

# University Automobiles and Automobile Allowances

## FIN-ACC-I-340



### About This Policy

Effective Date:

01-01-1996

Last Updated:

03-01-2010

Responsible University Office:

Financial Management Services

Responsible University Administrator:

Vice President and Chief Financial Officer

Policy Contact:

Joan Hagen

Associate Vice President  
and University Controller,  
Office of the Controller

[jhagen@iu.edu](mailto:jhagen@iu.edu)

### Related Information

\* I-330, [Inappropriate Use of University Funds](#)

### Scope

### Policy Statement

### Reason For Policy

### Procedure

### Definitions

### Sanctions

### Additional Contacts

### History

[Back to top](#) ↗

### Scope

This policy applies to all university, external agency and foundation funds.

[Back to top](#) ↗

### Policy Statement

University automobiles and automobile allowances can only be provided to the President, Vice-Presidents, Chancellors and other senior officers of Indiana University, as individually approved by the President. Units have until July 1, 2011 to come into full compliance with this policy.

[Back to top](#) ↗

### Reason For Policy

This policy provides guidance on what positions qualify to receive university automobiles or automobile allowances and outlines the tax implications.

[Back to top ↗](#)

## Procedure

Financial Management Services (FMS) on an annual basis will mail to each individual assigned a university vehicle a request that travel logs be turned into them that identify personal vs. business miles. FMS will calculate the taxable value of the personal (non-IU business) use based on the travel log. Commuting to and from an employee's home to his/her base office will be considered personal use. **This value of personal miles is taxable and will be added to the employee's W-2.** The calculation is determined by Internal Revenue valuation methods. The Internal Audit Department may be asked to review individual logs for accuracy and propriety.

[Back to top ↗](#)

## Definitions

**University Automobile:** A vehicle that has been purchased or leased with University, external agency or IU Foundation funds. For the purposes of this policy the vehicle has been assigned to a specific individual for daily use. Departmental vehicles used by multiple people are not covered by this policy.

**Automobile Allowance:** A monthly amount provided through the payroll process to the qualified individuals who choose not to use an assigned university vehicle. The allowance is based on a calculation that considers annual mileage traveled by the employee and the mileage reimbursement amount posted by IU Travel Management Services. The University Budget Office is responsible for administering the calculation.

[Back to top ↗](#)

## Sanctions

Refer to Fiscal Misconduct policy: [I-30, Fiscal Miscunduct](#)

[Back to top ↗](#)

## Additional Contacts

<i>Subject</i>	<i>Contact</i>	<i>Phone</i>	<i>Email</i>
Policy Interpretation	Joan Hagen	812-855-3657	<a href="mailto:jhagen@indiana.edu">jhagen@indiana.edu</a>
Tax	Vickie Fry	812-855-0142	<a href="mailto:vfry@indiana.edu">vfry@indiana.edu</a>

[Back to top ↗](#)

## History

Indiana University's policy on university cars has historically only dealt with the taxability issues related to personal use of the vehicles. New processes have been added that allow automobile allowances as an alternative and limit who is allowed to have a university vehicle or a car allowance. This has led to the 2010 rewriting of this policy that historically was titled "Use of University Vehicles."