costs. The form is available from the IRS Web site (<http://www.irs.ustreas.gov/formspubs/index.html>).

The departmental authority approving travel is responsible for documenting the traveler's need to use such a vehicle.

3. Route traveled

The Travel Expense Voucher must indicate the origin and destination of the trip and the route taken. Travel within a local area should be indicated on the Travel Expense

Voucher; continuous travel between major points, such as from city to city, should be shown separately. Any substantial deviations from distance shown in a standard highway mileage guide must be explained.

B. Private vehicle used in lieu of air travel

When a traveler's private vehicle is used on University business in lieu of available air travel, the traveler shall be reimbursed in accordance with Section 300-15 (surface transportation in lieu of air travel).

C. Routine repairs, fuel, and associated costs

Reimbursement for routine repairs, tires, fuel, gasoline, or other automobile expense items shall not be allowed when a private vehicle is used. Such expenses are included in the mileage reimbursement rates.

D. Insurance coverage

1. Privately owned automobiles used on University business must be covered by liability insurance with the minimum limits:
 - \$50,000 for personal injury to, or death of, one person;
 - \$100,000 for injury to, or death of, two or more persons in one accident; and
 - 50,000 for property damage.
2. An employee who regularly uses a private vehicle on University business is required to have and to provide upon request satisfactory evidence of liability insurance coverage. Such evidence must be provided to the department before reimbursement of regular use mileage is allowed. Regular use is defined as more than 4 trips per calendar month totaling at least 300 miles.
3. When a private vehicle operated by an employee on University business is damaged by collision or sustains other accidental damage, reimbursement for repairs borne by the employee may be authorized up to \$500 or the amount of the deductible (co-insurance), whichever is less. Expenses recoverable from insurance are not eligible for reimbursement. The amount reimbursed shall be based on receipts submitted by the employee to the individual who authorized the travel. The reimbursement may be charged to the department.

For additional information, see Section 370-25.

III. Rental Cars

A. Authorization to rent

1. Rental automobiles may be used when renting would be more advantageous to the University than other means of commercial transportation, such as using a taxi. Advance reservations should be made whenever possible and a compact or economy model requested. This model should be used unless a no-cost upgrade is provided. Use of a higher cost upgrade requires exceptional approval.
2. The traveler is responsible for obtaining the best available rate commensurate with the requirements of the trip. The discount negotiated by the University with car rental agencies should always be requested when available.
3. A current summary of contract rates for rental cars, airlines, and hotel rooms is on the Travel Web site (<http://travel.ucdavis.edu/>).
4. Fleet Services will assist in determining whether the use of a rental vehicle or a University

vehicle for out-of-state trips is more advantageous; see also Section 300-30.

B. Insurance coverage

Travelers are expected to use rental agencies with which the University has contracts that include insurance coverage. The following apply to insurance coverage for rental cars:

1. The cost of full collision coverage for rental cars used in Alaska, Hawaii, U.S. possessions (OCONUS), and foreign countries is allowable.
2. Charges for additional insurance, including a collision damage waiver (CDW,) on contract rental vehicles used in the United States (CONUS) are not allowable.
3. Additional charges for insurance coverage will not be reimbursed if a non-contract agency is used, unless no car rental company in the area has such an agreement with the University.
4. A vehicle rented from an agency with which the University has an agreement is not covered by insurance when it is being used for a personal day of travel.

For additional information, see Section 370-25.

C. Direct billing

Vehicle rental charges billed directly to the University shall not be authorized. Rental car charges should be paid with the traveler's corporate travel card (see Section 300-13).

D. Damage to a rental vehicle

Expenses incurred by a University traveler for property damage to a rental vehicle are reimbursable only if such expenses were incurred on days the vehicle was being used for University business purposes. The amount reimbursed shall be charged to the traveler's department. The traveler shall attach to the Travel Expense Voucher a brief description of the damage to the vehicle, including an explanation of the cause of such damage, and either a police report or a report prepared by the rental company.

IV. Official Vehicles

University vehicles shall be used in accordance with Section 300-30.

V. Miscellaneous Vehicle-Related Expenses

- A. Charges for ferries, bridges, tunnels, or toll roads may be claimed by the vehicle operator.
- B. Reasonable charges for parking while an employee is on travel status or on University business away from regular duties will also be allowed for the following:
 - Day parking on trips away from the employee's headquarters.
 - Day and overnight parking on trips away from the employee's headquarters or residence (a claim should not be made if free overnight parking is available).
 - Parking charges incurred when an employee without a location parking permit is occasionally required to drive to and from headquarters.
- C. Valet charges in excess of normal parking charges shall be borne by the traveler unless the traveler obtains an exception.
- D. Claims for parking and tolls expenses must accompany the related claim for mileage.