

Title/Subject: VEHICLE POLICY

Applies to: faculty staff students student employees visitors contractors

Effective Date of This Revision: May 16, 2024

Contact for More Information: Finance and Administrative Services

Board Policy Administrative Policy Procedure Guideline

BACKGROUND:

Central Michigan University is committed to effective management of its university-owned vehicles. This policy is driven by the following key factors:

Resource Efficiency: Efficiently managing university-owned vehicles is essential to optimize resources and ensure cost-effectiveness.

Safety and Compliance: Prioritizing safety and legal compliance in vehicle operation is a fundamental commitment.

Environmental Responsibility: The university is dedicated to sustainability, with a focus on eco-friendly vehicle procurement and responsible disposal.

Accountability and Transparency: Clear procedures promote accountability and transparency in vehicle-related decisions.

Asset Lifecycle Management: Managing vehicles throughout their lifecycle is essential for optimizing value and longevity.

Operational Efficiency: Vehicles must support the operational needs of various university departments.

Legal and Insurance Compliance: The policy includes guidelines for insurance coverage and legal requirements.

This policy underscores our commitment to responsible resource management, safety, and environmental sustainability, aiming to promote efficiency and accountability throughout the University.

PURPOSE:

To ensure that University vehicles are acquired, assigned, utilized, maintained, and replaced appropriately and that all vehicles operated on Official University Business are done so safely.

POLICY:

University vehicles are designated only for university related business and are provided for use only when the driver is a university employee. Passengers are limited to university employees, students participating in authorized trips, and invited guests engaged in university-related activities.

Authority: Robert O. Davies, President

History: New

Indexed as: University-owned vehicles; purchase or lease university vehicles; allowable vehicles; operation of vehicles; maintenance and replacement of university vehicles; inventory of university vehicles.

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For purposes of this policy, rental vehicles are considered university vehicles when rented by an authorized employee and while used for official university business.

Under special circumstances a non-University owned vehicle may be provided by a supplier and assigned to a university employee. The operation of these vehicles shall be consistent with the section entitled "Operation of Vehicles".

Choice of Rental, Personal or University Vehicle

When planning a business trip, supervisors or administrative heads of departments and travelers should determine the most cost-effective travel option, taking into consideration the following options:

1. vehicle rental from the CMU contracted outside rental car agency,
2. using a university-owned vehicle, or
3. mileage reimbursement for the use of a personal vehicle.

All relevant factors such as employee time and effort, proximity to rental agency or University vehicles, length of trip, and other costs (such as mileage reimbursement), should be considered when selecting the most cost-effective method of travel. Typically, mileage reimbursement for a personal vehicle is only cost-effective if the travel is less than 200 miles round-trip. Faculty and staff are permitted to secure a rental vehicle from the CMU contracted rental car agency. Visit the Contracting & Purchasing Services website for vehicle rental information: [Vehicle Rentals | Purchasing | Central Michigan University \(cmich.edu\)](#). All driver requirements detailed by CMU Risk Management apply to rental vehicles.

Purchase or Lease of University Vehicles

All purchases or leases of university vehicles shall be managed through Contracting and Purchasing Services. Consideration should be given to sustainability and fuel-efficient options where it is practical based on vehicle class.

Purchase of used vehicles should be considered, but price analysis should include total lifecycle cost rather than initial acquisition cost. Before any new or replacement vehicle is purchased or leased, departments must perform a review of both the overall need for the vehicle and a cost-benefit analysis of purchasing/leasing a vehicle.

Departments will evaluate the cost per mile to operate the vehicles, considering acquisition costs, expected retail or trade-in value, and operating costs such as fuel, maintenance and other expenses. If anticipated annual mileage of a vehicle is less than 10,000 miles, the department should consider use of rental vehicles or offer the option for employees to use their personal vehicle instead of purchasing/leasing/renting a vehicle. Written justification for purchase/lease of a vehicle expected to be driven less than 10,000 miles each year is required for purchase/lease.

The written justification of operational need must include:

1. The business purpose, usage frequency, and anticipated annual mileage,
2. The Cost-Benefit Analysis must be completed with the support of the CPS team (use tool provided - TBD),
3. Divisional Vice President (VP) approval of the written justification and cost-benefit analysis.

All vehicle purchases must be approved by the divisional VP and provided to Contracting and Purchasing Services. Vehicles used daily to support university operations (for example mail delivery, Police Department, or Facilities Management) are exempt from the 10,000 miles per year requirement.

Allowable Vehicles

The vehicle type, size and accessories specified must be appropriate for the intended use. Consideration shall be given to the purchase or lease of an alternative fuel or hybrid vehicle in the cost/benefit analysis. The need for purchase or lease of Sport Utility Vehicles (SUVs) and/or four-wheel drive vehicles to perform an essential function must be demonstrated in writing, to the satisfaction of the divisional VP.

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Due to warnings issued by the National Highway Traffic Safety Administration (NHTSA) and requirements of the University's auto insurance carriers, 15-passenger vans are not an acceptable mode of travel for CMU business purposes (including class trips, intercollegiate sports, academic trips, research travel, etc.) therefore they are not an allowable purchase.

Operation of Vehicles

Please see Risk Management policies and procedures on driver requirements, insurance, and vehicle usage at the following link: <https://centralmichigan.sharepoint.com/sites/RMEHS/SitePages/University%20Driving%20Information.aspx>. These policies and procedures must be followed when driving on university business or for university-sponsored events. Non-employee students, volunteers, Student and Sports Clubs, and Registered Student Organizations (RSOs) may not use university-owned, rented or leased vehicles.

When not in use, a university vehicle must be secured and legally parked near the department or work site of the user or department to whom it is assigned. Personal use of university vehicles is prohibited. Transportation between the University and the driver's residence is normally prohibited, even if the driver is required to return to the campus to perform his or her job outside of regular business hours. If a driver needs a vehicle to attend an out-of-town meeting, the driver may take the vehicle home to facilitate an early departure, but otherwise, no personal use of the vehicle is allowed.

Assignment to an Individual

A University vehicle may only be assigned to a licensed individual if approved by the President and under the following circumstances:

1. The President has determined that by virtue of the employee's position, it is in the best interests of the University to assign a vehicle to an individual.
2. A non-university vehicle is provided by a supplier as a courtesy vehicle for use by a university employee.

An employee using an exclusively assigned vehicle must track and report personal usage annually to the designated campus office to allow the correct taxable value to be included for W-2 reporting. Commuting between home and work is considered personal use of a vehicle and must be tracked and reported.

Maintenance and Replacement of University Vehicles

University vehicles shall be operated in an efficient manner and serviced by Facilities Management or another professional service center. At a minimum, organizational units having custody of a university vehicle shall follow the manufacturer's recommended maintenance schedule for each vehicle and address any recalls expeditiously in accordance with the manufacturer's directives. Safety inspections shall be obtained as required by law before operating the vehicle.

Each unit, or designated department, shall have a vehicle preventative maintenance document listing the required maintenance activities for each type of vehicle the unit owns or leases. All maintenance and repairs performed on university vehicles as well as monthly mileage and physical condition reports must be documented and retained for the life of the vehicle. At a minimum, departments that have custody of a university-owned vehicle shall follow the manufacturer's recommended maintenance schedule for each vehicle. It is the responsibility of the department having custody of a university vehicle to ensure regular inspections of the vehicle and conduct a visual safety inspection prior to each use of a university vehicle. Drivers are responsible for the day-to-day care of the vehicles they are using. Further, university owned vehicles should be started and driven on a routine basis, weekly at a minimum. On a monthly basis, the organizational unit having custody of a university vehicle must check the following for safety and maintenance issues:

1. Tires: pressure, sufficient tread, defects or signs of damage
2. Fluids: check weekly at a minimum, fill as necessary
3. Lights: headlights, taillights, brake lights, hazard lights, turn signals and license plate lights are all in working order
4. Windshield: ensure view is not obstructed, glass is free from cracks, chips or loose seals and wipers function properly
5. Mirrors: ensure both side view and the rearview mirrors are present and in good condition

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6. Seat belts: ensure the ability to auto-lock and retract

When a vehicle is unsafe, unreliable, uneconomical to operate, or when annual maintenance cost exceeds 30% of the value of the vehicle, consideration should be given to retiring the vehicle. Departments should strive to retire vehicles before operating costs become prohibitive. Departments are advised to contact the University Stores/Warehouse Operations team for consultation or assistance with retirement of a vehicle. The suggested replacement cycle for standard passenger vehicles is 200,000 miles or fifteen years depending on the vehicle's condition.

Annual Inventory of University Vehicles

Departments utilizing University vehicles must maintain an accurate vehicle inventory and are required to submit an annual verification of inventory to Fixed Assets during the university's annual inventory process.

Best Practices

In addition to the requirements noted above, below is a list of best practices is provided to assist departments in vehicle management.

1. Create instructions for checking out a vehicle or how vehicles are assigned to employees. Examples of checkout methods are listed below:
 - a. Shared calendar
 - b. Sign out book/sheet
 - c. Shared excel spreadsheet
2. Keep vehicle registration and insurance in the glove compartment of each vehicle with a copy maintained with department office files.
3. Ensure a window scraper is in the vehicle during winter months.
4. For general use vehicles, maintain a log that includes when the vehicle is driven, date, name of driver, purpose of trip, beginning and ending odometer readings. This will help track utilization of the vehicle.
5. Include instructions for accident reporting in the glove box. These are located on the Risk Management website.
6. Maintain a method of tracking maintenance by vehicle.
7. When possible, utilize the most economical option when fueling up the vehicle. Available options include:
 - a. The CMU Fuel Station at Grounds South (most economical).
 - b. Use of a fuel card program, like Shell or Wright Express/Enterprise Fleet Management Fuel Card Program (WEX) (contact C&PS for participation in such programs).
 - c. Use a CMU business credit card at any gas station.