

	TOWNSHIP OF SOUTH STORMONT	
	Title: Use of Township-owned Vehicles - Standard Operating Procedure	
	Department: Finance	Effective Date: January 1, 2018

1. PURPOSE AND SCOPE

The purpose of this procedure is to clarify and identify the parameters under which Township-owned Vehicles shall be used by employees of the Corporation of the Township of South Stormont ("Township") and to ensure adherence to government legislation in the reporting of taxable benefits, and is in accordance with the Human Resource Policy.

This Standard Operating Procedure (SOP) shall apply to all municipal employees who operate Township-owned Vehicles.

2. PERSONAL DRIVING

According to the Canada Revenue Agency ("CRA"), the personal driving of an employer's Vehicle is a taxable benefit to the employee. Personal driving is any driving by an employee for purposes not related to his or her employment. This includes:

- vacation trips;
- driving to conduct personal activities;
- travel between home and a regular place of employment, other than a point of call; and
- travel between home and a regular place of employment even if the employer insists the employee drive the Vehicle home, such as when he or she is on call.

The Township prohibits the use of personal driving **except** for travelling between home and work when an employee is mandated to be on-call as defined within their job description. On-call, for the purposes of this SOP and in order to adhere to CRA regulations, is further defined to be when an employee is required to be on-call / duty outside of their normal working hours, to respond to emergency situations, including winter patrol. CRA also refers to being on-call as being on standby. For the purposes of this procedure, work refers to the Regular Place of Employment, i.e. where the employee would regularly report to work, and does not include an emergency site or Point of Call.

The Township further clarifies that only positions mandated to be on-call, and only while on-call, employees may choose to utilize the Township-owned Vehicle for personal driving between home and work, thereby accepting the tax implications.

3. RESPONSIBILITY

Employees who operate Township-owned Vehicles and/or supervise employees who operate Township-owned Vehicles are responsible for ensuring compliance with this Standard Operating Procedure.

4. PROCEDURE

- a) Township-owned Vehicles may be assigned to specific employees as the primary user, but all Township Vehicles will be made available to all other Township employees as required so as to utilize them for maximum efficiency.
- b) Township-owned Vehicles shall be used exclusively for Township business and may be subject to CRA taxable benefits and allowances.
- c) Only Township employees are authorized to drive Township-owned Vehicles.
- d) Township-owned Vehicles shall be identifiable by the appropriate corporate crest and/or decals.
- e) Employees assigned as the primary user of the Vehicle shall be responsible to ensure that the Vehicle is:
 - a. kept clean and presentable to the public;
 - b. is properly maintained in accordance with the servicing schedule; and
 - c. ensure the Vehicle is refueled and reports are completed.
- f) Employees not assigned as the primary user of the Vehicle shall also be responsible to ensure that the Vehicle is:
 - a. kept clean and presentable to the public; and
 - b. ensure the Vehicle is refueled and reports are completed.
- g) Township-owned Vehicles shall remain at their respective work sites before and after normal working hours, except as authorized and in accordance with the Human Resource Policy.
- h) Township-owned Vehicles shall be made available to other Township employees when the vehicle is not in use by the primary user.
- i) Employees operating Township-owned Vehicles shall adhere to the Ontario Highway Traffic Act and shall be personally responsible for any convictions or infractions related to their actions such as parking tickets, speeding infractions or other such charges.
- j) Kilometers driven and purpose of travel must be recorded. Where appropriate, log books will be provided and must be kept in the vehicle and completed by all users of the Vehicle showing the number of times the Vehicle is used, kilometers used for business versus personal use, and a brief description of the call outside of normal working hours. These log books are to be provided to the Finance Department on a monthly basis, or as otherwise deemed appropriate by the Director of Finance.

5. DEFINITIONS

- a) **“Automobile”** or **“motor vehicle”** shall mean, as defined by CRA and has 2 classifications, as they are treated differently for tax calculation purposes:
- “Automobile” is a motor vehicle that is designed or adapted mainly to carry individuals on highways and streets, and has a seating capacity of not more than the driver and eight passengers, such as a car, a king cab truck or SUV that has not been altered. The personal kilometers driven while on standby are a taxable benefit. The taxable benefit calculation uses the cost of the vehicle, days available, personal kilometers that impact on business use, a CRA prescribed standby rate per kilometer and an operating cost. The taxable benefit will be calculated as prescribed by CRA.
 - “Motor Vehicles” would be vehicles not included in the definition of an automobile, such as:
 - clearly marked fire emergency response vehicles;
 - a van, pickup truck, or similar vehicle that:
 - can seat no more than the driver and two passengers, and in the year it is acquired or leased, is used primarily to transport goods or equipment in the course of business; or
 - in the year it is acquired or leased, is used 90% or more of the distance driven to transport goods, equipment, or passengers in the course of business.
- b) **“Point of Call”** is a place the employee goes to perform his or her employment duties other than the employee’s regular place of employment. This travel is considered to be business related and is not a taxable benefit.
- c) **“Regular Place of Employment”** is any location where the employee regularly reports for work or performs the duties of employment.
- d) **“Township”** or **“Municipality”** shall be synonymous and represents the Corporation of the Township of South Stormont.
- e) **“Vehicle”** pertains to both automobiles and motor vehicles not defined as automobiles.

6. REFERENCES:

- Canada Revenue Agency, Employers’ Guide: Taxable Benefits and Allowances, T4130 (E) Rev. 16.
- Chief Administrative Officer, B. de Haan.
- Craig Keen Despatie Markell LLP, R. Markell.
- The Corporation of the Township of South Stormont, Human Resource Policy, December 2016.

Drafted By: Cindy Piché	Last Revision Date:	Approved Date:	Director’s Signature:
	December 7, 2017	December 13, 2017	