

To: Users of Company Vehicles  
From:  
Date:  
Re: Personal Use of Company Vehicles

Vehicle Information

Make/Model \_\_\_\_\_  
Year \_\_\_\_\_  
License No. \_\_\_\_\_

The Company has provided you with the above vehicle and requires that you commute to and from work in that vehicle. The Company's management has adopted the following policy regarding the use of such vehicles.

**Employees who are provided with vehicles and required to commute to and from work with them may not use the vehicle for personal purpose except for incidental purposes such as a stop for a personal errand on the way between a business stop and home.**

The Company will include in your compensation at the end of the year a **taxable noncash fringe benefit** of \$3.00 per day (i.e., \$1.50 for each one-way trip). Employees need only maintain documentation of the number of trips to and from work provided the above policy is adhered to.

Employees found to be in violation of the above policy will be required to substantiate the business use of the vehicle by submitting appropriate mileage information. (All unsubstantiated business use will be assumed to be personal use). This documentation will be used to compute the taxable noncash fringe benefit to be added to your compensation at the end of the year. In all likelihood, the fringe benefit so computed will be in excess of the \$3.00 per day fringe benefit determined under the above policy.

Furthermore, if adequate documentation related to business use is not provided, the Company is required by the Internal Revenue Service to assume that the use of the vehicle is entirely personal. Such an outcome would result in a taxable noncash fringe benefit amounting to several thousand dollars.

**NOTE:** This policy statement does not apply to control employees. For <2023>, control employees are: 1) officers with compensation of \$130,000 or more, 2) employees with compensation of \$265,000 or more, 3) directors, or 4) 1% or more owners.

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I have read the above policy statement, understand the implications of personal use of company vehicles (other than for commuting) and agree to follow the policy.

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Employee's Signature \_\_\_\_\_ Date \_\_\_\_\_