# Policy on the Acquisition, Operation, and Maintenance of University Vehicles

## Policy Statement

It is recognized that in the normal course of Auburn University business, it will be necessary to obtain transportation for use on a frequent basis. Typically, the acquisition of vehicles, trailers and other such equipment would refer to the purchase or lease of a vehicle with a value of $2,500 or higher. However, trailers requiring license plates, Federal vehicles on loan to Auburn University and vehicles which require insurance are also included in the policy below. Given the high cost of depreciation, operation and maintenance and potential risk to the University, it is expected that each department justify the acquisition of such equipment to the respective Dean or Vice President. Generally, acquisition is not justified if there is like equipment available for use elsewhere on campus.

The acquisition of all university vehicles should be handled through Procurement and Payment Services and all vehicles are bid according to University policy if expected cost is $15,000 or more. **If a vehicle is purchased or leased for use by an individual employee, please see the Policy for Vehicles Assigned to University Employees**. The policies and procedures outlined below are intended to address financial and business matters associated with University vehicles. A separate policy regarding fleet safety is under development. Visit the guidelines for the acquisition of multi-passenger vehicles/vans to learn more.

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## Title

The title for each vehicle will be obtained through the seller by Procurement and Payment Services and held on file in the Property Services department. Property Services will record the VIN (Vehicle Identification Number) when applying the Property Control number to the vehicle. Upon vehicle disposal via trade-in, Property Services will supply the title to the dealer. If disposal is via Surplus Property, Property Services will transfer the title to any future owners. Titles will be held in:

Property Services
909 Shug Jordan Parkway
Auburn University, AL 36849

## State Tag

It will be the responsibility of any AU department or entity acquiring a permanent vehicle (new or used) to obtain a state tag (license plate) for that vehicle from the State Department of Revenue, Motor Vehicle Division, in Montgomery. Forms for a new state tag (license plate) and registration document (copy of same required by State Code to be carried in the vehicle at all times) are available at the Department of Revenue web site or you may go directly to the State tag form. Once obtained, the new state tag (license plate) number must be reported in a timely manner to campus Parking Services.
All University acquired (purchase or lease) vehicles must display a State license plate. Any exceptions must be submitted in writing and approved by the President's office.

## Insurance

Insurance information pertaining to Auburn University vehicles will be maintained by Risk Management & Safety. The Auburn University department purchasing or leasing a vehicle should contact Risk Management & Safety within ten (10) days of acquisition to arrange for insurance coverage. The AU department should also contact Risk Management & Safety and Property Services to advise of all deletions and/or transfers of University vehicles. Information the department should furnish to Risk Management and Safety includes:

a. Make & model
b. Year manufactured
c. Serial number
d. Cost - new if physical damage/full coverage is desired
e. Name and address of loss payee or lessor if the vehicle is financed or leased
f. Date of acquisition, transfer, or disposal

## Safety Inspections/Recall Notices

Departments are responsible for obtaining annual safety inspections for vehicles acquired and/or assigned to the department. Reminder notices will be sent annually by Risk Management and Safety. The Facilities Division offers this service for a small charge and University funds may be used to pay for these inspections. Manufacturer recall notices are generally received in Procurement and Payment Services and will be forwarded to Risk Management for distribution to the department. It will be the department's responsibility to follow up on such notices.

## Federal Vehicle Identification

Colleges and schools which received vehicles from the Federal government are responsible for maintaining an inventory of those vehicles and periodic verification of those vehicles. They are also responsible for notifying Risk Management and Safety upon receipt of the vehicle so that those vehicles can be insured. Information relative to those vehicles will be maintained by Risk Management and Safety, in addition to the information maintained in the respective college or school.

## Vehicle Use Charged Out (Departmental Vehicle Service Center)

If there is a calculation of use charge for any vehicle, the University Service Center Policies apply. Please contact Financial Reporting should you have any questions concerning the policy and rate calculations.

## Fuel purchases

Fuel purchased for University owned or leased vehicles which are assigned to an individual for their exclusive use may be charged to the Wright Express card assigned to that vehicle. Wright Express fuel cards are obtained by making application in Procurement and Payment Services and will only be assigned to vehicles bearing a State license plate. Fuel is also available for purchase at the Facilities Division, if the department has established prior approval for the individual employee to purchase fuel. Prior approval can be obtained by submitting a memo to Maintenance and Operations (Facilities Division). The Memo should be signed by the department head and contain the employee name and Banner ID number, vehicle ID number, the mileage limit between fill-ups, and the FOAP to be charged.

Fuel purchased for University owned or leased vehicles which are acquired for departmental use may be charged to the University Purchasing Card as long as the fuel is to be used for business purposes and the State license plate number is denoted on the receipt. Use of the Purchasing Card is ONLY allowed for vehicles bearing a State license plate.

## Routine Cleaning and Maintenance

The routine cleaning and maintenance of vehicles purchased or leased for individual use is considered a personal expense and will not be paid/reimbursed by the University. The routine cleaning and maintenance of vehicles owned or leased by the University for departmental use is an allowable expense. Such expenses should either be billed to the department by the vendor or paid for by an employee and reimbursed to them following submission of a travel voucher with appropriate receipts to Procurement and Payment Services. Due to IRS reporting regulation, such services cannot be charged to the University Purchasing Card.

## Short Term Rentals

Departments may, on occasion, need to obtain a vehicle for local use and/or regional trips. Departments should make decisions as to use of a personal vehicle, use of a state vehicle, rental of a vehicle from an outside firm, or purchase of an airline ticket, based on the most economical and efficient choice to the University.

Payment can be handled in one of two ways: 1) employee responsible for renting the vehicle charges the expense to their personal credit card and submits the cost for reimbursement via a travel voucher, or 2) department can make arrangements for the cost of the rental to be billed to the department and paid via vendor voucher/invoice. Due to IRS 1099 reporting regulations, rentals cannot be charged to the University Purchasing Card.

## For specific assistance in any of the above issues, please contact:

- Acquisition/Trade-In - Procurement and Payment Services
- Tag/License - Parking Services
- Insurance - Risk Management & Safety
- Title Information - Property Services
- Disposal of Vehicles- Surplus Property
- Operating Expenses/Short Term Rentals - Procurement and Payment Services
- Service Center Vehicle Guidelines - Controller/Financial Reporting