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**SUBJECT: LICENSING AND USE OF COURTESY VEHICLES**

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- I. PURPOSE: To provide University policy on courtesy vehicles.
  
- II. POLICY: The use of courtesy cars (complimentary vehicles) by University personnel for business purposes is viewed as a gift-in-kind. When travel expenses are reimbursed on the basis of actual use of gas, oil, and so forth, courtesy cars can provide substantial savings to the University. The University does not guarantee a courtesy car to any employee. All individual arrangements for courtesy cars are subject to approval by the Vice President for Administrative and Financial Services.
  - A. Responsibility of Employee: The faculty or staff member using a courtesy car must abide by the following:
    1. The car must be kept clean and in good appearance.
    2. The employee is responsible for repair and payment of any damage done to the car by accident or negligence. This will include paying the deductible amount on collision insurance in the event repair costs are more than the deductible amount.
    3. The car must be clean inside and out when returned to the dealer for exchange.
    4. The car will be returned to the dealer at the agreed-upon mileage for exchange.
    5. If the dealer desires, the car will be returned to dealership for periodic checks.
    6. The car is provided for the use of the employee and should not be driven by a family member except in an emergency.
    7. Dealer stipulations on mileage, maintenance and care will be the responsibility of the employee.
    8. A log will be maintained in the vehicle to record University and personal use. Personal mileage is taxable income, according to IRS regulations.
    9. When the vehicle is turned in or at the end of each calendar quarter, the log will be turned in to the Controller's Office.



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- B. Insurance Coverage on Courtesy Cars: The University will provide insurance coverage on courtesy cars provided that the vehicle is properly licensed according to State risk management regulations. (Dealer plates do not constitute proper licensing.) Individuals who use vehicles with dealer plates must provide the dealer written evidence of collision, comprehensive, and liability insurance on the vehicles promptly upon assignment of such vehicles. The liability insurance limits must be a minimum of \$100,000/\$300,000 for bodily injury and property damage, and \$100 deductible for collision.
  
- C. Benefits to Automobile Dealers in Courtesy Car Program: In exchange for the courtesy car, a dealer will receive the equivalent of a contribution in the amount of the fair market value of the gift.