



**LOS ANGELES UNIFIED SCHOOL DISTRICT
REFERENCE GUIDE**

TITLE: W-2 Fringe Benefits Reporting for Personal Use of District-Owned Vehicles

NUMBER: REF-6551.0

ISSUER: V. Luis Buendia, Controller
Accounting and Disbursements Division

ROUTING
Central Office
Administrators
Local District
Administration

DATE: September 7, 2015

POLICY: This reference guide outlines the procedures for reporting personal use of district owned vehicles as taxable fringe benefits in compliance with Internal Revenue Service (IRS) Publication 15-B. The new policy is effective July 1, 2015.

MAJOR CHANGES: This reference guide replaces BUL-3820.0 titled “Fringe Benefits Reporting for Personal Use of District Vehicles”. This reference guide was updated to reflect the District’s current organizational structure, IRS threshold changes, and clarify certain processes. Most references to ‘control employees’ have been clarified to refer to all employees which are required to use the lease value rule.

GUIDELINES: **BACKGROUND**

The District maintains a fleet of vehicles primarily intended for official district business only. Occasionally, district vehicles assigned to staff may be used for personal reasons, such as commuting to and from work. The Internal Revenue Service (IRS) considers personal use of an employer’s vehicle, including commuting to and from work, a taxable fringe benefit except for specific exclusions. IRS requires the provider of these fringe benefits (LAUSD) to report the value of the fringe benefits as additional compensation on Form W-2.

POLICY

Employees may be assigned vehicles for commuting to and from work if it is required for a District business requirement. Such use must be approved by the Superintendent or his designee. The commuting use will be valued using the IRS Commuting Rule if the employee qualifies and the value added to the employee’s taxable income. Any use of the vehicle beyond commuting or de minimis use is



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prohibited. The vehicle must be returned to the District when no longer required for a valid District purpose.

Contract employees may have use of a vehicle provided for in their contracts. These individuals are allowed to use the car only in a manner consistent with their contract. Personal use of the vehicle for contract employees and Board Members will be determined through a mileage log completed for a one month period each year. The taxable income resulting from the personal use generally must be determined using the Lease Value method. The vehicle must be returned to the district when no longer required by the employment contract.

For any district vehicle, the employee assigned the vehicle is the only individual authorized to drive the vehicle without the permission of the Superintendent or designee.

PROCEDURE OVERVIEW:

Before a new vehicle assignment can be made, the Site Administrator must complete an Authorization for Assignment of District Vehicle (Attachment 1) and have it approved by the Superintendent or his designee. The approved form must be forwarded to the Transportation Department. For contract employees, the Chief of Staff will forward a copy of the employment contract indicating the use of a District Vehicle to the Transportation Department.

Vehicle users will need to complete the Vehicle Assignment Agreement (Attachment 2A or 2B) and the Vehicle Use Agreement Form (Attachment 3). These forms must be submitted to the employee's Site Administrator, who will forward them to the Transportation Department. The Transportation Department will forward the Authorization for Assignment of District Vehicle and the Vehicle Assignment Form to the Accounting and Disbursements Division

To ensure that a comprehensive list of vehicle users is maintained, all current vehicle users who commute in a District vehicle must complete the Vehicle Assignment Agreement and Vehicle Use Agreement Forms and provide them to their site administrator for forwarding to the Transportation Department.

Employees must notify the Payroll Department for any days in which 1) they commuted on a non-LAUSD business day, 2) commuted more than once on an LAUSD business day, or 3) did not commute in a District vehicle on a business day in which they were not on leave. The calculation of taxable fringe benefits will be modified accordingly by the payroll department.

Board Members and contract employees will be requested to keep a log of all miles driven for one month per year. This log will be used to compute the taxable fringe benefit to be added to the employees' income. If the log is not received by



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Accounting and Disbursements, all vehicle use will be considered personal, per IRS requirements.

When an employee resigns, retires, or takes an extended leave of absence, the vehicle must be returned to the district and a Change in District Assignment Form (Attachment 4) must be sent to Payroll.

PROCEDURES:

1. Assignment of District Owned Vehicles

RESPONSIBILITIES:

A. Superintendent

- i. District vehicle assignments will be made only upon approval by the Superintendent or his designee. In some cases, vehicle assignment may require the approval of the Board of Education.
- ii. The District may agree to provide cars as part of a benefit package to senior staff through their employment contracts.
- iii. Approval for “take-home” vehicles may be given to employees in the following District positions if it is necessary to support District operations:
 - Employees who are required to respond to District emergencies on a 24-hour basis
 - Other pre-approved or pre-designated employees as determined by the Superintendent,
- iii. The Superintendent or designee is responsible for authorizing the temporary or permanent assignment of District vehicles to employees and departments.
- iv. The Superintendent has delegated the responsibility for developing, implementing, and updating the vehicle assignment policy to the Chief Executive Officer. The current bulletin issued by the Chief Executive Officer in regard to vehicle usage is BUL-6401.0, “Acceptable Use of District-Owned Vehicles.”
- v. The Superintendent or his designee will determine the model, size, and type of vehicles to be assigned and/or purchased into the vehicle fleet, as well as the accessories to be provided.



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- vi. The Superintendent or his designee may assign vehicles from the vehicle fleet to employees. Trucks and other types of specialty vehicles will be assigned in accordance with usage and need.
- vii. The Superintendent may change or discontinue vehicle assignments at any time due to budget constraints or other operational reasons. Vehicles may be assigned on a short-term or long-term basis. An annual review of vehicle assignments will be conducted to validate if the conditions and/or criteria for the assignment still apply.

B. Site Administrators

- i. Site Administrator is responsible for maintaining up-to-date knowledge of District policies and procedures.
- ii. Site Administrator shall ensure all employees with assigned take-home vehicles complete Vehicle Assignment forms (Attachments 2A, 2B, and 3) and the forms shall be forwarded to the Transportation Services Division ('Transportation') Director prior to assigning any take-home vehicle(s).
- iii. Site Administrator must provide a copy of policies and procedures governing take-home vehicle assignments to employees with a take-home vehicle assignment.
- iv. Site Administrator must ensure that all employees with assigned take-home vehicles complete and maintain all required records. Site Administrator is responsible for reporting any changes in the information provided in the initial Vehicle Use Agreement Form to the Controller's Office within 10 days from the effective date of the change.
- v. Site Administrator is responsible for managing mileage logs including review and approval of any personal use.

C. Vehicle User

- i. **Taking a pool or operational vehicle home without accounting for its personal use may result in disciplinary action and/or the case being referred to the Office of the Inspector General (OIG) as a fraud investigation.** Employees authorized to take home an operational or pool vehicle more than once during a single month are required to report the use to the Site Administrator and Accounting and Disbursements Division ('A&D') for inclusion in the employee's taxable income.
- ii. Employees Using the Commuting Rule
 - (a) The employee is responsible for ensuring that the Vehicle Assignment Agreement (Attachment 2A) and the Vehicle



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Use Agreement Form (Attachment 3) are completed and a copy sent to:

Accounting & Disbursements Division
Attention: Controller
333 S. Beaudry Avenue, 26th Floor
Los Angeles, California 90017

- (b) If there is a change in the employee's vehicle assignment, work location, or use of the district vehicle, the employee is responsible for completing the Change in District Vehicle Assignment Form (Attachment 4) and submitting the form to Transportation. Use of a substitute car while the user's assigned vehicle is being serviced is not a change in vehicle assignment.
 - (c) The vehicle user is responsible for notifying the A&D in writing if the employee did not commute in the vehicle on an LAUSD business day, made more than one commute in one day, or made a commute on a day in which the LAUSD offices were closed.
 - (d) If the employee is on an extended leave, the assigned vehicle must be returned to the District.
- iii. Employees Using Lease Valuation
- (a) The following employees use Lease Valuation per IRS Regulations:
 1. Board Members;
 2. Contract employees whose contracts do not restrict personal use to commuting;
 3. Employees whose salary exceeds Federal Government Executive Level V (\$148,700 per annum in 2015).
 - (b) The employee is responsible for ensuring that the Vehicle Assignment Agreement (Attachment 2B) is completed and copy submitted to A&D.
 - (c) The employee will complete a mileage log during October of each year.
 - (d) The mileage log will note the date, beginning and ending odometer readings, purpose of the trip, and whether the use was personal or business.



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D. Office of Educational Services – Transportation Services Division

- i. Transportation Director is responsible for establishing and documenting maintenance procedures and monitoring direct and indirect fleet costs.
- ii. Transportation Director is responsible for maintaining vehicle assignment and vehicle history records.
- iii. Transportation Director is responsible for forwarding Change in District Vehicle Assignment Forms (Attachment 4) to the Controller when received from employees.
- iv. Transportation Director shall evaluate and recommend vehicle procurement specifications.
- v. Transportation Director will provide the Controller with the Fair Market Value of vehicles driven by employees required to use Lease Valuation for fringe benefit calculation.
- vi. On a quarterly basis, Transportation Director will provide a summary of take home vehicle assignments to the Controller.
- vii. On an annual basis, the Transportation Director shall evaluate, update, and request an update of take-home vehicle assignments from Site Administrators.

E. Division of Accounting and Disbursements

- i. General Accounting and Reporting Branch is responsible for processing the submitted Vehicle Assignment Form and forwarding to Payroll Administration Branch to set up the appropriate payroll record and compile data for additional employee wages and reporting on Form W-2.
- ii. For employees not using the commuting rule, the Controller's Office will provide a report to employees with information detailing the valuation formula used to compute the additional taxable wages that will be reflected on the employee's W-2 at the end of the year.
- iii. Payroll Administration Branch will include the taxable value of each employee's vehicle personal use on the employee's paycheck(s).



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- (a) For employees using the commuting rule, the taxable value will be reflected on the employee's final paycheck in December of each year.
 - (b) For employees not eligible for the commuting rule, an estimated taxable valuation will be included each month and an annual adjustment will be included in the final December paycheck and applicable employment taxes will be withheld.
- iv. General Accounting & Reporting Branch is responsible for conducting a quarterly review of the list of employees assigned "take-home" vehicles and identifying the employees who are subject to IRS requirements of substantiation of business and personal use of District owned vehicles. Employees not qualifying for the Commuting Rule are required to submit a Mileage Log for the month of October each year. The General Accounting & Reporting Branch will send out the Mileage Logs during September of each year with a deadline for them to be returned no later than November 10th. If the Mileage Log Form is not submitted, General Accounting & Reporting Branch will compute the full value of the fringe benefits and will instruct Payroll Administration Branch to declare the full value as additional taxable compensation.
- v. General Accounting & Reporting Branch will be responsible for calculating the value of the fringe benefits for employees with assigned "take-home" vehicles using the following valuation methodologies. The determination of which valuation rule to apply is the responsibility of the Controller's Office.
 - 1. Commuting Rule: \$1.50 for each one-way commute for each employee making the trip. This valuation rule will be applied only to employees who are required to take home a district vehicle, limit personal use only to commuting to and from work, and are not control employees of LAUSD.

Employee in this group will have an additional taxable fringe benefit reflected in the last paycheck in December of each year calculated at \$3.00 (\$1.50 per one-way x 2) multiplied by the reported number of working days in the calendar year. The amount may be adjusted if the employee notifies A&D in writing that he/she did not commute in the vehicle on an LAUSD business day, made more than one commute in one day, or made a commute on a day in which the LAUSD offices were closed.



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2. **Fleet-Average Valuation Rule:** This valuation rule is applicable to employees who do not qualify for the commuting rule. This rule will be applied if there are 20 or more vehicles assigned to such employees and the vehicles are within the statutory fair market value limits prescribed by IRS. (Please refer to Section 2 IRS Regulations of this reference guide on page 2).
3. **Fair Market Value Rule:** This valuation rule is applicable to employees who do not qualify for the commuting rule and will be applied if Fleet Average Valuation rule cannot be used. (Please refer to Section 2 IRS Regulations of this reference guide on page 2).

Please refer to Attachment 5 for detailed steps to be followed in calculating fringe benefits value.

Required Actions:

- A. For Regular Employees, Site Administrator submits a completed Authorization for Assignment of District Vehicle to the Superintendent of Schools or designee to request authorization to assign a “take-home” vehicle. (Attachment 1).
- B. Office of the Superintendent or his designee reviews the request and may approve or decline the request. A declined request will be sent back to the requesting Site Administrator and an approved request will be forwarded to Transportation Director.
- C. For Contract Employees, the Office of General Counsel (‘OGC’) will forward a copy of the employment contract indicating the use of a district vehicle to the Transportation Director.
- D. Upon receipt of the approved request, Transportation Director will prepare the Vehicle Assignment Document Packet that should contain the following:
 - i. Instruction Memo
 - ii. Vehicle Transfer Form
 - iii. Vehicle Assignment Agreement (Attachment 2A or 2B)
 - iv. Vehicle Use Agreement (Attachment 3)
 - v. Copy of BUL-6401.0 and BUL-3822.1
- E. Transportation forwards the Vehicle Assignment packet to the Site Administrator with instruction to have the forms completed by the



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are presumed to commute between the employee's home and District office each business day unless the user contacts the Payroll Administration Branch and notifies A&D otherwise.

- ii. The Mileage log report indicates the beginning and ending odometer readings for the vehicle including personal mileage. Employees not eligible for the Commuting Rule will complete a mileage log for the month of October each year to substantiate the proportion of vehicle use which is personal. Failure to submit the mileage log to the General Accounting & Reporting Branch may result in reporting of the entire value of the vehicle as taxable compensation.
- iii. Pool Vehicle may not be used for personal travel such as commuting. A pool vehicle may be taken home by an employee with prior approval by the Site Administrator if the employee is required to take the vehicle home for valid business needs of the District. Employees authorized to take home operational or pool vehicle more than once during a single month will be required to report the use to Payroll Administration Branch for inclusion in the employee's taxable income.

4. Taxable Fringe Benefit Reporting

Payroll Administration Branch will be reporting the fringe benefit value of transportation benefits as additional wages on Form W-2 in Boxes 1, 3, and 5.

5. Procedures for returning "take-home" district vehicles

Authorized Regular District Employees assigned a "take-home" vehicle who resign, retire, take an extended leave of absence, leave the position for which the vehicle was provided, or elect not to use it must:

- a. Fill out the Change in District Vehicle Assignment Form (Attachment 4) to discontinue the payroll reporting when the vehicle is returned and mail to:

Transportation Services Division
Attention: Donald Wilkes, Director
115 N. Beaudry Avenue
Los Angeles, California 90012



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Transportation will send a copy to:

Accounting and Disbursements Division
Attention: Controller
333 S. Beaudry Avenue, 26th Floor
Los Angeles, California 90017

- b. Remove all personal items from the vehicle.
- c. Return all District-issued items kept in the vehicle to the appropriate office.
- d. Notify ITD for cancellation of service if the vehicle is equipped with a mobile phone.
- e. Return the vehicle and all spare keys for the vehicle to the assigned repair garage.

AUTHORITY: Superintendent of Schools.

RELATED RESOURCES: Bulletin No. BUL-6401.0, Office of the Chief Operating Officer, dated October 20, 2014, per policy of the Office of the Superintendent

Bulletin No. BUL-3822.1, Office of the Chief Financial Officer, dated August 10, 2015.

ASSISTANCE: For questions regarding this policy, please contact Accounting and Disbursements at (213) 241-7889. For questions regarding reported taxable fringe benefit, please call Elvie Espinoza at (213) 241-2896.



ATTACHMENT 1

AUTHORIZATION FOR ASSIGNMENT OF DISTRICT VEHICLE

Employee's Name: _____ Title: _____

Authorization is requested for the above listed employee to be assigned a District-owned vehicle to be used for District business with the privilege to house the assigned vehicle overnight on non-District property.

LAUSD requires the employee to take the vehicle home at end of his business hours for the following reasons:

Requested by: _____ Title: _____

Employee's Supervisor

Approved by: _____ Date: _____

Superintendent or Designee



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ATTACHMENT 2A

**VEHICLE ASSIGNMENT AGREEMENT
REGULAR EMPLOYEE**

Employee _____

Title _____

Office _____

Employee No. _____

I understand and agree that the vehicle is assigned to me on the condition that I abide by the provisions of BUL-3822.1, Internal Revenue Service (IRS) rules, and any other LAUSD policies relating to use of district owned vehicles.

I undertake the following:

1. I understand that the vehicle is assigned to me primarily for official LAUSD business and not intended for my personal use. Any personal use of my assigned vehicle will be limited to the provisions of BUL-3822.1. The vehicle is not to be driven by anyone other than the assigned employee unless authorized by the Superintendent or his designee.
2. I will be responsible for notifying the General Accounting & Reporting Branch in writing if I did not commute in the vehicle on an LAUSD business day, made more than one commute in one day, or made commute on a day in which the LAUSD offices were closed.
3. I will complete the Change in District Vehicle Assignment Form (Attachment 4) if there is a change in my vehicle assignment, work location, or use of district vehicle.
4. I have read LAUSD Bulletin on Fringe Benefits Reporting for Personal Use of District Owned Vehicles Policy and will adhere to it.
5. If I leave my employment at the LAUSD, or leave the position for which the vehicle was provided or elect not use it, I will notify Transportation Services Division and Accounting and Disbursements Division in writing and return the vehicle, spare keys and all district issued vehicle accessories following the procedures stipulated in BUL-3822.1.
6. I understand that instances of non-compliance with any of the policies and procedures regarding use of District vehicles may result in the revocation of vehicle privileges and/or disciplinary action.
7. The employee will use reasonable care in driving, storing, and caring for the vehicle to prevent damage to the vehicle and harm to others.
8. The assignment of the vehicle is for the convenience of the District and there is no guarantee that this vehicle, or any vehicle, will be available in the future.

(Signature of Employee)

(Date)



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ATTACHMENT 2B

**VEHICLE ASSIGNMENT AGREEMENT
CONTRACT EMPLOYEE/BOARD MEMBER**

Employee _____

Title _____

Office _____

Employee No. _____

I understand and agree that the vehicle is assigned to me on the condition that I abide by the provisions of BUL-3822.1, Internal Revenue Service (IRS) rules, and any other LAUSD policies relating to use of district owned vehicles.

I undertake the following:

1. I will complete the mileage log as requested, noting the date, beginning and ending odometer readings, purpose of the trip, and whether the use was personal or business and submit the completed mileage log to General Accounting & Reporting Branch at the end of the requested month. It is anticipated that mileage logs will be done for the month of October each year.
2. I have read LAUSD Bulletin on Fringe Benefits Reporting for Personal Use of District-Owned Vehicles Policy and will adhere to it.
3. If I leave my employment at the LAUSD, or leave the position for which the vehicle was provided or elect not use it, I will notify Transportation Services Division and Accounting and Disbursements Division in writing and return the vehicle, spare keys and all district issued vehicle accessories following the procedures stipulated in BUL-3822.1.
4. I understand that instances of non-compliance with any of the policies and procedures regarding use of District vehicles may result in the revocation of vehicle privileges and/or disciplinary action.
5. The employee assigned the vehicle is the only individual authorized to drive the vehicle without the permission of the Superintendent or designee.
6. The employee will use reasonable care in driving, storing, and caring for the vehicle to prevent damage to the vehicle and harm to others.

(Signature of Employee)

(Date)



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ATTACHMENT 3

VEHICLE USE AGREEMENT FORM

TO: Controller **Date:** _____

FROM: _____ **Vehicle #** _____

Internal Revenue Service guidelines stipulate all fringe benefits provided must be included in employee W-2 wage & tax statements.

For the purpose of reporting the value of the transportation fringe benefit for the personal use of the vehicle assigned to me, I submit the following information:

1. Date of Vehicle Assignment _____
2. Vehicle Make and Model _____
3. Beginning Odometer Reading _____
4. Address of regular work location (payroll reporting location)

5. Home Address

6. Business purpose(s) for the use of vehicle

I have read and agree to adhere to District Policy BUL-1745.0 & BUL-3822.1. In the event of any vehicle/assignment change I will notify you immediately.

Signature

Office

Title

Employee Number

Note: School Bus and School Police Vehicle drivers are not required to complete this form



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ATTACHMENT 4

CHANGE IN DISTRICT VEHICLE ASSIGNMENT FORM

TO: Controller **Date:** _____

FROM: _____ **Vehicle #** _____

Internal Revenue Service guidelines stipulate all fringe benefits provided must be included in employee W-2 wage & tax statements.

For the purpose of reporting the value of the transportation fringe benefit for the personal use of the vehicle assigned to me, I submit the following change(s) in my vehicle assignment information:

1. Type of change:
 Check One
 a. _____ Change in vehicle assignment
 b. _____ Discontinue use of vehicle
 c. _____ Change in work location
2. Date of Change: _____
3. Vehicle Make and Model _____
4. Odometer Reading _____
4. Address of new work location (payroll reporting location)

5. Reason for change

I have read and agree to adhere to District Policy BUL-1745.0 & BUL-3822.1. In the event of any vehicle/assignment change I will notify you immediately.

Signature

Office

Title

Employee Number



Calculating Fringe Benefits Value of Personal Use of District Owned Vehicle

VALUATION METHODOLOGY: Commuting Rule

RESPONSIBLE FOR CALCULATION: General Accounting & Reporting Branch.

WHO IS COVERED:

- 1 Driver Trainers
- 2 Bus Supervisors
- 3 Emergency Response Employees
- 4 Other job classification that may be designated by the Superintendent or his designee

PROCEDURES:

1. Transportation Services Division will submit the Vehicle Assignment Forms to General Accounting & Reporting Branch upon assignment of vehicle.
2. General Accounting & Reporting Branch will determine if the employee falls under the Commuting Rule guidelines.
3. If the vehicle is used less or more than one round-trip commute per district work day during the month, the employee must notify General Accounting & Reporting Branch in writing to adjust the amount of taxable fringe benefits and submit the adjustment to Payroll Administration Division for implementation. In the absence of the employee's notification, Payroll Administration Division will use the default amount of one round trip per LAUSD business day.
4. If the employee does not qualify for commuting rule, General Accounting & Reporting Branch will determine the appropriate valuation methodology to use based on the Lease Value Rule.
5. Payroll Administration Branch will compute the total value of the employee's personal use of the District vehicle from reported attendance records.
6. Payroll Administration Branch will include the value of the employee's personal use with the employee's last paycheck in December and ensure that the applicable taxes are withheld.



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VALUATION METHODOLOGY: Lease Value Rule

RESPONSIBLE FOR CALCULATION: General Accounting & Reporting Branch.

WHO IS COVERED:

- 1 Elected Officials
- 2 Employees Earning More than Federal Executive Level V Compensation
- 3 Contract employees whose contract includes a vehicle without limiting personal use to commuting

PROCEDURES:

1. Transportation Services Division will submit the Vehicle Assignment Forms to General Accounting & Reporting Branch upon assignment of vehicle.
2. Transportation Services Division will provide a monthly report to General Accounting & Reporting Branch indicating employees who have been assigned vehicles that can be used for commuting or personal purposes.
3. General Accounting & Reporting Branch will determine if the employee falls under the Commuting Rule guidelines. If employee does not qualify for commuting rule, General Accounting & Reporting Branch will follow these procedures for valuing the employee's personal use of the District vehicle.
4. In January, General Accounting & Reporting Branch will review the vehicle list to determine whether each vehicle will be valued individually or valued as a fleet vehicle.
5. Annual Lease Value Calculation
 - a. Fleet Vehicles
 - i. A vehicle may be valued as part of the fleet if 20 or more vehicles are grouped into a fleet and each of the vehicles had a fair market value of less than the Maximum Fair Market Value (\$21,300 for cars and \$22,900 for trucks and vans in 2015) the first year that it was available.
 - ii. To determine their fair market value of the fleet, the fair market value of each vehicle as of January 1 is averaged.
 - iii. The annual lease value of each vehicle in the fleet is determined by the Annual Lease Value table provided by the IRS using the average fair market value of the fleet.
 - iv. The annual lease value is used for a two-year period and then recalculated as of January 1 of the third year.
 - v. Newly acquired vehicles may be added to the fleet if their initial value when they are first available is less than the Maximum fair market value. The added



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vehicles use the lease value previously determined for the fleet until the annual lease value for the fleet is recalculated in the third year.

b. Non-fleet Vehicles

- i. The annual lease value of each non-fleet vehicle is determined by the Annual Lease Value table provided by the IRS using the fair market value of the vehicle as of January 1.
 - ii. The annual lease value is used for a four-year period and then recalculated as of January 1 of the fifth year.
 - iii. If a vehicle is transferred to a new employee, the lease value may be recalculated unless the reason for the transfer is specifically to obtain a recalculation of the annual lease value.
6. During September of each year, General Accounting & Reporting Branch will provide each control employee with a mileage log to be completed during October.
7. Each employee not using the commuting rule will complete the mileage log in October. During this time, every trip made in the district vehicle must be documented. The documentation for each trip will include:
- a. Date
 - b. Purpose of the Trip
 - c. Origination
 - d. Destination
 - e. Beginning Odometer Reading
 - f. Ending Odometer Reading
 - g. Whether the Trip Was Personal or Business
8. The employee will forward the October mileage log to General Accounting & Reporting Branch by November 15th each year.
9. When General Accounting & Reporting Branch receives the mileage log, they will audit the log to ensure the information is complete and accurate.
10. General Accounting & Reporting Branch will use the mileage log to determine the proportion of personal use by taking the audited personal mileage divided by the audited total mileage driven.
11. General Accounting & Reporting Branch will determine the personal miles driven through one of two methods.
- a. Where available, General Accounting & Reporting Branch will obtain vehicle odometer readings at the start/end of the year and where the vehicle used changes to determine annual mileage driven. This amount will be multiplied by the proportion of personal use to obtain annual personal miles



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- b. Otherwise, General Accounting & Reporting Branch will estimate the annual personal miles driven by taking the number of personal miles on the mileage log times 12 months
12. To determine the total value of personal use, General Accounting & Reporting Branch will sum the following two amounts:
 - a. The percentage of personal use calculated in paragraph 9 times the annual lease value determined in paragraph 4 for the vehicles driven by the control employee.
 - b. The number personal miles driven times \$0.055.
13. General Accounting & Reporting Branch will provide Payroll Administration Division with the total value of the employee's personal use of the District vehicle.
14. Payroll Administration Branch will include the value of the employee's personal use with the employee's last paycheck in December and ensure that the applicable taxes are withheld.



SAMPLE MILEAGE LOG

LOS ANGELES UNIFIED SCHOOL DISTRICT
Accounting and Disbursements Division

NAME John Smith Month October Year 2015

Official Mileage Log Page 1 of 1

Please Return Completed Mileage Logs to General Accounting Branch,
Beaudry Building, 26th flr. to Paul Yoon, or by Fax at (213) 241.6814
or via E-mail to paul.yoon@lausd.net.

SAMPLE MILEAGE LOG

* Date	* Origination pt. to Destination pt.	* Brief Purpose of the Trip	* Odometer Reading Beginning	* Odometer Reading Ending	* Mileage Breakdown Business	* Mileage Breakdown Personal
10/1/15	Home to Beaudry	commute	50100	50125		25
10/1/15	Beaudry to Home	commute	50125	50150		25
10/2/15	Home to Beaudry	commute	50150	50175		25
10/2/15	Beaudry to ESC-North Office	District Meeting	50175	50185	10	
10/2/15	ESC-North Office to Beaudry		50185	50195	10	
10/2/15	Beaudry to Home	commute	50195	50220		25
10/3/15	Home to Beaudry	commute	50220	50245		25
10/3/15	Beaudry to Barrett Elem	District Meeting	50245	50263	18	
10/3/15	Barrett Elem to Personal Appointment	Personal	50263	50275		12
10/3/15	Personal Appointment to Home		50275	50305		30
10/6/15	Home to Virgil MS	District Meeting	50305	50333	28	
10/6/15	Virgil MS to Beaudry		50333	50355	22	
10/6/15	Beaudry to Personal Appointment	Personal	50355	50363		8
10/6/15	Personal Appointment to Home		50363	50395		32
10/7/15	Home to Restaurant	District meeting & Breakfast	50395	50400	5	
10/7/15	Restaurant to Beaudry	Business	50400	50422	22	
10/7/15	Beaudry to Wilshire Grand Hotel	District Meeting	50422	50424	2	
10/7/15	Wilshire Grand Hotel to Home		50424	50431	7	
10/8/15	Home to Personal Appointment	Personal	50431	50456		25
10/8/15	Personal Appointment to Home		50456	50481		25
					Total page 1	257

* Required Fields

File name in the spreadsheet



SAMPLE CALCULATION OF TAXABLE FRINGE BENEFIT AMOUNT

SAMPLE

Calculation of Taxable Fringe Benefit Amount

Executive Employee or

Elected Official: John Smith
Classification: "Control Employee"
 IRS Publication 15-B definition of a "Control Employee" is either:
 1) A government employee with an annual compensation that is equal to or exceeds Federal Government Executive Level V (\$148,700 per annum in 2015).
 2) An elected official

Fringe Benefit: District "Take-Home" vehicle for business and personal use.
Vehicle: # 5982 2006 Ford Taurus
Round Trip: 15 Miles per day to and from work
Mileage Log: October 2015 (Sample Month) **Projected Annual Mileage Use**

Business Use:	655	miles	X 12 Mo.	7,860
Personal Use:	349	miles	X 12 Mo.	4,188
	<u>1004</u>			<u>12,048</u>

Business Use: 65.24%
Personal Use: 34.76%

Using the Fleet Average method under the Annual Lease Valuation Rule. (This rule applies to employees who are classified as a "control employee").	\$ 2,100.00
Gasoline value(12,048 miles x 5.5 cents per mile)	<u>\$ 662.64</u>
Total value of Fringe Benefit for vehicle use during 2014	\$ 2,762.64
Percentage of Personal Use (From Sample Mileage Log)	34.76%
Personal Usage Value	\$ 960.32
Amount of Taxable Fringe Benefit	\$ <u>960.32</u>

The \$960.32 Taxable Fringe Benefit Amount will be shown as additional compensation on Mr. Smith's 2015 W-2, and is subject to Social Security and Medicare taxes. Please note that if the Taxable Benefit Amount is zero or less, there will be no additional compensation reported.

* Annual Lease Value for 2014 and 2015 base on composition of the fleet of vehicles. Also certain vehicles will have a higher Annual Lease Valuation due to higher purchase cost or specially equipped vehicles exceeding annual limitation on Fair Market Value of New vehicles for 2015 Passenger vehicles \$21,300 and truck or vans \$22,900,



SAMPLE LIST OF DESTINATIONS AND TYPE OF PURPOSE

DESTINATIONS	PURPOSE
Home to Work Office (Main District Assigned Location)	Personal
Home to Beaudry HDQ (Board Members)	Personal
Home to Non-District Personal Office	Personal
Home to Personal Appointment	Personal
Home to Destination of Official LAUSD Business	Business
Home to Airport (Departure to Official LAUSD Business)	Business
Home to District Garage (Vehicle Maintenance)	Business
Work Office to Home	Personal
Beaudry HDQ (Board Members) to Home	Personal
Work Office to Non-District Personal Office	Personal
Work Office to Personal Appointment	Personal
Work Office to Destination of Official LAUSD Business	Business
Work Office to Airport (Departure to Official LAUSD Business)	Business
Work Office to District Garage (Vehicle Maintenance)	Business
Non-District Personal Office to Home	Personal
Non-District Personal Office to Work Office	Personal
Non-District Personal Office to Beaudry HDQ (Board Members)	Personal
Non-District Personal Office to Personal Appointment	Personal
Non-District Personal Office to Destination of Official LAUSD Business	Business
Non-District Personal Office to Airport (Departure to Official LAUSD Business)	Business
Non-District Personal Office to District Garage (Vehicle Maintenance)	Business
Personal Appointment to Home	Personal
Personal Appointment to Work Office	Personal
Personal Appointment to Beaudry HDQ (Board Members)	Personal
Personal Appointment to Non-District Personal Office	Personal
Personal Appointment to Personal Appointment	Personal
Personal Appointment to Destination of Official LAUSD Business	Business
Personal Appointment to Airport (Departure to Official LAUSD Business)	Business
Personal Appointment to District Garage (Vehicle Maintenance)	Business
Destination of Official LAUSD Business Purposes to Home	Business
Destination of Official LAUSD Business to Work Office	Business
Destination of Official LAUSD Business to Beaudry HDQ (Board Members)	Business
Destination of Official LAUSD Business to Non-District Personal Office	Personal
Destination of Official LAUSD Business to Personal Appointment	Personal



LOS ANGELES UNIFIED SCHOOL DISTRICT REFERENCE GUIDE

Destination of Official LAUSD Business to Destination of Official LAUSD Business	Business
Destination of Official LAUSD Business to Airport (Departure to Official LAUSD Business)	Business
Destination of Official LAUSD Business to District Garage (Vehicle Maintenance)	Business
Airport (Return from Official LAUSD Business) to Home	Business
Airport (Return from Official LAUSD Business) to Work Office	Business
Airport (Return from Official LAUSD Bus.) to Beaudry HDQ (Board Members)	Business
Airport (Return from Official LAUSD Business) to Non-District Personal Office	Personal
Airport (Return from Official LAUSD Business) to Personal Appointment	Personal
Airport (Return from Official LAUSD Business) to Destination of Official LAUSD Business	Business
Airport (Return from Official LAUSD Business) to District Garage (Vehicle Maintenance)	Business
District Garage (Vehicle Maintenance) to Home	Business
District Garage (Vehicle Maintenance) to Work Office	Business
District Garage (Vehicle Maintenance) to Beaudry HDQ (Board Members)	Business
District Garage (Vehicle Maintenance) to Non-District Personal Office	Personal
District Garage (Vehicle Maintenance) to Personal Appointment	Personal
District Garage (Vehicle Maintenance) to Destination of Official LAUSD Business	Business
District Garage (Vehicle Maintenance) to Airport (Departure to Official LAUSD Business)	Business