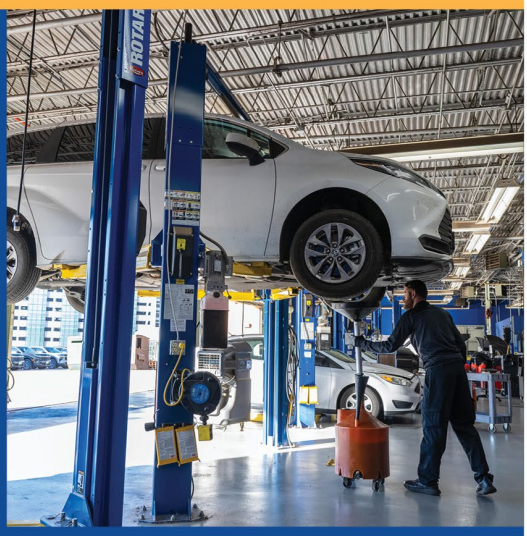
North Carolina

Motor Fleet Management Manual

Effective July 2025



Governor Josh Stein
Secretary Gabriel Esparza







NC DOA
Department of Administration
Motor Fleet Management

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I. Introduction

Organization

Motor Fleet Management (MFM), a division within the N.C. Department of Administration (DOA), is organized into four business units. Each business unit has unique fleet responsibilities and a unique service email that is monitored by staff of that unit. MFM encourages communication through the appropriate service email accounts. A staff list can be found on the MFM Contact Us webpage.

Mission

MFM establishes and operates the central motor fleet of passenger vehicles for all North Carolina state agencies. MFM provides safe and efficient management, maintenance, repair, and storage of state-owned passenger motor vehicles. The division also saves taxpayer money by supplying a centralized source of passenger transportation in the most cost-effective way for all state agencies and their employees to use while performing official duties.

Contact Information

Motor Fleet Management operates Mondays through Fridays from 7 a.m. until 4 p.m. at 1915 Blue Ridge Road in Raleigh.

Accounting: MFMAccounting@doa.nc.gov

Acquisition & Assignment: Vehicle.assignment@doa.nc.gov

Maintenance & Repair: Service.mfm@doa.nc.gov (Includes repair, maintenance, inspections, recalls, accident reports, roadside assistance, Travelers Insurance, Autoweb input, towing & recovery.)

Utilization & Compliance: Motorfleet@doa.nc.gov

Roadside assistance is available by calling 800-277-8181. The MFM vehicle and driver will be transported to a local repair facility. Stranded drivers must make their own arrangements for transportation and lodging after the vehicle is towed. To assist stranded drivers, agencies are encouraged to set up accounts with vehicle rental companies using State Term Contract 975B.

Sources of Authority

NCGS 143-341(8)(i) authorizes the North Carolina Department of Administration (DOA) to establish and operate a central motor fleet and related functions as deemed necessary by the Secretary.01 NCAC 38 - Motor Fleet Management contains the rules adopted by DOA for the administration of the state's motor fleet.

Agency Policies and Responsibilities

All state-owned vehicles fall into two categories: 1) Motor Fleet Management-owned or 2) agency-owned. Regardless of ownership, all vehicles and related records are subject to periodic MFM compliance reviews. **Motor Fleet Management regulations apply to *all state-owned* vehicles.** Both MFM-owned and agency-owned vehicles are regulated by MFM. Agencies that own vehicles *must* comply with these regulations. Agencies may establish their own fleet policies to meet their business needs; however, these policies must not conflict with or be less restrictive than MFM statutes, rules, regulations, and policies.

Agency Fleet Coordinators

Each state agency must appoint an **Agency Fleet Coordinator (AFC)** to serve as the primary contact for all fleet-related matters. The AFC plays a key role in ensuring vehicles are used safely, efficiently, and in compliance with MFM policies.

- Importance of the AFC Role
  - Vehicles represent significant financial costs and potential liability exposure.
  - Proper oversight prevents misuse and ensures compliance with state law.
  - The AFC connects agency leadership, HR, legal, and operations to key information and concerns

For MFM and Agency owned vehicles, the Minimum Responsibilities of the AFC:

Area	Key Responsibilities
Policy & Procedures	- Communicate MFM and Agency vehicle policies & procedures with agency leaders and drivers. - Attend MFM trainings.
Administration	- Maintain records of vehicle count, type, ownership, titles, VIN, plate, and parking locations. - Acquire access to Agency and MFM systems to monitor vehicle assignments, maintenance, utilization, compliance and billing. - Respond to audits, reviews, reports, and/or information requested by MFM.
Vehicle Assignment	- Administer and keep current records of assignments, new vehicle requests, and vehicle up-fits. - Maintain a list of drivers along with a supporting authorization form and a copy of a valid driver's license. - Monitor driver eligibility.
Commuting	- Submit and maintain commuter authorization documentation.
Utilization	- Maintain complete travel logs. - Maintain a file of justifications for underutilized vehicles to support continued assignment or ownership.
Maintenance	- Ensure vehicles receive regular maintenance and annual inspections. - Maintain maintenance and inspection records. - Respond to recall notices promptly.
Accidents & Incidents	- Ensure drivers report accidents, violations, citations, and stolen vehicles - Maintain incident documents and submit incident reports to the appropriate agencies.
Vehicle Use	- Monitor and ensure vehicle use is for official state business only. - Address driver behavior in accordance with agency policy. - Assign telematics system access to authorized agency personnel responsible for monitoring driver

Area	Key Responsibilities
	behavior.
	- Maintain records of direct vehicle costs, including acquisition, up-fits, maintenance and repair, fuel, and insurance.
Costs	- Maintain records of indirect vehicle costs, including personnel associated with the administration and maintenance of vehicles, facilities cost to store and maintain vehicles, and operation and maintenance costs of motor fueling sites.

Delegated Authority

NCGS 143-341(8)i.7 states that the "Department of Administration, with the approval of the Governor, may delegate, or conditionally delegate, to the respective heads of agencies which own passenger motor vehicles or to which passenger motor vehicles are permanently assigned by the Department, the duty of enforcing all or part of the rules adopted by the Department of Administration."

Appendix C. is the current delegation of authority agreement. MFM will continue to exercise its oversight authority to ensure that state agencies with delegated authority are effectively performing delegated duties.

II. Utilization

Full Utilization Required/Exceptions

State-owned vehicles are required to be fully utilized, unless MFM grants an exception. By law, full utilization of state-owned vehicles is defined as 3,150 miles driven for official business per calendar quarter. All underutilized vehicles require a justification for continued assignment, including both agency-owned and MFM-owned vehicles.

Individual-assigned vehicles, whether agency-owned or MFM-owned, have two justifications for underutilization allowed by statute:

1. The drivers' duties are routinely related to public safety, or
2. The drivers' duties are likely to expose the individual routinely to life-threatening situations.

The one allowable justification for underutilization for agency-assigned vehicles, whether agency-owned or MFM-owned, is that the agency needs the vehicle because of its "unique use." Agencies will be asked to explain in writing the unique use that justifies why the vehicle serves the business needs of the agency but does not meet the full utilization standard.

According to law, MFM-owned underutilized vehicles without acceptable justification must be turned in to MFM. MFM has the authority to revoke the assignment of these underutilized vehicles.

Underutilized agency-owned vehicles without proper justification for their underutilization must be either reassigned to ensure their proper utilization or sold through the State Surplus Property Agency.

Reporting

Agencies must provide a justification quarterly for continued assignment of underutilized vehicles (NCGS § 143-341(8)i.7a).

III. Official Use

Acceptable/Prohibited Use

State-owned vehicles may only be driven by state employees and only used for official state business except when allowed by a specific exception in state law, rule, or policy. **It is unlawful to use a state-owned vehicle for a private purpose according to *NCGS § 14-247***. This statute does permit driving a state-owned vehicle between one's duty station and one's home ***when approved by MFM for commuting*** purposes under NCGS143-341(8)i,7a. !

Mileage logs must be kept for every state-owned vehicle, including both agency-owned and MFM-owned vehicles. At a minimum, the log must include the date of each trip, the name of the driver, the purpose of the trip, and the miles driven. These logs are subject to compliance review by MFM and may also be subject to audits. !

Examples of permitted use.

- ✓ While in travel status, state-owned vehicles may be used to obtain meals and other necessities. "Necessities" include anything indispensable to be able to do the job at the employee's destination.
- ✓ Non-state employees may accompany state employees when they have a business interest in the purpose of the trip and their presence is related to state business. Students at state universities, colleges, and institutions may be passengers when attending athletic events and other activities officially sanctioned by the institution, provided the proper account is reimbursed at the standard mileage cost rate by the student activity fund involved.
- ✓ Graduate students enrolled in a state-supported college or university whose educational training requires the use of a state-owned vehicle may drive a state-owned car.

Examples of prohibited use.

- ✘ Non-state employed persons are not permitted to drive state-owned cars except for drivers of blind or permanently disabled state employees.
- ✘ Spouses and children of state employees may not accompany them in state-owned vehicles.
- ✘ Pets may not ride in state-owned vehicles. Service animals are excluded from this restriction.
- ✘ Hitchhikers may not ride in state-owned vehicles.
- ✘ Smoking is prohibited in state-owned vehicles.
- ✘ State employees may not operate a state-owned vehicle while under the influence of alcohol, drugs, or substances, or transport these items in a state-owned vehicle, except in the performance of law enforcement duties.

✘ Personal errands, other than obtaining necessities or meals while in travel status, are not permitted in state-owned vehicles.

Revocation of Assignment

MFM may revoke a vehicle assignment for the following reasons:

- Using the vehicle for other than official business except in accordance with the commuting rules or Office of State Budget and Management travel policy.
- Failing to supply required reports to MFM, or supplying incomplete reports, or supplying reports in a form unacceptable to MFM and failing to cure the deficiency within 30 days of receiving the request to do so.
- Knowingly and willfully supplying false information to MFM on applications for permanent assignments, commuting reimbursement forms, or the required reports or forms.
- Failing to personally sign all reports of forms submitted for vehicles permanently assigned to him or her and failing to cure the deficiency within 30 days of receiving a request to do so.
- Abusing the vehicle.
- Violating other DOA rules or policies.

Abuse of a vehicle includes failing to maintain the vehicle, failing to obtain annual DMV safety and emissions inspection, tampering with the telematics device, modifying the vehicle without prior approval, failing to report an accident, or leaving the vehicle in an unsafe location that is likely to cause an accident. This list is not exhaustive and MFM reserves the right to revoke the assignment of a vehicle if it finds that the vehicle has been abused in a manner that is not otherwise specified.

Travel

OSBM Travel Policies apply to all state employees. A section is included here for reference.

Section 5.2.13 Transportation by Personal Vehicle of OSBM's Budget Manual

> It is the intent of the State that state employee travel should be conducted in the most efficient manner and at the lowest and most reasonable cost to the State. Agency heads should establish internal policies regarding passenger vehicle transportation and mileage reimbursement for in-state and out-of-state travel, including day and overnight trips. Agencies are encouraged to establish policies that promote efficient travel, such as ride-sharing.
>
> Agencies should maximize utilization of state-owned vehicles (agency-owned or agency-assigned vehicles owned by the Department of Administration)

whenever possible. When state-owned resources are not available, travelers may procure vehicles through the State's term contracts or use personal vehicles, in accordance with agency policies.

If a state employee chooses to use a personal vehicle, actual mileage is reimbursable. Mileage is measured from the duty station or point of departure— whichever is closer to the destination—to the destination (and return). In accordance with the agency's policies, a state employee shall be reimbursed at a rate that does not exceed the business standard mileage rate set by the Internal Revenue Service (effective January 1 of each calendar year) when using their personal vehicle for state business.

Unless otherwise specified, the Office of State Budget and Management adopts the IRS rate annually. Agencies are advised to visit the IRS website to confirm the annual mileage reimbursement rates (https://www.irs.gov/tax-professionals/standard-mileage-rates).

NOTE: The IRS has announced the standard mileage rate for 2024. See "IRS issues standard mileage rates for 2024."

Commuting

Commuting refers to an approved status where a driver is authorized by the Department of Administration to travel from one's home to their duty station in a state-owned vehicle. Permission to commute in a state vehicle does not allow the personal use of the vehicle, except for driving between one's duty station and one's home after MFM approval under NCGS 143-341(8)i.7a.

Prior Approval Required

Commuting in a state-owned vehicle requires approval by MFM for both MFM-owned vehicles and agency-owned vehicles. The agency must submit a request to MFM, including a written justification for the need for the state employee to commute in a state-owned vehicle, verified by historical data. The form can be found on the Fleet Management Forms webpage.

Examples of acceptable commuting justifications include drivers who are On-Call or in Emergency Callback positions (outlined in NC OSHR policy), or if the agency determines it is in the best financial interest of the state for the individual driver to commute.

Reimbursement & Reporting

If commuting is approved, the state employee must reimburse the state by payroll deduction, unless exempted by statute (See G.S. 143-341(8) i.7a). The agency is responsible for setting up payroll deductions through their fiscal office and Office of the State Controller Best Shared Services when a driver begins commuting. Likewise, it is the agency's responsibility to end payroll deductions when their employees no longer commute.

Below are the wage types for Beacon Payroll that direct reimbursement for commuters:

- 2106 – For vehicles owned by DOA MFM
- 2105 – For vehicles initially purchased with appropriations from the Highway Fund.
- 2111 – for all other vehicles
- Council of State Members reimburse their agency for the lease value of the vehicle.

Each year, agencies must notify MFM of their employees who commute. The report should include the reason that they are permitted to commute, whether they reimburse for commuting, and if applicable, the exemption that allows them to not reimburse the state.

Reimbursement Rates

Commuter reimbursement rates are calculated from a method that approximates the benefit derived from the use of the vehicle as prescribed by federal law, as described in Publication 15-B of the Internal Revenue Service.

Motor Fleet Management computes commuter reimbursement rates following IRS Publication 15-B rules for commuter benefits and has adopted the IRS "Commuting Rule", "Cents-Per-Mile Rule" and "Lease Value Rule." The Commuting Rule is the standard rule applicable to most employees, except for control employees and Council of State members. A *control employee* is either an elected official, or a government employee whose compensation is equal to or exceeds Federal Government Executive Level V compensation level.

Council of State (COS) members may use either the Cents-Per-Mile Rule or Lease Value Rule. All other control employees shall use the Cents-Per-Mile Rule.

Commuting Rule (for most state employees)

Most state employees are subject to the Commuting Rule rate, resulting in $60 per month that a commuting employee must reimburse the state.

The reimbursement amount is computed by multiplying each one-way commute (that is, from home to work or from work to home) by $1.50. The daily cost for commuting is

multiplied by 20 days. If more than one employee commutes in the vehicle, this value applies to each employee.

Example: Individual daily commute
From home to work $1.50
From work to home $1.50
Daily reimbursement $3.00 per day X 20 statutory days = $60.00
Monthly payroll deduction = $60.00

Cents-Per-Mile Rule (for control employees)

Agencies must recalculate monthly reimbursement rates annually using the IRS standard rate. Under this rule, the value of a vehicle for commuter use is determined by multiplying the standard IRS mileage rate by the total miles driven for commuting.

Example: Individual daily commute
From home to work 14 miles
From work to home 14 miles
Reimbursement = 28 miles X IRS rate = dailyrate X 20 statutory days = monthlyrate

The monthlyrate = the monthly payroll deduction required for reimbursement

Lease Value Rule (for Council of State members)

Council of State (COS) members may elect to use the Lease Value Rule (rather than the Cents-per-Mile Rule) to reimburse the state for the actual number of days the member uses the vehicle to commute during the month. With this method, the COS member's agency uses the annual lease value of the vehicle as specified by the table in IRS Publication 15-B that bases annual lease value on an automobile's Fair Market Value (FMV), multiplied by the percentage of commuter miles out of total miles driven by the COS member.
Please note that using this reimbursement method does NOT authorize personal use of a state vehicle.

The annual lease value does not include the value of fuel provided to the COS member for commuter use; the value of the fuel must be added separately. The fiscal division of the COS member's agency must use the formula outlined in IRS Publication 15-B to make the calculations and the correct payroll deduction for reimbursement.

Exemption from Reimbursement

There are two sources of authority that determine whether a state employee is exempt from reimbursing the state for commuting in a state-owned vehicle. The first source is NCGS § 143-341(8) i.7a. The second source of authority is the Internal Revenue Code and IRS regulations. If a state employee's use of a vehicle qualifies within any of the following categories, then they are exempt from reimbursing the state for their commuting.

State Law

NCGS 143-341(8) i.7a. makes certain state-owned passenger vehicles exempt from commuting reimbursement. State law specifically exempts the following:

(i) clearly marked police and fire vehicles,
(ii) delivery trucks with seating only for the driver,
(iii) flatbed trucks,
(iv) cargo carriers with over a 14,000-pound capacity,
(v) school and passenger buses with over 20 person capacities,
(vi) ambulances,
(vii) [Repealed].
(viii) bucket trucks,
(ix) cranes and derricks,
(x) forklifts,
(xi) cement mixers,
(xii) dump trucks,
(xiii) garbage trucks,
(xiv) specialized utility repair trucks (except vans and NC General Statutes – Chapter 143-602 pickup trucks),
(xv) tractors,
(xvi) unmarked law-enforcement vehicles that are used in undercover work and are operated by full-time, fully sworn law-enforcement officers whose primary duties include carrying a firearm, executing search warrants, and making arrests, and
(xvii) any other vehicle exempted under Section 274(d) of the Internal Revenue Code of 1954, and Federal Internal Revenue Service regulations based thereon.

IRS Regulations

! It should be noted that the definition of "law enforcement officer" is different for clearly marked vehicles and unmarked vehicles. Care should be taken to apply the correct definition when evaluating whether an employee is exempt from reimbursing for commuting.

Federal law/regulations make the following types of employees/vehicles exempt from the requirement to reimburse for commuting use because they are considered "qualified nonpersonal use vehicles". [1]

Qualified nonpersonal use vehicles include the following:

A. Clearly marked police, fire and public safety officer vehicles (see definitions below).
B. Ambulances used as such, or hearses used as such.
C. Any vehicle designed to carry cargo with a loaded gross vehicle weight over 14,000 pounds.

[1] 26 CFR § 1.132-5[1] (h) makes 100% of the value of the use of a qualified nonpersonal use vehicle excluded from gross income as a working condition fringe, as long as the vehicle falls into one of the categories in § 1-274-5(k)

D. Bucket trucks (cherry pickers).
E. Cement mixers, combines, cranes and derricks.
F. Delivery trucks with seating only for the driver, or only for the driver plus a folding jump seat.
G. Dump trucks (including garbage trucks).
H. Flatbed trucks.
I. Forklifts.
J. Passenger buses used as such with a capacity of at least 20 passengers.
K. Qualified moving vans.
L. Qualified specialized utility repair trucks.
M. Refrigerated trucks.
N. School buses.
O. Tractors and other special purpose farm vehicles.
P. Unmarked vehicles used by law enforcement officers if the use is officially authorized (see related definitions below).
Q. Such other vehicles as the IRS Commissioner may designate.

Clearly Marked Vehicles

A clearly marked police, fire, or public safety officer vehicle is defined as:

1. a vehicle owned or leased by a governmental unit, or any agency or instrumentality thereof,
2. one that is required to be used for commuting by a police officer, fire fighter, or *public safety officer* who, when not on a regular shift, is on call at all times, provided that any personal use (other than commuting) of the vehicle outside the limit of the police officer's arrest powers or the fire fighter's or public safety officer's obligation to respond to an emergency is prohibited by such governmental unit.
3. a police, fire, or public safety officer vehicle is clearly marked if, through painted insignia or words, it is readily apparent that the vehicle is a police, fire, or public safety officer vehicle. A marking on a license plate is not a clear marking for purposes of this paragraph.

Public safety officer is defined as:

1. an individual serving a public agency in an official capacity, with or without compensation,
2. a law enforcement officer, which means an individual involved in crime and juvenile delinquency control or reduction, or
    a. enforcement of criminal laws (including juvenile delinquency), including, but not limited to, police, corrections, probation, parole, and judicial officers), or
    b. as a firefighter, or
    c. as a chaplain, or
    d. as a member of a rescue squad or ambulance crew.

3. an employee of a state, local, or tribal emergency management or civil defense agency who is performing official duties in cooperation with the Federal Emergency Management Agency in an area, if those official duties are:
    a. related to a major disaster or emergency that has been, or is later, declared to exist with respect to the area under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.); and
    b. determined by the head of the agency to be hazardous duties.

Unmarked Vehicles

Unmarked law enforcement vehicles may be exempt from the requirement to reimburse for commuting by law enforcement officers under these exceptions:

1. any personal use must be authorized by the federal, state, county, or local governmental agency or department that owns or leases the vehicle and employs the officer, and
2. must be incident to law-enforcement functions, such as being able to report directly from home to a stakeout or surveillance site, or to an emergency situation.

Use of an unmarked vehicle for vacation or recreation trips cannot qualify as an authorized use.

Law enforcement officer for unmarked law enforcement vehicles means an individual who:

1. is employed on a full-time basis by a governmental unit that is responsible for the prevention or investigation of crime involving injury to persons or property (including apprehension or detention of persons for such crimes),
2. is authorized by law to carry firearms, execute search warrants, and to make arrests (other than merely a citizen's arrest), and
3. regularly carries firearms (except when it is not possible to do so because of the requirements of undercover work).

IV. Acquisition

General Acquisition Policy

According to law, all passenger vehicles must be leased from Motor Fleet Management (NCGS 143-341(8) i.2).

Agencies must demonstrate a business need for the assignment of additional vehicles, including an explanation of why underutilized vehicles in the agency's fleet, whether leased from MFM or owned by the agency, would not be suitable to meet the agency's business requirements.

Vehicles must be acquired using the mandatory statewide term contracts developed by the DOA Purchasing and Contracting Division (P&C). Vehicles not on statewide term contract and/or vehicles with special specifications not provided through the statewide term contract must be purchased in accordance with P&C requirements.

An acquired vehicle must have fuel economy in the top 15% of its class of comparable automobiles. Law enforcement, emergency medical response, and firefighting vehicles are exempt from this requirement.

Vehicles may be acquired using various funding sources. The source of funds does not affect the requirements for the asset to be managed in compliance with all state statutes, rules, regulations, policies, and procedures.

Vehicle Request Process

Additional vehicle requests are submitted to MFM via the forms found on the MFM Fleet Management Forms webpage.

New Vehicles

To obtain a new vehicle, an agency must demonstrate a business need for the assignment (from MFM) or acquisition (by agency). Agency acquisition or replacement requests for passenger vehicles must be approved by MFM.

Examples of business need for additional vehicles include new program assignments, new program requirements, or additional personnel that have substantial travel requirements to perform their duties. If the agency has existing underutilized vehicles, then the agency must document and justify why the underutilized vehicle(s) are not suitable or adequate to meet the business needs of the agency.

Replacement Vehicles

To obtain a replacement vehicle, an agency must demonstrate that:

- Their agency-owned vehicle meets the documented replacement criteria set by agency policy, or
- Their MFM-owned vehicle has been totaled or meets the documented criteria set by MFM replacement policy.

- No current vehicles are available to be reassigned.

Vehicles will be replaced with a similar class of vehicle. For MFM-owned vehicles that the agency wants to replace with a different class of vehicle, the agency must submit a new request form to MFM with a justification for the change.

Agencies are encouraged to consider replacing internal combustion engine vehicles with zero emission vehicles (ZEV) if suitable for the use case, driving habits and charging/refueling infrastructure for the vehicle replaced. If a ZEV is not suitable, then acquisition of hybrid vehicles is encouraged.

MFM Vehicle Assignment

State Motor Fleet vehicles are either **MFM agency-assigned** for shared use or **MFM individual-assigned** for use by one employee. Generally, agency-assigned vehicles are utilized more efficiently than individual-assigned vehicles.

MFM agency-assigned vehicles are shared vehicles which must:

- Be driven at least 3,150 miles per quarter; or
- Have a "unique use" which justifies the underutilization of the vehicle.

MFM individual-assigned vehicles are assigned to drivers whose duties:

- Require the driver to drive at least 3,150 miles per quarter; or
- Are routinely related to public safety or are likely to expose the individual to life-threatening situations.

MFM agency-assigned vehicles are the responsibility of the vehicle custodian named in the MFM assignment documents; individual-assigned vehicles are the responsibility of the individual to whom the vehicle is assigned.

It is the responsibility of the AFC to notify MFM when any aspect of an assignment changes, including the person responsible for a vehicle, the location of the vehicle, and the unit that the vehicle is assigned using the "change of assignment" form. AFCs should be included in an agency's offboarding process to ensure that reassignments of vehicles occur promptly when an employee with a vehicle assignment leaves the agency.

"Special use" vehicles, such as four-wheel drive and law enforcement vehicles may only be assigned to an agency with justification that shows the necessity of the special use vehicle. Law enforcement vehicles may only be provided to agencies having statutory pursuit authority.

G.S. § 20-39.1 regulates private license plate assignment (white or undercover plates). Only vehicles meeting the statutory criteria may be issued private license plates. The justification and private plate request forms can be found on the Fleet Management Forms webpage.

Agency-owned Vehicle Assignment

Agency-owned passenger vehicles are subject to the same statutory utilization requirements as MFM-owned vehicles.

Agency-owned passenger vehicles that are shared vehicles must:

- Be driven at least 3,150 miles per quarter; or
- Have a "unique use" which justifies the underutilization of the vehicle.

Agency-owned individual-assigned vehicles are assigned to drivers whose duties:

- Require the driver to drive at least 3,150 miles per quarter; or
- Are routinely related to public safety or are likely to expose the individual to life-threatening situations.

Drivers of agency-owned vehicles must log every use of the agency-owned vehicle using Mileage Log form found on the MFM Fleet Management Forms webpage.

MFM has oversight duties to ensure that agencies that own their own passenger vehicles are meeting utilization requirements. Therefore, agency-owned passenger vehicle utilization is subject to compliance review.

V. Maintenance Management

Required Maintenance

All state-owned vehicles must be maintained according to the periodic maintenance schedule recommended by the original equipment manufacturer (OEM) to protect the state's investment and ensure improved safety, reliability, durability, and resale value of vehicles. Agencies shall ensure all vehicles have, at least, the normal preventative scheduled maintenance performed as recommended by the OEM and that materials used meet OEM specifications to not void warranty coverage.

Passenger vehicles more than 90 days past due for service, inspections, or recalls are subject to revocation of assignment.

Vehicles requiring special maintenance schedules will be identified, and special maintenance requirements met. Examples include vehicles:

1. Towing or carrying heavy loads.
2. Experiencing extensive idling and/or driving at low speeds for long distances.
3. Driving in dusty conditions, or off-road operations.
4. Used for law enforcement.

Maintenance Program

The cost of maintenance for *MFM-owned vehicles* is included in the lease price that the agency pays.

For MFM vehicles, Motor Fleet Management contracts with ARI/Holman for fleet maintenance, inspection, and repair services through Fleet Management Services Statewide Term Contract 958b. The ARI/Holman system keeps all service records and communicates needed services to drivers and vehicle custodians via email. This service contract is also available to all state entities with agency-owned vehicles as a convenience contract for a fee.

Agencies can access the ARI/Holman maintenance system to view their agency service for MFM-owned vehicles, AFCs are provided access due to their responsibilities. Additional requests for access may be made to the Motor Fleet Service Team at Service.mfm@doa.nc.gov.

Drivers and vehicle custodians are notified by email when a vehicle is scheduled for service; it is the responsibility of that person to ensure the vehicle is serviced. ARI/Holman offers a mobile app for drivers to proactively monitor their own vehicle service schedule.

Agency fleet coordinators are notified of services due or past due by a monthly email sent from the MFM Fleet Service Manager or by accessing their ARI/Holman account.

Agency-owned vehicles must be maintained, serviced, and inspected per OEM and DMV guidelines by the owning agency. All costs are borne by the owning agency. Agency-

owned vehicle maintenance, service, and repair records are subject to MFM compliance reviews.

Service Locations

MFM-owned vehicles within a 20-mile radius of the MFM garage (1915 Blue Ridge Road) in Raleigh must be serviced and inspected at that full-service maintenance and repair facility. Operating hours are Monday to Friday 7 a.m. to 4 p.m., excluding holidays.

MFM-owned vehicles outside the MFM garage service area will have maintenance, repair, and annual state inspections conducted at ARI/Holman authorized vendors only.

5. The expense for such work will be billed by the vendor to ARI/Holman.
6. No vehicle driver or agency will pay a vendor directly for vehicle maintenance, repair, or annual inspection.
7. Any payments made by a driver or agency are non-reimbursable by MFM.

Manufacturer Recalls

For employee safety and to protect the state, agencies will ensure that all recalls are addressed expeditiously.

MFM-owned vehicles: Assigned drivers or vehicle custodians will be notified of recalls via email from ARI/Holman. Additionally, AFCs will be notified of recalls via the monthly email from the MFM Fleet Service Manager.

Agency-owned vehicles: It is the responsibility of the owning agency's fleet coordinator to identify active vehicle recalls, ensure recalls are cleared by the vehicle manufacturer's dealership, and keep all recall records (invoices, work-orders, service tickets, etc.) to verify recall issues have been addressed. These records are subject to MFM compliance reviews.

Upon receiving recall notifications, the AFC, vehicle custodian, or assigned driver is obligated to clear the recall by servicing the vehicle at the manufacturer's dealership. !

Annual State Inspection

Agencies must ensure that each vehicle receives the annual state safety and emission inspection, if required, for each vehicle.

MFM-owned vehicles are registered in Wake County regardless of the location of the employee(s) driving the vehicle and require an annual safety and emissions inspection. Drivers can find an emission station in their area using this link: Official NCDMV: Vehicle Inspection Stations (ncdot.gov).

MFM-owned vehicles must be inspected at the MFM garage if they are located within 20 miles of that facility. If the vehicle is located outside of a 20-mile radius of MFM, then it must be inspected by an ARI/Holman approved vendor. A vendor can be located by contacting Holman at 1-800-277-8181, or by contacting the MFM Service team at 919-733-7772.

Agencies who fail to get the annual inspection will be responsible for the DMV fines.

Car Washes

The Wright Express (WEX) card may be used for car washes at gas stations. Car washes are a pass-through cost to agencies.

Motor Fleet Management recommends washing vehicles once a month to maintain the exterior. Care should also be taken of the interior of the vehicle to ensure longevity of interior features of the vehicle.

Upfits, Equipment, Wraps, Decals

MFM-owned vehicles may not be modified in any manner by the assigned agency without the permission of MFM. The request to modify a vehicle can be found on the Fleet Management Forms webpage.

Permitted modifications and upfits may not exceed the capacity of the vehicle and may not override or delete any factory designed safety or emissions features of a vehicle. The cost of performing an MFM-approved modification or upfit will be paid by the agency.

The agency will restore the vehicle to 'as-issued' configuration when returning a vehicle to MFM unless permission has been given by MFM to return a vehicle with upfit equipment in place. The cost of restoring a vehicle to as-issued condition will be borne by the agency.

The cost of any repairs resulting from defacing a vehicle during the removal of equipment, wraps, or decals must be borne by the agency.

VI. Accidents and Incidents

Required Reporting

Drivers are required to immediately report to their supervisor all accidents, moving violations, citations, and license suspensions.

The driver of a vehicle involved in a reportable accident must immediately notify the appropriate law enforcement agency of the accident by the quickest means of communication. If the accident occurred in a city or town, the appropriate agency is the police department of the city or town. If the accident occurred outside a city or town, the appropriate agency is the State Highway Patrol or the sheriff's office or other qualified rural police of the county where the accident occurred.

Drivers of MFM-owned vehicles must also report any accident to their supervisor, agency fleet coordinator, and ARI/Holman within 24 hours. If the driver cannot contact ARI/Holman, the supervisor or AFC shall contact ARI/Holman.

Accidents can be reported to ARI/Holman by:

1. Contacting the Holman accident reporting phone number, 1-800-277-8181, ***or***
2. Completing and emailing the Holman accident report form found on the Fleet Management Forms webpage to fleetclaims@holman.com

Accident report must include:

- The date, time, and exact location of the incident
- Year, make, model, license plate #, color of all involved vehicles
- Contact information of all involved parties, witnesses, and responding officers
- Insurance company and policy numbers from all involved parties
- The responding police department and police incident report number
- All injuries
- Supervisor name, number, & email address
- Weather and traffic conditions.

ARI/Holman will provide roadside assistance for towing vehicles from the accident scene.

Drivers of agency-owned vehicles must report accidents to the owning agency according to the agency's policy. Accident reports must include the:

- The date, time, and exact location of the incident
- Year, make, model, license plate #, color of all involved vehicles
- Contact information of all involved parties, witnesses, and responding officers
- Insurance company and policy numbers from all involved parties
- The responding police department and police incident report number
- All injuries
- Supervisor name, number, & email address
- Weather and traffic conditions.

Notifying Insurance Carrier

Motor Fleet Management-owned vehicles: ***Agencies do not file claims with the state's insurance carrier.*** MFM files the claim using the ARI/Holman accident report and manages the claims process from beginning to end on behalf of the agency driver involved. The cost of insurance and accident management for MFM-owned vehicles is included in the vehicle's lease cost.

Agency-owned vehicles: The owning agency is responsible for reporting accidents involving agency-owned vehicles to the insurance carrier and managing the claims process.

Moving Violations & Citations

It is the responsibility of the driver to observe all state motor vehicle laws and municipal ordinances. All violations and resulting fines shall be the responsibility of the driver involved.

Drivers must not drive if their license has been suspended or revoked.

Safe driving standards are governed by the Department of Insurance's State Motor Vehicle Safety Program, per NCGS § 58-31-52.

Stolen or Missing Vehicles

Stolen MFM-owned vehicles must be reported to MFM and Law Enforcement immediately.

If a vehicle is stolen or missing, the agency who owns or is assigned the vehicle is responsible for following the reporting process per the 102.17 - Statewide Accounting Policy - Missing/Stolen Assets | NC OSC.

North Carolina General Statute §143B-1208.6 requires the head of a state agency, department or institution to report in writing any information regarding damage, theft, or misuse of state-owned property to the director of the State Bureau of Investigations within 10 days.

VII. Insurance

Liability insurance is covered in the lease cost of MFM-owned vehicles, meaning agencies do not need to acquire insurance for vehicles leased from MFM.

All agency-owned motor vehicles must have vehicle liability insurance acquired by the owning agency. (NCGS § 58-31-50.)

The North Carolina Association of Insurance Agents (NCAIA) is the insurance agent for North Carolina. Through NCAIA, agencies can purchase insurance, file claims, ask questions, get insurance certificates, and Auto ID Insurance Cards
Website: https://autoweb.ncaia.com/login
Email: AgentHQ@iianc.com

VIII. Telematics

Every MFM-owned vehicle is either equipped with a telematics device or has the OEM's telematics capability activated and connected to the state's data collection system. The data and reports generated through the telematics system are intended to be used by agencies to improve safety, accountability, fleet optimization and environmental sustainability.

North Carolina law places the responsibility to set standards for safe driving of state vehicles with the NC Office of State Fire Marshal (NCGS § 58-31-52 State motor vehicle safety program. In the absence of standards from the Department of Insurance, agencies are encouraged to adopt policies on agency driver behavior. This policy could list telematic patterns (such as speeding for the duration of seconds or minutes) that require follow-up actions with the driver, to be determined by the agency.

Guidelines for Use of Fleet Telematics Data

1. For MFM vehicles, agencies have access to their driver telematic data. Agencies must assign the duty to actively monitor telematics to one or more employees. Access and training can be requested at motorfleet@doa.nc.gov.
2. **Agencies should regularly (weekly or monthly) review the telematic reports to ensure agency driver behavior complies with agency policy and OSFM's State Vehicle Safety Program requirements. It is the agency's responsibility to monitor and address employee driving behavior.**

IX. Additional Requirements

Parking

Location

It is important that state-owned vehicles are parked such that the risk of damage, break-in, or theft is minimized. Importance should be given to the location where a vehicle is parked when left unattended. It is most desirable to secure permission to park the vehicle at a state, county, or municipal agency facility.

Vehicles used for authorized commuting or for drivers whose office is in their home should be parked at the operator's residence in a legal manner, locked, and with possessions kept from casual view by passersby.

Vehicles parked while performing assigned duties should be parked whenever possible to minimize the possibility of damage from passing vehicles.

Costs

The cost of parking is borne by the agency.

Loss of Personal Property

Individuals and agencies are responsible for secure and safe storage and parking of vehicles. At a minimum, parked vehicles are to be locked, keys and fuel card removed.

MFM is not responsible for property left in parked vehicles at any location, including the garage.

Key Management

For all state-owned vehicles, agencies shall store vehicle keys/fob in a secure location when not in use.

Keys shall not be left in unattended vehicles.

Agencies will be assigned two keys for each vehicle at the time of assignment and are required to return two keys at the time of reassignment or replacement. Agencies shall be responsible for the cost of replacing lost keys.

Replacement Keys *(for MFM vehicles):*

Agencies shall contact MFM for replacement keys. MFM shall provide documentation to the agency for key replacements. The agency is responsible for providing documentation to the appropriate dealer location to obtain replacement keys. MFM shall not be responsible for the cost of duplicate keys.

Locked out of Vehicle

Agencies are responsible for costs associated with locking a key in a vehicle. For MFM vehicles, agencies contact ARI/Holman who will send a locksmith to the vehicle location.

Fuel

Fuel Management

For agency-owned vehicles, agencies must establish processes and policies for managing fuel purchases and fuel purchasing controls.

MFM Fuel Card Purchases

MFM vehicles are assigned a WEX Fuel Card which bills MFM who then invoices the fuel and car wash costs back to the agency monthly. Motor Fleet Management's WEX Fuel Card allows authorized state employees to buy fuel for state vehicles while automatically deducting federal, state and local sales taxes from fuel purchases. WEX cards can be used 24/7 and are accepted nationwide. If lost, WEX helps MFM provide a replacement within 24 hours by contacting MFM at 919-733-6540.

The North Carolina WEX Fuel Card is a charge card designed to enable authorized MFM drivers to purchase fuel and car washes for their assigned vehicles. MFM passenger vehicles are to use regular unleaded fuel only or diesel if the vehicle uses diesel fuel. High-grade, mid-grade and other premium fuels are not permitted. Each card allows two transaction attempts per day (ie. two fill-ups per day). If traveling long distances and need a third fill-up, or have a failed transaction, you must contact Motor Fleet.

Drivers of MFM vehicles are required to enter the correct odometer reading (excluding tenths of miles) at the time of the fuel purchase when prompted after inserting the fuel card into the fuel pump or when prompted by an attendant.

Under no circumstances is an employee permitted to use the fuel card for personal purchases (NCGS § 143-341(8)i). Drivers must be aware that the state has zero tolerance for fraudulent use of the fuel card, regardless of the monetary amount of the loss.

Card Management

Agencies shall store WEX cards in a secure location when not in use. WEX cards should not be left in a vehicle unattended. Each card comes with a unique PIN number (Driver ID#). Do not store the PIN number with the card and do not write the ID/PIN number on the card.

WEX cards are assigned per vehicle. Agencies are to ensure the fuel purchased by each card is for the assigned vehicle.

If a card is lost or missing it must be reported immediately by contacting MFM at 919-733-6540 or vehicle.assignment@doa.nc.gov

Rates, Billing and Fees

MFM lease rates are subject to change with each new vehicle contract or with each new biannual cycle. Lease rates changes are done in conjunction with OSBM and General Assembly oversight.

Fees, tolls, citations, penalties, & other driving violation costs will be billed back to the agency.

Vehicle Surplus

Agencies shall dispose of their vehicles through the DOA Surplus Property Division. Agencies are responsible for deidentifying their vehicles by removing all decals, seals, logos, specialty wraps and/or paintings etc. from the vehicle(s) prior to submitting the vehicle for surplus. Likewise, agencies must remove all law-enforcement equipment, blue-lights, radios, cages or other LE upfits not suitable for public use.

Appendix A – Definitions

Accident or **Crash** as defined in G.S. 20-4.01, is any event that results in injury or property damage attributable directly to the motion of a motor vehicle or its load. The terms collision, accident, and crash and their cognates are synonymous.

Agency includes all departments, institutions, boards, commission, universities, community colleges, or other units of the state, unless specifically exempted by statute who have a state-owned vehicle.

Agency-assigned vehicle is any MFM vehicle assigned to an agency, not an individual employee of the agency.

Agency custodian refers to the individual responsible for MFM agency-assigned vehicles.

Agency fleet coordinator refers to the point of contact and record keeper of all state-owned vehicles for an agency. Agency fleet coordinator is responsible for all agency-owned and MFM-owned vehicles assigned to their designated agency.

Agency head refers to any cabinet secretary or other designated individual responsible for an agency as defined in these regulations.

Assignment type refers to either *individual* or *agency assignments*. Individual assignments are assigned to one specific driver; agency assignments are assigned to a vehicle custodian and the vehicle is shared among agency personnel.

Autoweb refers to the online system maintained by the North Carolina Association of Insurance Agents (NCAIA) for the purpose of acquiring vehicle insurance and filing accident claims.

Claim is a demand or request under an insurance policy.

Commercial vehicle is any Class A, B, or C vehicle as defined in G.S. 20-4.01.

Commuting refers to an approved status where a driver is authorized by the Department of Administration to travel from one's home to their duty station in a state-owned vehicle.

Department means the Department of Administration.

Division or **MFM** shall mean the Department of Administration Motor Fleet Management Division.

Duty station the employee's designated onsite agency or university worksite is considered their duty station. For field-based employees, an employee's home may be considered the duty station, if approved by the agency or university.

Field/home-based employee is an employee required to work outside the agency or university worksite

Insurance means the policy through an insurance company contracted by the state. Insurance does not mean a driver's personal insurance policy or company.

Law enforcement vehicle refers to a marked or unmarked vehicle operated by a full time, sworn law enforcement officer whose primary duties include carrying a firearm, executing search warrants, or making arrests.

Original Equipment Manufacturer (OEM) refers to a vehicle manufacturer or dealer, such as Ford, General Motor, Chrysler Fiat, Toyota.

Official state business as defined by OSBM travel policy.

On-call status, as defined by OSHR On-Call and Emergency Callback Policy, is when an employee must remain available to be called back to work on short notice if the need arises.

Passenger vehicles refer to cars, minivans, sport utility vehicles, transport vans and non-commercial trucks as defined in G.S. 20-4.01 for which the Division is authorized to acquire and assign to agencies pursuant to G.S. 143-341.

Reportable accident/crash is a crash involving a motor vehicle that results in either death or injury of a human being, and/or total property damage of one thousand dollars ($1,000) or more, or property damage of any amount to a vehicle seized pursuant to NCGS 20-28.3.

Special equipment refers to any equipment required for a specific purpose or use by an agency.

State employee is any individual working for the state of North Carolina for wages or salary.

State inspection is the safety and/or emissions motor vehicle inspection required by NC Division of Motor Vehicles for annual registration renewal.

State-owned refers to supplies, materials, assets, and equipment in the possession of the state of North Carolina and purchased with state funds, donated to the state, or purchased with other funds that give ownership to the state.

State license plates are license plates in compliance with G.S. 20-39.1 that are imprinted with the words "State Owned."

Private license plates are those plates that would normally be issued to a private party which lack any markings indicating that it has been assigned to a publicly owned vehicle.

Surplus refers to the Department of Administration State Surplus Property Agency.

Telematics refers to the electronic monitoring of vehicles' location and driving behaviors.

Telework is a flexible work arrangement in which employees perform job duties away from their duty station in accordance with their same performance expectations. Telework does not include field or home-based employment, or work performance at a temporary worksite for a limited duration.

Travel Status refers to being away from the employee's normal duty station or home and, while traveling, the employee must be acting in his/her official capacity as required by his/her work activities.

Utilization refers to the number of miles driven in a state-owned vehicle per quarter. NCGS 143-341 requires state-owned vehicles to be driven a minimum 3,150 per quarter. Driving less than 3,150 miles per quarter is considered underutilized and requires a justification acceptable to MFM for continued assignment.

WEX card refers to the Wright Express fuel card issued to drivers of Motor Fleet Management vehicles to purchase fuel and car washes.

Appendix B – Related Roles and Responsibilities

Other Fleet Roles and Responsibilities (by Department in alphabetical order)

N.C. Department of Administration (DOA) is responsible for purchasing, managing and disposing of vehicles for the state of North Carolina. These responsibilities are split between the divisions of Purchase and Contract (P&C) and State Surplus Property.
Purchase and Contract Division is responsible for:

- Statewide contracts to purchase vehicles.
- Contracts for vehicle rental services.
- Contracts for the fuel card program for MFM vehicles and is a convenience contract for other state entities.
- Contracts to repair and maintain MFM vehicles and is a convenience contract for all state agencies.
- Contracts for vehicle bodies, batteries, parts, law enforcement special equipment, oil, fuel, oil recycling and other vehicle related goods and services

Website: NCDOA Purchase & Contract
State Surplus Property Agency - is responsible for disposing of all state-owned property, including all vehicles, through transfers or sales in a manner that provides the most benefit to North Carolina.
Website: NCDOA State Surplus

N.C. Department of Environmental Quality (DEQ) is responsible for handling the reporting for MFM and DOT fleets that is required by the US Department of Energy, Energy Policy Act.
Website: NC DEQ State Energy Office

N.C. Office of State Fire Marshal is responsible for establishing requirements for the safe operation of the state's fleet, including driver eligibility qualifications, education, and screening, establishing required and prohibited driving practices, safety maintenance requirements, as well as accident reporting and review procedures. (See NCGS § 58-31-52, State Motor Vehicle Safety Program). OSFM is also responsible for the liability insurance policy that covers state-owned vehicles (NCGS § 58-31-50)
Website: Office of the State Fire Marshall Risk Management - Automobile Liability and Physical Damage

N.C. Association of Insurance Agents (NCAIA) is the insurance agent for North Carolina. Agencies can purchase insurance, file claims, ask questions, get insurance certificates, Auto ID Card, Invoicing.
Contact: AgentHQ@iianc.com

Division of Motor Vehicles (DMV) is responsible for providing:

- Crash reports and driver Motor Vehicle Records (MVRs) to agencies (upon request for a fee) to verify employee driving eligibility from the NC DMV.

- The criteria for marking and plating state-owned vehicles (GS 20-39.1).
- Title Offices for agencies to acquire license plates, registrations, and pay the highway use tax. Note: Motor Fleet Management runs a DMV Title Office as a convenience for state agencies.

Website: DMV Records & Reports

N.C. Department of Natural and Cultural Resources (DNCR) - Division of Archive and Records, Government Record Section is responsible for setting the functional record retention schedule. Fleet management record schedules are primarily asset and financial, but other schedules may apply. The Government Record Section provides regular training and support. Schedules, training, and support are found on the DNCR website
Website: State Archives Training

Office of State Budget and Management (OSBM) is responsible for:

- Developing travel policies and regulations. Section 5 of the State Budget Manual.
- Developing the Governor's annual operating budget to include financial plans to support vehicle purchase and operations.
- Establishing the administrative fee markup for interagency fuel purchases.

Website: OSBM Budget Manual

Office of the State Controller (OSC) is responsible for:

- Creating statewide policy regarding fixed asset accounting, missing or stolen asset reporting, and asset depreciation.

Website: OSC Policy Directory

- Handling commuting payroll deductions. OSC Best Shared Services sets up payroll deductions for employees who commute in state vehicles.

Website: OSC Best Shared Services

Office of State Human Resources (OSHR) is responsible for workplace safety including safety related to operating vehicles for official duty. State employees are covered under state workers compensation for injuries sustained while operating state-owned vehicles or as a passenger in a vehicle in the performance of their job duties. A state employee must report all injuries, near hits, and incidents to their immediate supervisor or next-in-line manager immediately using the processes provided by the agency human resources or OSHR website.
Website: OSHR Workplace Safety

US Department of Energy (DOE) is responsible for determining under the Energy Policy Act which alternative fuel vehicle requirements apply if an agency owns, operates, leases, or otherwise controls 50 or more light duty vehicles in the United States that are not on the list of excluded vehicles. (42 U.S. Code §§ 13251, 13257, & 13258)
Website: USDOE State & Alternative Fuel Provider Fleets

Appendix C – Delegated Authority Agreement

DELEGATED AUTHORITY AGREEMENT FOR STATE-OWNED PASSENGER VEHICLES

NC DEPARTMENT OF ADMINISTRATION, MOTOR FLEET MANAGEMENT(MFM)

The undersigned is either the agency head or designee signing on behalf of the agency head of _____ (Agency), and hereby acknowledges and agrees that:

- The Department of Administration (DOA) is the agency authorized by statute to establish and operate a central motor fleet and to adopt and enforce rules and policies related to the management of state-owned passenger vehicles. NCGS_143-341(8)(i)
- Any policies adopted by the Agency governing state-owned passenger motor vehicles must not conflict with the practices of MFM.
- The Agency agrees to submit all proposed policies and to MFM at least 30 days prior to the proposed adoption date. The Agency agrees that MFM may review proposed policies for consistency with applicable laws, rules and policies and advise on necessary changes to prevent inconsistencies with legal requirements.
- The Agency is responsible for appointing an Agency Fleet Coordinator (AFC) to serve as the liaison for fleet matters involving all state-owned vehicles (agency-owned vehicles and MFM-assigned passenger vehicles).
- The AFC shall perform the duties described in the Motor Fleet Management Manual.
- Agency accepts delegation of enforcement responsibility in the management of state-owned vehicles as defined in the North Carolina General Statutes, NC Administrative Code and Motor Fleet Management Manual.
- Specific Agency duties including, but are not limited to:
  - monitoring driver use of vehicles for official state business.
  - reporting misuse of vehicles pursuant to §143B-1208.6.
  - monitoring and reporting underutilized vehicle use.
  - requiring travel logs for all use of state- owned vehicles.
  - tracking vehicle drivers, trips taken, and miles driven.
  - monitoring telematics data produced from the operation of state-owned vehicles.
  - establishing vehicle assignment and driver approval processes for agency-owned vehicles and MFM-assigned vehicles.

  - ensuring vehicle maintenance and repairs occur at scheduled intervals and/or as needed, maintaining maintenance and repair documents, and taking appropriate action in incidences of noncompliance.
  - ensuring all state-owned passenger vehicles are inspected annually.
  - ensuring all vehicles and keys are stored securely.
  - paying any costs for modifications to any state-owned passenger motor vehicles.
  - ensuring that use of state-owned passenger motor vehicles for commuting is limited to those specific cases in which MFM has received and accepted written justification, verified by historical data, and has provided written authorization of approval.
  - Ensuring that employees approved to commute make reimbursement for commuting unless exempt from the reimbursement requirement by law.
  - ensuring the state is reimbursed for commuting via employee payroll deduction at the rate established by MFM.
- Agency records pertaining to state-owned passenger motor vehicles are subject to inspection and audit by MFM, the DOA internal auditor and the State Auditor.
- Agency will provide all required reports as requested by MFM, including:
  - Any instance of vehicles used for non-official business.
  - Commuting reporting.
  - Underutilization Justification reporting.
  - Annual Assigned Vehicle Verification Report.
  - State-owned passenger vehicle policies.
  - Information regarding agency-owned vehicles.
  - Mileage logs.
  - Any other reports or documents requested by MFM.

_____ _____

[Agency Head/designee Signature] [Date]
[Agency Head/designee Printed Name] Agency Head/designee Title
Agency Name

_____ _____

[Date]

Robert Riddle
Director, Motor Fleet Management
Department of Administration