

State of Arkansas Vehicle Use and Management Handbook



**Arkansas Department of
Finance and Administration
Office of Administrative Services**

June 2019

Table of Contents

INTRODUCTION.....	1
STATEMENT OF GOALS	1
ORGANIZATION	1
1.0 AUTHORITIES.....	2
2.0 EXEMPT PERSONS AND AGENCIES	2
3.0 OBLIGATIONS OF AGENCIES.....	2
4.0 REGISTRATION OF STATE-OWNED VEHICLES	2
5.0 LICENSE PLATES AND SEALS	2
6.0 REPORTING REQUIREMENTS – STATE-OWNED VEHICLES.....	3
7.0 STATE AGENCY VEHICLE APPLICATION (SAVA).....	4
8.0 ONLINE INVENTORY	8
9.0 AGENCY FLEET CAPACITY	9
10.0 ACQUIRING A STATE VEHICLE	10
11.0 PROCUREMENT	15
12.0 DISPOSAL OF VEHICLES.....	15
13.0 LEASING AND RENTING VEHICLES	16
14.0 VEHICLE POOLS AND ASSIGNMENT OF VEHICLES.....	17
15.0 TAXABLE USE OF A STATE VEHICLE.....	20
16.0 LIMITATIONS ON USE AND COMPLAINT PROCESS.....	22
17.0 REQUIRED DOCUMENTATION.....	24
18.0 ARKANSAS MULTI-AGENCY VEHICLE INSURANCE POLICY.....	24
19.0 REPORTING ACCIDENTS AND THEFT.....	25
20.0 TRAFFIC & PARKING VIOLATIONS	26
21.0 CELLULAR PHONES AND TEXTING	26
22.0 USE OF STATE VEHICLES BY VOLUNTEERS.....	26
23.0 GLOBAL POSITIONING UNITS.....	26
24.0 FUELING OF STATE-OWNED VEHICLES.....	27
Appendix A: Statutes Related to State Vehicles.....	28
Appendix B: Executive Order 10-14	39
Appendix C: Implementation of Executive Order 10-14 & Act 1021 of 2011	42
Appendix D: Executive Order 10-14 & Act 1021 of 2011: Implementation Matrix	45

INTRODUCTION

The State of Arkansas has invested heavily in its fleet of vehicles, and it is in the best interests of all employees that state-owned vehicles be operated safely and efficiently. This document is intended to both help employees of the State carry out these regulations and to inform members of the public on efforts by the State to safeguard and manage its vehicle fleet. Report any errors you may observe in this handbook to Cheryl Reed, DFA-OAS Administrative Services Manager, at (501) 324-9060 or oas.mailbox@dfa.arkansas.gov.

STATEMENT OF GOALS

The rules established in this guide are intended to encourage the efficient and appropriate operation of every vehicle purchased and operated by the State of Arkansas. In seeking to apply these rules, State employees are encouraged to keep the goals of efficiency and appropriateness in mind. The agencies, boards and commissions of the State each bear the responsibility of ensuring that vehicles are used appropriately and in accordance with the laws of the State. This responsibility is established not just in the code of the State or the rules promulgated by this agency, but in the basic obligation of all public servants to act as good stewards of the taxpayers' investment. Above all, access to a state-owned vehicle is a privilege.

ORGANIZATION

The rules stated here represent the minimum obligations required of all applicable State agencies, boards and commissions. Agencies are encouraged to consider the adoption of vehicle-related rules which are not in conflict with the rules stated here, and which may encourage efficient and effective management of State resources while also helping to achieve the broader goals of the agency.

The Department of Finance and Administration – Office of Administrative Services (DFA-OAS) oversees many of the rules and procedures described in this guide. This guide is a publication of DFA-OAS and any questions or comments should be sent to:

Fleet Administrator DFA-OAS State Vehicle Program Manager
1515 W 7th Street, Suite 700
Little Rock, AR 72201
Office (501) 682-6823
statevehicleadmin@dfa.arkansas.gov

1.0 AUTHORITIES

The following rules and regulations are promulgated under the authority of Acts passed by the Arkansas General Assembly and Executive Order 10-14. An appendix at the conclusion of this guide will provide updated versions of these statutes and orders.

2.0 EXEMPT PERSONS AND AGENCIES

The rules established in this handbook are not applicable to elected and constitutional officers or their employees, or to guests of the state.

3.0 OBLIGATIONS OF AGENCIES

All state-owned vehicles are the property of the State of Arkansas and have been entrusted to the care and management of individual agencies, boards and commissions. Those individual entities are responsible for the management of vehicles in their care, and for seeing that the rules stated in this handbook, as well as the law of the State, are followed and enforced.

4.0 REGISTRATION OF STATE-OWNED VEHICLES

All state-owned vehicles must be registered and licensed as State property and, when appropriate, carry license plates and seals that clearly identify the vehicle as being owned by the State. All State-owned automobiles must be registered and licensed to the State.

4.1 Legal Title

While all State-owned vehicles are the property of the State, legal title to the vehicle will rest with the owning agency, board or commission. It is the responsibility of the head of every agency, board and commission to ensure that all vehicles owned and operated by the state entity be licensed and registered in compliance with this rule.

4.2 Licensed as Registered

License plates are at all times to remain attached to the vehicle to which that license number is registered with the Department of Finance and Administration – Office of Motor Vehicles.

5.0 LICENSE PLATES AND SEALS

It is the policy of the State of Arkansas that state-owned vehicles be operated, when appropriate, in a manner that clearly identifies the vehicles as state-property. *See Appendix B of this handbook: Executive Order 10-14.*

5.1 Official License Plates

All vehicles purchased with state funds, or which are otherwise owned by and registered to the State, must carry red, “Official Business Only” license plates or any other license plate issued to State agencies for an official purpose.

5.2 Official Seals

All state-owned vehicles must carry either the red, official seal of the State or the seal of the owning agency. Seals must be permanently adhered to a State vehicle, and temporary or removable seals, i.e. magnetic seals, etc., are specifically prohibited. Both the red “Official Business Only” license plates and the red official seals of the State are available

through the Department of Finance and Administration – Office of Motor Vehicles, Ragland Building, 1900 W. 7th St., Ste. 1100, Little Rock, AR 72201.

5.3 Requirements for Agency-Specific Seals

DFA approval is not required prior to the adoption of an agency-specific seal. Any agency opting to create and adopt a seal in lieu of the red official seal of the State is asked to ensure that the agency seal be large enough to clearly identify the vehicle as property of the State and to clearly present the name of the owning agency.

5.4 Requests for Waivers

A waiver from the requirement to operate a vehicle without either official plates or seals or both can be obtained from DFA. Requests for a waiver from this requirement should be made in writing to DFA-OAS. Requests must identify the vehicle to be operated without tags and/or seals and the circumstances under which such a waiver is warranted. Waivers of this requirement will only be approved when a requesting agency is able to clearly establish a strong State interest in operating vehicles in a manner that does not clearly identify them as State property. Primarily, this exemption will apply to public safety and law enforcement vehicles.

5.5 Change in Use

Waiver requests should be made when a change in the use of a vehicle requires a waiver from the tags and seals requirement. Waivers will remain in effect for as long as the State interest justifying the waiver can be established by the using agency. Any change in the use of a vehicle which eliminates the need for a waiver must be reported to DFA-OAS immediately, and official tags and seals must be placed on the vehicle.

5.6 Reporting License Plates and Seals Through State Agency Vehicle Application (SAVA)

Agencies will use the SAVA system to identify those vehicles which are being operated without either tags or seals. Information on vehicles operating without tags or seals will be posted online on the Arkansas State Vehicle Inventory for public review.

5.7 Oil and Gas Commission Exempt

The requirements of this section do not apply to vehicles owned and operated by the Arkansas Oil and Gas Commission.

6.0 REPORTING REQUIREMENTS – STATE OWNED VEHICLES

6.1 Record-Keeping and Reporting Authority of DFA

The Chief Fiscal Officer of the State has the authority to establish and enforce reporting and record-retention requirements related to the ownership and use of State-owned vehicles. See Ark. Code Ann. § 19-4-907.

6.2 Required Reports

DFA-OAS will compile information submitted by agencies, boards and commissions for reports required under Arkansas Code. These reports include:

- The Automobile Efficiency Report required under Ark. Code Ann. § 25-1-110.

Information required for this report includes:

- ◆ The number of vehicles owned by the reporting agency at the conclusion of each three-month quarter in the prior year
- ◆ The number of miles driven in vehicles owned by the agency during each quarter of the prior year
- ◆ The amount paid in personal mileage reimbursement for use of privately-owned vehicles on State business.

Information for this report must be submitted by June 1 of each year. The reporting period for each report is for the 12-month period from April 1 to March 31.

Information for this report can be submitted using the Quarterly Report available in SAVA.

See Section 7.3 below for more information on submitting the Quarterly Report.

This report is submitted to Arkansas Legislative Council. Prior to submission, DFA- OAS will validate information submitted by agencies for accuracy and timeliness. Agencies should ensure that information submitted on personal mileage, when appropriate, matches amounts reported as personal mileage reimbursement in AASIS.

For purposes of the Ark. Code Ann. § 25-1-110 report, agencies should report on any personal mileage reimbursement paid by the agency directly or which uses appropriation assigned to the agency.

- The Annual Inventory Report required under Ark. Code Ann. § 22-8-101. Information required for this report includes:
 - ◆ The number of vehicles owned by an agency at the end of a calendar year. Information for this report is drawn from the SAVA system. Agencies submit the required information simply by maintaining the monthly and Quarterly Report required in SAVA. *See Section 7.0 for more information on reports required under SAVA.*

7.0 STATE AGENCY VEHICLE APPLICATION

Executive branch agencies, boards and commissions who own and operate State vehicles are required to submit regular reports to DFA through SAVA, the State Agency Vehicle Application.

For more information on SAVA, to receive training on entering information in SAVA, or to gain access to SAVA, please contact DFA-OAS.

The main SAVA login page can be accessed here: <https://www.ark.org/sava/index.php>

From the main menu page of SAVA, agencies will have access to a variety of forms. These forms are the primary method of collecting information on State-owned vehicles.

7.1 Usernames and Login

Username and login information will be assigned on an agency-specific basis. Utilization of a specific username and login will give a user access only to information on vehicles owned by one agency. The user will be able to enter or alter information on vehicles owned by that agency alone.

Username and login information are available SAVA under Management.

A detailed guide on using the SAVA system can be found on the DFA Vehicle Fleet management website.

<https://www.dfa.arkansas.gov/administrative-services/vehicle-fleet-management/>

7.2 Dashboard

The primary SAVA functions can be accessed from the Dashboard page. These functions are:

- File a Monthly Report Individual State Vehicle Report
- File a Quarterly Report State Vehicle Report
- File a Request
- File an MV-1/MV-4 Personal Mileage and State Mileage Reimbursement Report
- View Reports
- View Inventory
- Monthly Bulk Uploads

7.3 Individual State Vehicle Monthly Report

Agencies must use the Monthly Report form to file basic information on the status of every vehicle owned and operated by the agency.

A Monthly Report is created upon acquisition of the vehicle. A Monthly Report must be filed for every month that a vehicle is owned by a reporting agency. Agencies should file these reports upon the conclusion of every month.

Information collected by the Monthly Report includes:

- The last four digits of the Vehicle Identification Number (VIN);
- The year, make, model and body type of the vehicle;
- The color of the vehicle;
- The vehicle's primary location when not in use;
- The date on which the vehicle was acquired;
- Whether the vehicle is assigned to a specific state employee or unassigned;
- If the vehicle is authorized for use by a State employee to drive to and from the employee's home;
- If such an authorization has been granted, the waiver under which it was granted – Regular Travel, Public Health Safety & Welfare or Commuter. (*See Section 14.0 Vehicle Pools and Assignment of Vehicles*);
- The type of license plate carried by the vehicle;
- The cost of any maintenance or repairs incurred in the prior month;
- The cost of any insurance paid during the prior month;

- The type of fuel used by the vehicle, including any Alternative Fuels
- The cost of all fuel consumed in the prior month;
- The number of gallons of fuel consumed during the prior month;
- The vehicle’s mileage at the beginning of the month and its mileage at the conclusion of the prior month.

Please note: The Department of Finance and Administration – Office of State Procurement is required under Ark. Code Ann. §19-11-217(2)(A) to report annually on the number of vehicles in the State fleet which operate on “Alternative Fuels.” SAVA provides the information for this report, and Agencies entering information through the Monthly Report must provide correct information on the nature and type of fuel used by specific vehicles.

For purposes of the Monthly Report, alternative fuels include:

- 85 percent or greater Methanol
- 85 percent or greater Ethanol
- Natural Gas
- Petroleum
- Hydrogen
- Coal
- Biological fuels
- Electricity

Vehicles which can operate on E85 fuel are considered alternative fuel vehicles and must be identified as such in SAVA.

7.4 State Vehicle Quarterly Reports

Agencies are required to report Personal Mileage Reimbursement payments on a quarterly basis using the Quarterly Report. The Quarterly Report is the primary agency reporting tool used by DFA- OAS to monitor and report on the State fleet.

Information required by the Quarterly Report includes:

- The total number of miles driven on vehicles owned by the agency within the last three calendar months
- The total amount paid in personal mileage reimbursement during the quarter

Information submitted in the Quarterly Report is necessary for DFA to meet its obligations under Ark. Code Ann. § 25-1-110. Information provided through the Quarterly Report will be included in an annual report to the Arkansas General Assembly. In reporting personal mileage reimbursement on the Quarterly Report, agencies are to include all reimbursement paid for use of a private vehicle on State business. This includes mileage paid to members of boards or commissions overseeing an agency as well as any reimbursement paid by an agency to a State employee.

DFA-OAS may, from time to time, validate mileage reimbursement amounts reported on Quarterly Report against personal mileage reimbursement amounts reported through the Arkansas Administrative Statewide Information System (AASIS).

All information included in the Quarterly Report is to be provided on an agency-wide basis. Information, including the amount paid in personal mileage reimbursement, does not need to be reported on a per-employee basis.

7.5 MV-4 State Vehicle Mileage Reimbursement

Any employee who utilizes, but whose job does not require them to utilize a State-owned motor vehicle for transportation to or from his or her permanent residence from or to his or her official station on a daily basis, must reimburse the State for this use. Reimbursement must be paid in the same amount paid by the agency to employees who use their private vehicles while traveling on State business.

This form is to be filed quarterly. The form requires the name of the commuter, the last four digits of the VIN number on the vehicle used, the number of miles traveled, the amount paid in reimbursement during the quarter, and the amount reimbursed during the agency by all commuters at the agency. *See Section 15.0 of this handbook for more information on the taxable benefits of commuting in a State vehicle.*

7.6 Request

Executive branch agencies wishing to acquire a new or used vehicle must use SAVA to file a Request. The process of acquiring an additional State vehicle is established under Arkansas Code. *For more information on acquiring State Vehicles, see Section 10.0 of this guide, Acquiring a State Vehicle.*

Agencies wishing to acquire a State vehicle must first file a vehicle request form through SAVA, and provide the following:

- Requesting agencies must state whether the vehicle being requested is to be an overall Addition to the agency's fleet or if the requested vehicle will be a Replacement for an existing vehicle in the agency's fleet.
 - ◆ If a replacement vehicle is sought, the requesting agency will be required to provide the last four digits of the vehicle identification number (VIN) and the actual mileage of the vehicle to be replaced, and provide a reason for its replacement using the appropriate Replacement Code:
 - A if the vehicle is five years old or older;
 - B if the actual mileage exceeds 75,000;
 - C if the projected repair cost of the vehicle over the next year is more than half the wholesale value of the vehicle, or
 - J if the requesting agency wishes to support its request with a Justification Letter to be submitted to DFA-OAS providing more explanation on the need for the replacement.
- Requesting agencies must identify the source of the funds to be used to acquire the vehicle, either the Motor Vehicle Acquisition Fund (MMV) or funds to be provided by the requesting agency, Agency Funds. Note: If an agency wishes to use special revenue for the purchase of a vehicle, the requesting agency will be required to identify the source of these funds and the authority establishing that those funds can be used to purchase a vehicle.

- Requesting agencies must also state whether they wish to purchase a vehicle off of an existing state contract, or if they wish to purchase a type of vehicle which is not currently available on an existing state contract, scroll to the end of the contract list and click other.
 - ◆ The requesting agencies will be required to select the specific Contract Type they wish to purchase from and the options available from that contract. *For more information, see Section 11.0 Procurement of this handbook.*
 - ◆ Agencies selecting a request not currently available on the existing state contract will be required to provide a brief description of the desired vehicle, including the number of cylinders in its engine.

After an attempt to submit a request to acquire a vehicle through SAVA, requesting agencies should contact DFA-OAS to confirm submission.

7.7 SAVA Reports

Agencies can use SAVA to create reports on any information previously entered in the forms described above. These reports are specific to the requesting agency for a specified calendar year.

Agency Vehicle Inventory

Agencies can use SAVA to view and print the agency's current vehicle inventory. This option is accessible under the Inventory tab under the Main Menu.

8.0 ONLINE INVENTORY

Information submitted through SAVA is used by DFA to meet various reporting requirements established under state code. It is also the primary source of information used to maintain the State's online vehicle inventory, as mandated under Executive Order 10-14.

8.1 Intent of Inventory

The inventory is designed to allow members of the public to search for individual automobiles or gather information on the State's fleet. Agencies acting in accordance with these rules should be aware that information submitted via SAVA and which is used to populate the inventory will be made available to the public. Information posted to the online inventory is updated on a weekly basis.

8.2 The State Vehicle Inventory Search Page

The vehicle inventory search page houses information on state vehicles, including a searchable state vehicle database. Information in the database is updated on a weekly basis.

Primary inventory web page: https://www.ark.org/dfa_statevehiclesearch/index.php

Archive of prior inventories:

<http://www.dfa.arkansas.gov/offices/administrativeServices/Pages/vehicleInventoryArchive.aspx>

Information on commuting waivers are posted on the website:

<http://www.dfa.arkansas.gov/offices/administrativeServices/Pages/vehicleWaiverRequests.aspx>

8.3 Inventory Reporting on Waivers

The inventory page will also provide information on waivers authorizing use of State vehicles to commute to and from an employee's home. A complete file detailing all vehicles in the State fleet is also available at the following link:

https://www.ark.org/dfa_statevehiclesearch/index.php?download=1

8.4 Excluded Information

Not all information submitted via SAVA and which is required above is made available to the public. Excluded information includes the license plate information for vehicles used primarily in a law-enforcement or public safety role.

9.0 AGENCY FLEET CAPACITY

State law limits the number of vehicles each Executive branch agency, board or commission may own and operate. See Ark. Code Ann. § 19-4-906.

9.1 Excess Vehicles Prohibited

Vehicles acquired by any agency listed under Ark. Code Ann. § 19-4-906 will count against the agency's cap. Requests to acquire vehicles in excess of the amount authorized by law will be denied by DFA as part of the Vehicle Acquisition Process established by law and which is described in detail in this handbook.

9.2 Limitations

This provision applies to all vehicles, including automobiles, trucks and vans, which are licensed for use on State highways. This includes vehicles which may be acquired by Executive branch agency boards and commissions, with the exception of vehicles which have been donated to institutions of higher education for the purpose of teaching automotive maintenance, repair, operator training and related instructional programs. Vehicles donated to an educational institution for these purposes will not count against that agency's vehicle cap. Note: This exemption applies only to vehicles which have been donated for instructional purposes.

9.3 Emergency Relief Requests

Agencies, boards and commissions may, in emergency situations, request relief from the vehicle fleet limitations established under Ark. Code Ann. § 19-4-906 by requesting a proclamation from the Governor for this purpose. Requests must be made in writing to DFA-OAS.

9.4 Agency Fleet Tracking

Agency fleet sizes will be calculated and tracked by DFA-OAS. Reports will be made to the Arkansas General Assembly in compliance with Ark. Code Ann. § 25-1-110, Exec. Order 10-14 and other reporting requirements deemed necessary by the Director of DFA.

10.0 ACQUIRING A STATE VEHICLE

The Director of the Department of Finance and Administration is authorized to purchase new and used vehicles for all executive branch State agencies, boards, commissions, departments and institutions of higher education.

10.1 Which Agencies Must Participate

The vehicle acquisition process described here must be followed by executive branch agencies who receive any funding from the following funds as established under by the Arkansas General Assembly:

- Ark. Code Ann. § 19-5-302, The State General Government Fund
- Ark. Code Ann. § 19-5-303, The University of Arkansas Fund
- Ark. Code Ann. § 19-5-306, The Department of Human Services Fund
- Ark. Code Ann. § 19-5-307, The Public Health Fund
- Ark. Code Ann. § 19-5-1011, The Technical Colleges Fund
- Ark. Code Ann. § 19-6-404, Arkansas State Police Fund
- Ark. Code Ann. § 19-5-411, State Forestry Fund
- Ark. Code Ann. § 25-4-117, Delinquent Accounts

Agencies, boards and commissions receiving support from these funds will be considered “non-exempt entities” and will be required to participate in the vehicle acquisition process described in this section.

10.2 Exempt Agencies

The process described in this section does not apply to Constitutional Offices or constitutionally created agencies, including the Arkansas Game and Fish Commission and the Arkansas Department of Highway and Transportation.

10.3 Which Vehicles Are Covered

The process described in this section and which is authorized under Ark. Code Ann. § 22-8-201 et seq., applies only to motor vehicles, including passenger vehicles, emergency vehicles, and pickup trucks with a load capacity of three-quarters of a ton or less.

10.4 Rules & Regulations

The Director of DFA is authorized to promulgate rules and regulations necessary to implement the vehicle acquisition process established under Ark. Code Ann. § 22-8-201 et seq.

10.5 Filing a Request

Any executive branch agency wishing to add a new or used vehicle to its fleet must file a Request with DFA-OAS. A Request form is available through the main menu page on SAVA. *Please see Section 7.6 of this handbook for more information on filing a Request through SAVA.*

Prior to making a request to acquire an additional vehicle, agencies must maintain a complete inventory of the agency's existing fleet with DFA, that inventory must not be in excess of the amount authorized under Ark. Code Ann. § 19-4-906, and the inventory must include information on a vehicle's history, its need for replacement and the current situation of any vehicle to be replaced.

10.6 When to file a Request

Vehicles can be acquired through two different processes: (1) the prioritized list process through the Motor Vehicle Acquisition Fund and (2) through purchases made with agency funds.

- Requests to purchase a vehicle through the prioritized list process of the Motor Vehicle Acquisition Fund will be accepted by DFA-OAS between July 1 and Sept. 15 of every year.
- Requests to purchase vehicles using agency funds can be made to DFA-OAS at any time.

10.7 Purchases of Vehicles through the prioritized list process Motor Vehicle Acquisition Fund (MMV).

The Arkansas General Assembly appropriates funds for the purchase of new motor vehicles weighing less than one-ton through the Motor Vehicle Acquisition Fund. Ark. Code Ann. § 22-8-206. These funds are limited.

Agencies wishing to purchase a vehicle using these funds must make a request to purchase the vehicle through the MMV prioritized list process.

10.7A Using the MMV to Replace an Existing Vehicle

In making a request to purchase a vehicle through the prioritized list, state entities must file a Request which states the entity's desire to utilize funds from the MMV. If the vehicle to be added is to serve as a replacement for an existing vehicle, the requesting entity must identify the vehicle to be replaced.

The requesting agency must meet several requirements before a replacement vehicle will be approved.

- The vehicle to be replaced must meet at least one of the following requirements:
 - ◆ The vehicle has more than 75,000 miles; or
 - ◆ Is five years old or older; or
 - ◆ The anticipated cost to repair the vehicle exceeds 50 percent of the vehicle's estimated value.
- Replacement vehicles must be of a similar type, and purpose, as the vehicle to be turned in. Agencies seeking an upgrade, i.e. a replacement vehicle of significantly improved quality or different purpose, must provide a letter on agency letterhead justifying the upgrade and establishing the State's interest in allowing the upgrade.

- The vehicle to be replaced must currently be in the agency's fleet and cannot have been offered for replacement under another, existing Request.

If an agency meets the requirements above, its request for an acquired vehicle will be added to the Prioritized List of vehicles to be purchased through the MMV.

The requesting agency will be notified when and if their request has been approved for funding through the prioritize list process.

10.7B The Prioritized List

Requests which have met the requirements described above will be collected and prioritized in a single list. Agencies make far more requests to purchase vehicles than can be funded from the MMV. For this reason, the majority of requests are not granted.

After Sept. 15 of each year, DFA-OAS will collect all Motor Requests filed in the prior month to acquire vehicles using the MMV. DFA-OAS will prioritize these requests into a single list based on the following criteria:

- The age of the vehicle to be replaced if the request is for a replacement vehicle;
- The actual and projected mileage of the vehicle to be replaced;
- The history and cost of any repairs required by the vehicle to be replaced;
- The number and average age of the requesting agency's fleet;
- The overall condition of the State fleet and the cost of maintaining its vehicles.
- The priority ranking assigned to the vehicle by the owning agency.

DFA has the authority to reassign vehicles between state agencies based on age, condition, utilization and justification. DFA-OAS is responsible for compiling the prioritized list based on the categories above and in compliance with Ark. Code Ann. § 22-8-205. Upon compiling the Prioritized List, DFA-OAS will then submit the list to the Director of DFA for review. The Director has the authority to make any changes necessary.

10.7D Agency Rankings

In order to help identify those vehicles most in need of replacement, agencies which file requests to purchase vehicles through the prioritized list are asked to rank these requests in order of need. Rankings are intended to provide requesting agencies an opportunity to identify those vehicles most in need of replacement. If vehicles are no longer operational or are unsafe to operate, they should be at the top of a requesting agency's ranking. Rankings should be based on need.

10.8 Purchasing a Vehicle through Agency Funds

Agencies wishing to acquire a vehicle with funds from some source other than general revenue must identify the source of funding in the Request.

10.8A Agencies should ensure that the proper authority exists to purchase a vehicle

This should be done prior to filing a Request with DFA-OAS. DFA- OAS may request proof of the authorization to use funds for this purpose.

10.8B Vehicle acquisitions with agency funds must still comply with the limitations

Requesting agencies must comply with the process described above to either replace an existing vehicle or add an additional vehicle to the agency's fleet, as well as the conditions regarding agency fleet size established under Ark. Code § 19-4-906.

The requesting agency must meet several requirements before a replacement vehicle will be approved.

- The requesting agency must establish that the vehicle to be replaced qualifies for replacement by meeting least one of the following:
 - ◆ The vehicle has more than 75,000 miles, or
 - ◆ Is five years old or older, or
 - ◆ The anticipated cost to repair the vehicle exceeds 50 percent of the vehicle's estimated value.
- Replacement vehicles must be of a similar type, purpose, and value as the vehicle to be turned in. Agencies seeking an upgrade, i.e. a replacement vehicle of significantly improved quality or different purpose, must provide a letter on agency letterhead justifying the upgrade and establishing the State's interest in allowing the upgrade.
- The vehicle to be replaced must currently be in the agency's fleet and cannot have been offered for replacement under another, existing Request.

10.8C Appropriation for Sales and Use Taxes on Agency-funded vehicles

Under Act 1485 of 2013, appropriation for the payment of sales and use taxes on vehicles purchased with non-general revenue will be paid by the Motor Vehicle Acquisition Fund. Agencies seeking approval to purchase a vehicle with agency funds are responsible for determining the amount necessary to pay sales and use taxes and communicating that information to DFA as part of the vehicle-request process. To determine sales and use taxes, a purchasing agency must:

- Determine the address where the vehicle to be purchased will be delivered.
- The vehicle's delivery address will be the basis for the calculation of sales and use taxes to be paid by the purchasing agency. Agencies must determine the applicable tax rate for this address and apply that rate to the purchase price of the vehicle prior to submitting a vehicle-acquisition request.
- Agencies can determine applicable State and local sales and use taxes by entering delivery-address information here:
http://www.arkansas.gov/dfa/excise_tax_v2/st_zip.html.

- Once an agency has submitted sales and use tax information with a Request, DFA will transfer funds from the purchasing agency in an amount equal to the purchase price of the vehicle and any applicable taxes. These funds will be transferred back to the purchasing agency when the purchase is to be completed.
- At the time that funds are transferred back to the agency, DFA will transfer to the purchasing agency appropriation in an amount equal to the purchase price of the vehicle and applicable sales and use taxes. Appropriation transferred to an agency for payment of sales and use taxes is to be used only for this purchase.

10.8D Upon approval of a request to acquire a vehicle using agency funds

The requesting agency will be required to create the adequate asset shells in AASIS for the purchase. The agency must transfer funds sufficient to support the purchase of the vehicle and any applicable sales and use taxes to DFA-OAS. DFA-OAS will then generate the necessary purchase order and, at the proper time, transfer the funding and necessary appropriation to the requesting agency, which will ultimately purchase the requested vehicles.

10.9 Purchasing a Vehicle which is not covered by an existing State contract

Agencies can acquire vehicles which are not covered by State contract under limited circumstances based on the value of the vehicle to be acquired.

- If the total value of all vehicles to be acquired is less than \$10,000 in total value, the agency need only file a Request as described in this section and comply with all applicable requirements as established by DFA-Office of State Procurement. The vehicle(s) will then be acquired in a manner similar to that used to acquire a vehicle covered by an existing State contract. Note: Agencies wishing to acquire a vehicle valued at less than \$10,000 will not be required to seek bids on the purchase.
- If the total value of all vehicles to be acquired is between \$10,000 and \$50,000, the requesting agency will be responsible for seeking and receiving at least three (3) competing bids for the vehicle before the acquisition request will be approved. Proof of the competing bids must be submitted to DFA-OAS.
- If the total value of all vehicles to be acquired is more than \$50,000, the Request will be turned over to DFA-Office of State Procurement. DFA-OSP will handle the process of soliciting bids for the vehicle. In order to facilitate this process, requesting agencies will be asked to provide detailed specifications of the vehicle or vehicles to be purchased, a contact person at the requesting agency and contact information and the quantity of vehicles to be purchased. More information on this process is available from DFA-OSP, c/o John Leverett, (501) 683-2222, john.leverett@dfa.arkansas.gov.

10.10 Turn-In Requirement

Vehicles to be replaced through the Vehicle Acquisition Process described above must be turned in to DFA-Marketing & Redistribution (M&R) within 30 days of the arrival of the newly acquired replacement vehicle. Failure to turn in vehicles in compliance with this

section could cause the delay or rejection of future vehicle-acquisition requests. *See Section 12.0 for more information on turning in vehicles to M&R.*

10.11 Credit for Turned-In Vehicles

In order to encourage the removal of worn-out or inoperable vehicles from the state fleet, agencies can turn in vehicles that are no longer operational or which require repairs which cannot immediately be funded, and credit for the turned-in vehicle will be given to the agency on a future vehicle acquisition for a period of up to one year from the date the vehicle was turned in.

11.0 PROCUREMENT

DFA is the authorized purchaser of new and used vehicles for all executive branch State agencies, boards, commissions, departments and institutions of higher education. Upon approval of a Request and pending the availability of funds, DFA will purchase the requested vehicle on behalf of the requesting agency. This applies to both vehicles purchased through the MMV and through agency funds.

11.1 Exclusive Jurisdiction

The Department of Finance and Administration – Office of State Procurement (OSP) has exclusive jurisdiction over the procurement of passenger motor vehicles and trucks. Through OSP, the State negotiates purchase contracts with dealerships specializing in a variety of vehicles.

Current contracts to purchase vehicles, as well as other items under state contract, can be viewed here:

<http://www.dfa.arkansas.gov/offices/procurement/contracts/Pages/default.aspx>

More information on the procurement process and any rules can be found here:

<http://www.dfa.arkansas.gov/offices/procurement/Documents/lawsRegs.pdf>

Agencies wishing to purchase a state vehicle will be required to state whether the vehicle to be purchased is covered by a state contract and, if so, to identify the state contract through SAVA.

12.0 DISPOSAL OF VEHICLES

12.1 Marketing & Redistribution

Vehicles owned and operated by executive branch agencies must be turned into the Department of Finance and Administration – Marketing and Redistribution (M&R) as state personal property under Ark. Code Ann. § 25-8-106. This requirement includes those vehicles to be replaced through vehicle acquisition either under the MMV or using agency funds. Additional information on the disposal of State owned vehicles can be obtained from Marketing and Redistribution, 6620 Young Rd., Little Rock, AR 72209, via email to marketing@dfa.arkansas.gov or online at <http://arstatesurplus.com>.

12.2 Distribution of Proceeds

In most cases, proceeds derived from the sale of a State-owned vehicle through M&R are placed in the Motor Vehicle Fund (MMV) to fund the purchase of new vehicles. These funds are not returned to the agency which originally owned the vehicle. However, proceeds from the sale of a state-owned vehicle are not placed in the MMV and are instead returned to the owning agency if:

- The vehicle in question weighs more than one-ton. This generally applies to passenger vehicles capable of carrying more than 12 people, semi-tractors and other larger vehicles.
- The vehicle is supported by a state or federal grant whose terms require the return of any sale proceeds to the owning agency. In this case, funds will be returned to the owning agency only after the agency provides documentation establishing that grant funds were used to purchase the vehicle and that the grant requires the subsequent return for any sale proceeds that result.

12.3 Thirty-Day Turn-In Requirement

Vehicles which have been offered for replacement through the vehicle-acquisition process described in Section 10 of this handbook must be turned over to M&R within 30 days of the arrival of any vehicle purchased as a replacement.

13.0 LEASING AND RENTING VEHICLES

The short-term lease or rental of a vehicle is subject to strict oversight by the State under Ark. Code Ann. § 22-8-102. For purposes of the law, a vehicle lease means any non-purchase agreement for the use of a motor vehicle for a period of thirty-one (31) days or more. Vehicle rentals are non-purchase agreements for the use of a vehicle for fewer than thirty (30) days.

13.1 Vehicle Leases

Requests to lease a vehicle must be made in writing to the Director of State Procurement, DFA-Office of State Procurement in the form of a “lease justification letter.” The Director of State Procurement can order requesting agencies to supply any facts or information necessary for the Director to determine the economics, need and feasibility of the lease. These facts must be included in the letter. The letter must be sent to both the Office of State Procurement and DFA-OAS.

If the Director approves the lease, and if the requesting agency has established the availability of funds to pay for the lease, the Director must obtain approval for the leasing arrangement from the Legislative Council of the Arkansas General Assembly. No lease of a motor vehicle will be allowed without the approval of both the Director of State Procurement and Legislative Council.

If a lease is approved by both the Director of Procurement and Legislative Council, the Director will notify DFA-OAS, which will process and approve a vehicle lease request on behalf of the requesting agency.

13.2 Vehicle Rental

Use of rented vehicles for short periods is allowed but only upon a finding that use of a rented vehicle serves the requirements of the State most economically and advantageously.

The director or travel administrator of the requesting agency shall authorize in writing the use of rental vehicles only when it is more economical than taxi, airport shuttle, or other available modes of transportation or where due to unavailability of other modes of transportation use of rental vehicles is the most practical mode of travel. Agencies must use the statewide vehicle rental contract if one is in force. If a statewide contract is not in force when travel occurs, agencies will use the lowest available rates. The Office of State Procurement issues contracts for vehicle rental and should be contacted for information about contract arrangements. See the Travel Portal on the DFA-OSP website at: <http://www.dfa.arkansas.gov/travel/Pages/default.aspx>

Information on the State rental vehicle contract can be found here:

<http://www.dfa.arkansas.gov/offices/procurement/contracts/Pages/VehicleRental.aspx>

13.3 Insurance on Rented and Leased Vehicles

The cost of both physical damage and liability insurance purchased in conjunction with the rental of a vehicle from a vehicle rental company may be paid where the vehicle rental is billed directly to and in the name of the agency, charged on the Sponsored Business Travel Card (SBTC) or paid by the traveler and claimed as a reimbursable expense on his/her Travel Reimbursement Request TR-1 form.

14.0 VEHICLE POOLS AND ASSIGNMENT OF VEHICLES

14.1 Pooled Vehicles

Unless otherwise stated below, all state-owned vehicles must be available for use by all qualified employees and not assigned to specific employees for their exclusive use. Pooled vehicles must remain on state property when not in use.

14.2 Assignment of Vehicles

State vehicles can be assigned to specific employees only when such an assignment is in the best interest of the State. Employees can use assigned vehicles to travel to and from their home to their work location in a state vehicle only when doing so is in the best business interests of the State. State agencies can establish this interest under three separate circumstances:

14.2A Regular Travel Status

State vehicles may be assigned to specific employees whose responsibilities require regular travel to locations throughout the state which vary on a regular basis. Examples would include employees charged with carrying out the periodic inspection of public or private facilities located throughout the State or in any other circumstance in which access to a State vehicle will be less costly than payment of reimbursement for use of the employee's personal automobile. In no case should

this status be claimed by individuals who work from a single state office on a day-to-day basis. Agencies are not required to obtain DFA approval before granting Regular Travel status.

An employee who qualifies for Regular Travel status must meet the following conditions: The employee either:

- (1) does not at any point work from a work station that is provided by the State for their exclusive use (their official work station is their home) or
- (2) works on a very limited or sporadic basis from a state-provided work station other than their home; and

The employing agency must make a written determination, based on the employee's regular, documented travel on State business, that the assignment of a State vehicle to the employee will be less costly to the State than the cost of reimbursing the employee for the use of a personal automobile in fulfilling the employee's responsibilities to the State.

If the employing agency determines that the employee meets these requirements, the agency must prepare a written justification detailing the facts supporting its conclusion that the employee qualifies for Regular Travel status in accordance with Executive Order 10-14. This written justification must be reviewed and signed by the head of the issuing agency, board or commission, and the justification must be kept on file for as long as the need for the status designation remains.

14.2B Public Health, Safety & Welfare

State vehicles may be assigned to specific employees who are certified law enforcement, or to individuals whose duties may require their availability outside of normal business hours to provide specific skills, services, tolls, equipment or supplies on an emergency basis. Agencies are not required to obtain DFA approval before granting Public Health, Safety & Welfare status.

An employee qualifies for Public Health, Safety & Welfare status only if one of the following conditions has been met:

- The employee is certified law enforcement officer as required for their job as defined under Ark. Code Ann. § 12-9-102, or
- The employee is assigned a vehicle which is specifically equipped with items unique to the job functions of the employee that allow the employee to carry out his or her assigned duties in responding to emergencies which threaten the public health and welfare of the State.

If the employing agency determines that the employee meets these requirements, the agency must prepare a written justification detailing the facts supporting its conclusion that the employee qualifies for Public Health, Safety & Welfare status in

accordance with Executive Order 10-14. This written justification must be reviewed and signed by the head of the issuing agency, board or commission, and the justification must be kept on file for as long as the need for the status designation remains.

14.2C Commuting

Commuting in a state vehicle means driving a state vehicle from the employee's home to a central state office on a daily basis when the employee is not in regular travel status or is not a certified law enforcement officer. Appropriate use of a vehicle under either Regular Travel or Public Health Safety & Welfare exceptions will not be considered commuting, however use of either of these exceptions can't be the basis for properly categorizing the vehicle use as commuting. Agencies must obtain DFA approval before granting Commuter status to any employee.

Commuting in a state vehicle is prohibited except when a legitimate business interest is established.

For more information of the implementation of Executive Order 10-14, see Appendix B of this handbook, Executive Order 10-14, as well as Appendices C & D, which provide more information on the tax responsibilities of those assigned the use of a state vehicle.

14.3 Commuting Waivers

14.3A Waiver requests must be made in writing to DFA-OAS

Requests must clearly state the name of the employee requesting the commuting waiver, their title and agency, and the license plate, VIN and make/model of the vehicle they will be assigned. Requests must succinctly state the justification for the waiver request and why the waiver would serve the best business interests of the state.

14.3B Requests for commuting waivers

Waivers should be made whenever a change in duties establishes the need for commuting privileges. Employees who have been granted commuting privileges must immediately inform DFA-OAS of any change in duties which may mitigate the need for the waiver. Commuting waivers will remain in effect as long as the need for the waiver remains. DFA-OAS reserves the authority to ask for further justification after a commuting waiver has been granted, and the Director of DFA has the authority to revoke a commuting waiver if necessary.

14.3 Vehicles assigned to employees under a Commuting Waiver

As with all other state vehicles, vehicles assigned to employees under a Commuting waiver must carry both the red "Official Business Only" license plates and either the red official seal of the state or the seal of the owning agency. Waivers from this requirement can be requested from the Director of DFA.

14.4 Agencies assigning vehicles to individual employees

Agencies will be required to identify the vehicles involved and the status under which they have been assigned. This information will be posted online on the Arkansas State Vehicle Inventory. Additionally, copies of waiver requests will be posted to a state website for public review. That website is located at: <http://www.dfa.arkansas.gov/offices/administrativeServices/Pages/vehicleWaiverRequests.aspx>

14.5 DFA Approval is required only for Commuting waivers.

Individual agencies have the authority to grant Regular Travel and Public Health Safety & Welfare exemptions to employees on an as-needed basis in accordance with these rules and Executive Order 10-14. DFA-OAS retains the authority to request written justification for any vehicle assignments made under this chapter and will, if necessary, revoke any status designations granted by an agency which fail to meet these requirements.

14.6 Agencies are responsible for maintaining waiver statuses.

If a change in responsibilities or position removes the need for a waiver, the waiver shall be eliminated immediately. Agencies shall provide notice of the change to DFA-OAS and will note the change in status on SAVA.

14.7 Staging

Employees may be allowed to use a state vehicle to travel to and from their home to their work location on occasion if approval is obtained from the employee's supervisor. An example of appropriate staging would be a supervisor's allowing an employee to take a State vehicle home the night before embarking early the next morning on state business. This exception is applicable only in an as-needed or project-only basis. This exception should be used only in very limited circumstances when it is in the best business interest of the State to employ.

14.8 Record Keeping Requirements

Vehicles assigned to specific employees must still meet the record requirements established in Section 17.0 of this handbook.

15.0 TAXABLE USE OF A STATE VEHICLE

Use of a state-owned vehicle for commuting purposes is a taxable event and will increase the employee's taxable income and require a reimbursement to the state agency paying the operating expenses of the vehicle. The reimbursement will be calculated by multiplying the number of non-business miles driven times the standard mileage reimbursement currently being paid to reimburse state employees for personal usage of their vehicles on state business.

15.1 Taxable Event Reporting

Individuals who use a state vehicle for commuting purposes must report this use as a taxable event to their agency head for tax reporting purposes. Generally, for non-elected state employees the rate is \$1.50 per leg of the commute from their home to office.

15.2 Obligations of Administrator

The administrative head of each agency or elected official shall ensure that the Payroll Unit of their respective office, agency, department or institution performs proper reporting for taxable use of state-owned vehicles.

The administrative head of each state agency, board, commission, department and institution must determine whether any employees of the entity utilizing a state-owned or state-leased vehicle for transportation to and/or from their permanent residence to their official place of duty creates a taxable event as described in the Arkansas Financial Management Guide (see below).

15.3 Calculation of Taxable Benefits

State employees and officials who drive state-owned vehicles to commute from and to their residence, must compute the value of the benefit and report the amount to payroll officials to include on their taxable earnings. Reimbursements paid to the State must be made at the same rate paid by the employing agency for use of a privately-owned vehicle on state business. Ark. Code Ann. § 19-4-903(b)(2)(B). The calculation method and tables for computing the benefit may be found at: <http://www.irs.gov/pub/irs-pdf/p15b.pdf>.

Additional information on this procedure can be found in Title 19, Chapter 4, Subchapter 9, the Arkansas Financial Management Guide, located here:

<http://www.dfa.arkansas.gov/offices/accounting/financialManagementGuide/Pages/Subchapter9.aspx>.

The circumstances under which a State employee will be required to report the taxable use of a State vehicle may be determined by their status under Executive Order 10-14. *For more information, see Appendices C&D of this handbook.*

Regular Travel: Employees operating a state vehicle under the status designation of Regular Travel must report the \$1.50 one-way commuting benefit for every instance in which the employee uses a State vehicle to commute between their home and their State-provided work station. Employees operating a State vehicle under a Regular Travel status designation are excused from this obligation if they travel from their homes to any other place of work other than their official, state-provided work station.

Public Health Safety & Welfare: Employees designated as Public Health, Safety & Welfare status and whose responsibilities and qualifications meet the minimum requirements of the status are excused from reporting \$1.50 one-way commuting benefit.

Commuting: Employees designated as Commuters must report the \$1.50 one-way commuting benefit for every instance in which the employee uses a State vehicle to commute between their home and their State-provided work station.

15.4 Record Keeping Requirements: Taxable Benefits

The obligation to report the use of a State-owned vehicle as a taxable benefit applies to any qualifying employee of a state agency, board, commission, department or state-supported institution of higher education, constitutional officer, or constitutional officer's employee.

A permanent record of such employees shall be established in each agency containing the following:

- Name of the employee
- Address of their permanent residence and official duty station
- Number of miles between their permanent residence and their official duty station
- The amount each employee will be required to reimburse the State at the current rate of reimbursement for private automobile usage on State business
- Amount billed to each employee
- Amount paid by each employee

15.5 Billing and Reimbursement System

Each agency will establish a system of billing employees for reimbursements required and receipting for payments received from the employees. Each state agency, board, commission, department and institution shall be responsible for maintaining records prescribed herein and copies of transactions concerning mileage reimbursement for audit purposes.

16.0 LIMITATIONS ON USE AND COMPLAINT PROCESS

Use of a State vehicle is a privilege. Employees entrusted with the use of a State vehicle are strongly encouraged to act appropriately and to use sound judgment. Failure to comply with these rules could lead to administrative action against the employee.

16.1 Official Use Only

All state-owned vehicles must be used solely for purposes of official State business. An employee's misuse of a state-owned vehicle can lead to corrective or disciplinary action.

16.2 Duly Licensed

Only employees who are duly licensed in accordance with the requirements of all applicable state laws may operate a State vehicle. Additionally, all State employees must complete and sign the Authorization to Operate State and Private Vehicles on State Business (VSP-1) form before being authorized to use a State vehicle. The VSP-1 form can be located here:

<http://www.dfa.arkansas.gov/offices/administrativeServices/hr/Documents/vsp1.pdf>.

Individual agencies, boards and commissions are responsible for ensuring that employees assigned to use State vehicles meet the requirements of this section, and that documents confirming their compliance are maintained.

16.3 Maintenance Schedules

All State agencies owning and operating State vehicles should, when appropriate, conform to any preventative maintenance programs that are recommended by the vehicle manufacturer.

16.4 Pooling When Not in Use

All State vehicles not assigned for the use of a specific employee and which are not in use on overnight business should be kept on agency location and available for use by any qualified State employee.

16.5 Misuse of State-Owned Vehicles

State employees must obey all traffic laws and must practice safe driving habits. Employees entrusted to operate a state-owned vehicle on the streets and highways of Arkansas are representatives of the State. Failure to observe safe driving habits and the rules of the road will reflect poorly on State government in general.

16.6 Complaints

DFA-OAS accepts and processes reports of alleged misuse of state-owned vehicles.

Reports of misuse can be made by telephone during normal business hours to (501) 682-6823 or through an online complaint form located on the state government website located at:

<http://www.dfa.arkansas.gov/offices/administrativeServices/Pages/stateVehicleMisuse.aspx>.

After receiving a complaint, DFA-OAS will attempt to identify the vehicle in question and forward the complaint to the director of the agency, board or commission which owns the vehicle. The director of the owning agency then has ten (10) days to provide a response to DFA-OAS describing the circumstances of the incident and any disciplinary actions taken as a result. Agencies are responsible for the conduct of their employees and should be prepared to take administrative action when and if warranted by a complaint.

DFA-OAS will record complaints and will provide responses to both the individual filing the complaint and the agency responsible for the vehicle or vehicles in question.

16.7 Seatbelts

Seatbelts are to be used at all times by both drivers and passengers traveling in state-owned vehicles.

16.8 Smoking and the use of Tobacco Products

Smoking and the use of other tobacco products is prohibited in State-owned vehicles.

16.9 Security

All State-owned vehicles should be locked when not occupied. Employees are encouraged to consider the security of vehicles when forced to leave state-owned vehicles unoccupied.

16.10 Turn off Engines

Vehicles should be completely turned off and the keys removed from the ignition before a driver exits the vehicle.

17.0 REQUIRED DOCUMENTATION

All State-owned vehicles must carry the following documents at all times.

17.1 Vehicle Use Log

Every vehicle owned by the State of Arkansas must carry a log, and drivers of the vehicle must update the log with each use. The log must, at a minimum, record the following information every time the vehicle is used:

- Date and Time of use
- Starting location and destination
- Beginning and Ending Mileage
- Cost and Amount of Fuel purchased, if any
- Any problems encountered with the vehicle

17.2 Registration, Insurance, and Motor Vehicle Accident Report

Upon registering a new vehicle, the owning agency should immediately ensure that the proper proof of registration and insurance is placed inside the vehicle and is readily accessible. The owning agency must also ensure that a clean Arkansas Motor Vehicle Report Form (SR-1) is likewise available. Current copies of these documents are to be kept in the vehicle at all times. A PDF of the SR-1 form is available here:

<http://www.dfa.arkansas.gov/offices/driverServices/Documents/SR121.pdf>.

18.0 ARKANSAS MULTI-AGENCY VEHICLE INSURANCE POLICY

The State of Arkansas insures vehicles operating on official State business through the Arkansas Multi Agency Insurance Trust. The policy is managed by the Arkansas Department of Insurance – Risk Management Division. Note: Not all State agencies participate in the Multi-Agency Vehicle Insurance Policy.

18.1 Insurance coverage for Use of Personal Vehicles

It is the responsibility of every employee who uses their personal vehicle while on official State business to contact their primary insurance provider and confirm that “business use” coverage is provided. An employee’s personal automobile policy will be the primary insurance coverage if a claim results from use of the vehicle while on official state business. The State vehicle policy will provide secondary coverage and does not provide physical damage coverage for the vehicle.

18.2 Vehicle Safety Program

All agencies purchasing insurance through the State Master Vehicle Insurance Program must participate in the state Vehicle Safety Program. More information on the program and its requirements can be found here:

<http://insurance.arkansas.gov/Risk/Riskfiles1/VSPNovember2010.pdf>

18.3 Adding Vehicles to State Master Vehicle Policy

Agencies which participate in the State insurance program must register newly acquired vehicles with the Department of Insurance – Risk Management Division. Information to be submitted includes the year, make/model, VIN and original cost of the vehicle. Agencies wishing to add a vehicle to the State policy can access the required form here: <http://insurance.arkansas.gov/Risk/StateVehicle.pdf>

The form should be submitted to the Risk Management Division either via fax (501) 371-2842 or email insurance.risk.management@arkansas.gov.

18.4 Distribution of Insurance Proceeds

If a vehicle is destroyed as a result of an accident or other damage, proceeds from any insurance benefits paid as a result will be deposited into the owning agency's account of the Motor Vehicle Acquisition Fund. These funds will remain in the Motor Vehicle Fund for the exclusive use of the owning agency toward the future purchase of vehicles. Any agency wishing to inquire about the availability of these funds or to use these funds toward the purchase of a vehicle should contact DFA-OAS.

19.0 REPORTING ACCIDENTS AND THEFT

19.1 Reports filed within 24 Hours

Accidents must be reported to an employee's supervisor and to the insurance carrier or designated risk management representative within 24 hours of the accident. Reports should be made by the employee in control of the vehicle at the time of the accident. If the employee is prevented from making this report due to injuries suffered in an accident, the report required under this section is to be completed by the employee's supervisor within 24 hours of the supervisor's learning of the accident.

19.2 State's Insurance Carrier

Accident reports must be made to the State's insurance carrier. Reports can be made to:

Bancorp South Insurance Services
For Claims Reporting between 8 a.m. and 4 p.m., Monday - Friday: (501) 664-7705
After Hours Claims Reporting: (501) 664-9252

Claims that are not reported in a timely manner may be denied. Any legal correspondence, including briefs, motions, summons, complaints, from any claimant's attorney, should be forwarded immediately to Bancorp South Insurance Services.

19.3 Defensive Driving Class

Drivers who have an at-fault accident must attend a Defensive Driving Class within sixty (60) days. Written confirmation that the course has been completed must be sent to the director of the employing agency. Information on defensive-driving classes can be obtained from the Risk Management Division, 1200 W. Third, Little Rock, AR 72201-1904, (501) 371-2690 or insurance.risk.management@arkansas.gov.

19.4 Vehicles Lost to Theft

Agencies which are unable to locate a vehicle due to a suspected theft are to report the loss to the following entities within 24 hours of attributing the loss to theft:

- Local law enforcement agencies
- DFA-Office of Accounting
- The Office of the Attorney General
- The Division of Legislative Audit

Additionally, agencies are to report the loss immediately to the State insurance carrier.

20.0 TRAFFIC AND PARKING VIOLATIONS

20.1 Reporting Traffic Citations

Employees who are cited for a traffic violation while driving a state-owned vehicle must report the citation to their immediate supervisor within 24 hours or by the next business day as appropriate.

20.2 Administrative Action Required

Administrative action will be required if employees who are required to drive on State business receive excessive traffic citations. Administrative action will be dictated by the State Vehicle Safety Program based on the number of points a driver has accumulated according to DFA-Office of Driver Services. Drivers who accumulate excess points may lose the privilege of having access to State vehicles.

20.3 Parking Tickets

Employees are personally responsible for resolving any parking citations received while using a State Vehicle and for the payment of any parking fines arising from their use of a State vehicle. Failure to adequately resolve any parking fines could lead to administrative action against the employee.

21.0 CELLAR PHONES AND TEXTING

The use of cellular phones to carry out conversations while operating a State vehicle is strongly discouraged. Texting and driving is against State Law.

22.0 USE OF STATE VEHICLES BY VOLUNTEERS

Volunteers may utilize agency vehicles in the performance of their duties provided they are duly licensed in accordance with the requirements of all applicable state laws and have completed the required forms authorizing the operation of a state vehicle and the release to obtain his/her Traffic Violation Record. Volunteers utilizing State vehicles are subject to all rules and regulations which would otherwise govern state employees acting in the same manner.

23.0 GLOBAL POSITIONING UNITS

State-owned vehicles are authorized to carry Global Position devices (GPS). Agencies, boards and commissions opting to install GPS devices on State vehicles are asked to consider the cost of doing so and the best business interests of the State. Records generated by a GPS unit and

which describe the location and travel of State-owned vehicles are subject to disclosure under the Arkansas Freedom of Information Act (FOIA). Disclosure under FOIA is appropriate only after 30 days have elapsed from the time the travel took place.

24.0 FUELING OF STATE OWNED VEHICLES

24.1 Self –Service Pumps

State employees operating a State-owned vehicle shall only use self-service gasoline pumps. If the vehicle operates on a fuel other than gasoline for which self-service pumps are not available, the State employee will use the most cost-effective alternative that is reasonably available.

24.2 Biofuel

All diesel-powered motor vehicles, light trucks and equipment owned or leased by a State agency shall operate using diesel fuel that contains a minimum of two-percent biofuel by volume.

Appendix A: Statutes Related to State Vehicles

Title 15: Natural Resources and Economic Development

15-13-202. Biofuel standard for state vehicles and state equipment.

Beginning on January 1, 2009, all diesel-powered motor vehicles, light trucks, and equipment owned or leased by a state agency shall be operated using diesel fuel that contains a minimum of two percent (2%) biofuel by volume.

Title 19: Public Finance

19-4-901. Rules and regulations generally.

The Chief Fiscal Officer of the State shall promulgate rules and regulations with respect to travel and travel allowances and prescribe the forms and procedures for reporting, approving, and paying such travel allowances for all officers and employees of the state government or for other persons who are authorized to carry out official duties in connection with the business of the state.

19-4-902. Authorization for travel.

(a)(1) The responsibility for authorizing travel, or any expenses in connection therewith, shall be placed upon the board or commission in charge or upon the administrative head of each state agency.

(2) No travel expenses shall be authorized or allowed without the approval of the board, commission, or administrative head of any agency.

(b) It shall be the responsibility of the administrative head of any agency to keep on file in the place of business of the agency, subject to audit, copies of all supporting documents and required receipts for expenses incurred in connection with the travel authorizations and allowances for persons traveling on behalf of the agency.

19-4-903. Standard reimbursements and special authorizations.

(a)(1) Except for special authorization by the Chief Fiscal Officer of the State, reimbursement for meals and lodging while traveling on official business of the state shall not exceed the maximum rates as prescribed by the Federal Travel Directory published by the United States General Services Administration.

(2) Requests for special authorization shall be limited to those rare occasions where unusual circumstances may cause the existing rates to be inadequate and shall be set out in writing in such detail as shall be required in the state travel procedures and shall be executed on behalf of each individual traveler for each special authorized occasion. Provided however, that requests for special authorization by employees of institutions of higher education shall be subject to the approval of the chief executive officer of the institution and not the Department of Finance and Administration.

(3) Under such emergency conditions as shall be determined by the Governor, the limitations of this subsection with respect to meals and lodging may be waived or modified.

(b)(1) As used in this subsection, state-owned motor vehicle means a motor vehicle purchased or leased by:

- (A) The State of Arkansas;
- (B) The office of a constitutional officer of the State of Arkansas;
- (C) A constitutionally independent agency or commission; and
- (D) A state-supported institution of higher education.

(2)(A) Unless otherwise provided by law, reimbursement for the use of privately owned motor vehicles while traveling on official business for the state shall not exceed the allowable rate of the Internal Revenue Service per mile for business use of privately owned motor vehicles.

(B) A state agency director may authorize reimbursement for travel expenses for meals, lodging, and private automobile or airplane usage at amounts less than that established under the authority of this section.

(C) The Chief Fiscal Officer of the State by regulation may establish procedures and the rate for reimbursing individuals for the use of privately owned airplanes while traveling on official business for the state.

(3)(A)(i) Any employee of the State of Arkansas who utilizes, but whose job does not require the state employee to utilize, a state-owned motor vehicle for transportation to or from his or her permanent residence from or to his or her official station on a daily basis shall reimburse the fund from which the operating expenses of the state-owned motor vehicle are paid at the same rate authorized by the state agency director of the agency employing the state employee for reimbursements for private automobile usage under subdivision (b)(2)(B) of this section.

(ii) As used in subdivision (b)(3)(A)(i) of this section, state employee:

(a) Means an employee of a state agency, board, commission, department, or state-supported institution of higher education; and

(b) Includes a constitutional officer and an employee of a constitutional officer.

(B) All state-owned motor vehicles or state-leased motor vehicles shall be for official business use only.

(c) The Chief Fiscal Officer of the State shall promulgate rules and regulations to implement the provisions of this subchapter.

19-4-904. Exempt persons and agencies.

(a)(1) The limitations of this subchapter relating to travel regulations shall not be applicable to:

(A) Except as provided in 19-4-903(b), the constitutional or elective officials and their employees; or

(B) Official guests of the state.

(2) The provisions of this subchapter shall not be used to supersede or set aside the provisions of law providing for fixed allowances, established amounts for per diem, or to special travel privileges provided by law for specific purposes when the allowances exceed those authorized in this subchapter.

(b)(1) Personal reimbursement will not be allowed to any state official, state employee, or any other person traveling on official business for expenses covering personal entertainment, flowers, valet service, laundry and cleaning, or other personal expenses, as those expenses shall be defined in the state travel regulations. All such persons shall be required to submit their travel reimbursement requests upon forms prescribed by the Department of Finance and Administration, itemized in such detail as shall be necessary to carry out the purposes and intent of this section.

(2) The tip reimbursement amount shall not exceed fifteen percent (15%) of the meal amount expended.

(3) The total reimbursement for meals and tips shall not exceed the maximum rates prescribed by the Financial Management Guide published by the Office of Accounting of the Department of Finance and Administration.

(c) The cost of meals, lodging, and mileage of state employees who are designated by a supervisor or agency director to attend official or special board meetings or other functions recognized as being in the performance of their official duties may be paid either as reimbursement to the employee or on direct billing, in the case of meals and lodging, subject to approval of the superior.

(d) It is recognized that within the state-supported institutions of higher education there exists an obligatory inherent cost of providing travel expenses for a group or number of students who, when accompanied by those who instruct the students in the fundamentals of a competitive sport and direct team strategy, must travel and be recognized as a cohesive unit representing not only their institution, but exemplifying the State of Arkansas in their behavior, attitudes, interests, presentation, and conduct. In these circumstances the payment of group travel expenses, including those of students and employees, may be authorized as follows:

(1) Meals and lodging;

(2) Transportation;

(3) Entertainment, within reasonable limits, to ease the pressure on students of their objectives;

(4) Costs of group activities, including gratuities, laundry, cleaning, and favors; and

(5) Other personal expenses to be paid only from auxiliary funds not inconsistent with standards, rules, regulations, or prohibitions established by recognized national or state governing associations pertaining to the respective students and employees and the institutions they are representing.

19-4-905. State-owned motor vehicles generally.

(a) All state-owned motor vehicles which are purchased under the authority of the Chief Fiscal Officer of the State shall be licensed in such manner so as to identify each vehicle as state property.

(b) The Chief Fiscal Officer of the State shall provide a special license plate suitable for all state-owned motor vehicles and shall establish procedures for the purpose of supplying

information on all state-owned motor vehicles, both those which are purchased and those which are sold, traded in, or otherwise disposed of.

(c) The Chief Fiscal Officer of the State shall make rules and regulations for obtaining the required license plates and for returning the plates when the vehicles are disposed of and shall notify all state agencies of procedures to be followed.

(d)) Each agency shall be required to pay the regular license fee for the special state property license plate in the manner prescribed by the department.

(e) In the event the best interests of the state would be served by not displaying a special tag, such as in police work, an exception to the provisions of this section may be obtained only upon the written approval of the Governor.

19-4-906. Motor vehicle restrictions and authorizations.

(a) None of the funds appropriated for the various state agencies, authorities, boards, commissions, departments, and institutions of higher education listed below shall be used to purchase, lease for over thirty (30) days, operate, repair, or provide services for more than the maximum number of passenger motor vehicles as set out in this section, except in an emergency as proclaimed by the Governor. Passenger motor vehicles are defined as those licensed for highway use, including, but not limited to, automobiles, trucks, and vans. Mileage reimbursement for employees' utilization of their personal automobiles shall not be deemed to be included in this restriction.

(b)(1) The General Assembly recognizes that, in some cases, motor vehicles are donated to educational institutions and agencies primarily for use in automotive repair and maintenance courses and in instructional programs for truck operators and that such motor vehicles are not normally used for other purposes by the institutions and agencies and should not be included in the maximum number of authorized passenger vehicles prescribed for such institutions and agencies in this section.

(2)(A) Therefore, motor vehicles donated to educational institutions and agencies primarily for use in programs of instruction in automotive maintenance and repair, in operator training, and in related instructional programs shall not be included for the purpose of determining the number of vehicles authorized for any such institutions or agencies.

(B) The provisions of this section shall not be applicable to these motor vehicles.

(c)(1) The Department of Human Services is exempt from the provisions of this section.

(2) The Department of Human Services may purchase vehicles utilizing federal funds and the appropriate state matching funds required.

19-4-907. Motor vehicle records.

The Chief Fiscal Officer of the State may direct all state agencies to maintain records with respect to all state-owned motor vehicles and may require that the agencies file reports on the vehicles covering the operating costs thereof.

19-5-1002. Motor Vehicle Acquisition Revolving Fund.

(a) There is established on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a fund to be known as the "Motor Vehicle Acquisition Revolving Fund".

(b)) This fund shall be used for the purpose of acquiring motor vehicles as authorized by §§ 22-8-201 - 22-8-209.

(c) The fund shall be financed by:

(1) Its proportionate share of moneys made available from the allocation of general revenues as authorized by the Revenue Stabilization Law, § 19-5-101 et seq.;

(2) Moneys made available upon the disposal of used vehicles, which moneys shall be deposited to the credit of the Motor Vehicle Acquisition Revolving Fund rather than being deposited to the owing state agency's fund;

(3) Deposits of moneys from benefiting state agencies; and

(4) Transfers from other Treasury funds and fund accounts of benefiting state agencies.

Title 21: Public Officials and Employees

21-13-107. Meals, lodging, and transportation.

(a)(1) Every department which utilizes the services of volunteers is authorized to provide volunteers with incidental reimbursements as are consistent with allowances authorized by law for reimbursement for state or local employees.

(2) Such reimbursements include transportation costs, lodging, and subsistence, as the department deems appropriate, to assist volunteers in performing their duties, provided that sufficient funds are available.

(b)(1)(A) Departments may furnish meals without charge to regular-service volunteers, provided that the scheduled work assignments of such volunteers extend over an established meal period.

(B) Meals may be furnished without charge to occasional-service volunteers at the discretion of the department's executive head.

(2) Lodging, if available, may be provided temporarily at no charge to regular-service volunteers, at the discretion of each department.

(3)(A)(i) Transportation reimbursement may be furnished to those volunteers whose presence is determined to be necessary to the department.

(ii) Rates or amounts of such reimbursement shall not exceed the allowances provided under applicable state travel regulation for state departments or under applicable travel regulations with respect to volunteer services rendered to departments of political subdivisions and school districts.

(B) Volunteers may utilize department vehicles in the performance of their duties, subject to the rules and regulations governing use of state vehicles by paid staff.

Title 22: Public Property

22-8-101. Registration of state-owned motor vehicles -- Report.

(a)(1) In order that a complete inventory of all state-owned motor vehicles is maintained, every state agency, including the Arkansas State Highway and Transportation Department, the Arkansas State Game and Fish Commission, the Department of Arkansas State Police, the Arkansas National Guard, and all constitutional offices shall annually register each motor vehicle owned by the State of Arkansas with the Director of the Department of Finance and Administration in a manner prescribed by the director.

(2) The registration shall include a description of each motor vehicle, including the year, make, model, license number, vehicle identification number, and other information which the director might require.

(3) Whenever any state agency sells or disposes of a motor vehicle, a complete record thereof shall be furnished to the director as authorization for the removal of the vehicle from the official state inventory.

(4) Whenever any state agency acquires a new or additional motor vehicle, the information required by this subsection to be placed in the state inventory shall be furnished to the director within ten (10) days after the acquisition of the vehicle by the agency.

(5) The director shall keep the inventory of motor vehicles owned by the State of Arkansas and its agencies current at all times, categorized in accordance with the motor vehicles owned by each of the respective state agencies.

(b)(1) The director shall make an annual report to the Legislative Council as to the number of motor vehicles owned by the State of Arkansas.

(2) The report shall include a comparison of the current inventory of motor vehicles with an inventory of the preceding year.

22-8-102. Leasing and renting of vehicles by state agencies.

(a) For purposes of this section:

(1) Lease means obtaining the use of a motor vehicle from any source for a monetary fee, for a period of thirty-one (31) days or more; and

(2) Rental means obtaining the use of a motor vehicle from any source for a monetary fee for a period of thirty (30) days or less.

(b)(1) Before any state agency shall lease any motor vehicle or renew any existing lease for a motor vehicle, the agency shall submit a written request to the State Procurement Director identifying the motor vehicles sought to be leased by the agency and all facts and circumstances the director may request to enable him or her to determine the economics, need, and feasibility of leasing the motor vehicle.

(2) Upon receipt, the director shall review the request to lease the motor vehicle, and if he or she determines that the lease is in the best interest of the State of Arkansas and that the agency has adequate funds to pay the lease, he or she may approve the request but only if he or she has first received the approval of the Legislative Council.

(3) After receiving the approval of the Legislative Council, the director shall stamp his or her approval on the request and return it to the state agency, which may then proceed to enter into the lease as proposed and approved by the director.

(4) In emergency situations, the director may approve a temporary lease of a motor vehicle, not to exceed thirty (30) days, but only if he or she has sought the advice of the Chair of the Legislative Council and scheduled the temporary lease of a motor vehicle for consideration at the next meeting of the Legislative Council.

(c) If the director disapproves a proposed lease of a motor vehicle, he or she shall stamp his or her disapproval on the request and return it to the state agency, and it shall be unlawful for the state agency to proceed to lease the motor vehicle.

22-8-103. Penalty for noncompliance with §§ 22-8-101 and 22-8-102.

Any department head or employee of the State of Arkansas failing or refusing to carry out the provisions of §§ 22-8-101 and 22-8-102 shall be deemed guilty of a Class B misdemeanor and upon conviction shall be punished in the manner provided by law.

22-8-104. Private use of state or county vehicles -- Penalty.

(a) It shall be unlawful for any state or county employee who is employed by the Arkansas State Highway and Transportation Department or by a county highway department, county judge, or road commissioner to use trucks and automobiles that belong to the state or county for any purpose other than performing actual service for the state or county.

(b)) The use of publicly owned cars and trucks for individual use to make pleasure trips on Sundays and other holidays, except when going to and from the place of employment or transporting tools, material, and other supplies to places of necessity, is prohibited.

(c) The provisions of this section shall not be so construed as to prevent judges and road commissioners from making road inspection trips when the judge or road commissioner deems the inspections necessary.

(d) Any person who violates any of the provisions of this section shall be guilty of a misdemeanor and upon conviction shall be fined not less than fifty dollars (\$50.00) and not more than one hundred dollars(\$100).

22-8-105. Global positioning devices on certain state-owned vehicles.

(a) As used in this section, "global positioning device" means a device that can access a global navigation satellite system or that uses radio frequency information technology and provides reliable location and time information and is capable of recording the travel and location of a vehicle.

(b)(1) A global positioning device may be installed on a state-owned vehicle.

(2) Each state agency, board, or commission may keep records of its vehicles' travels and locations as recorded by the global positioning device.

(c)(1) The records kept by a state agency, board, or commission under this section are subject to disclosure under the Freedom of Information Act of 1967, § 25-19-101 et seq.

(2) However, disclosure shall not be made for the travels or locations of any state-owned vehicle under this section until thirty (30) days have elapsed after the travel or after the state-owned vehicle was at the location.

(d)) The records kept by a state agency, board, or commission under this section are subject to audit by the Division of Legislative Audit and shall be kept for at least five (5) years.

(e) Each state agency, board, or commission that uses global positioning devices on its vehicles may promulgate rules for the implementation and administration of this section.

22-8-201. Title.

This subchapter may be known as the "Automobile and Pickup Truck Acquisition Act for the State of Arkansas

22-8-202. Purpose.

The purpose of this subchapter is to establish procedures for the acquisition, disposal, and reassignment by the Department of Finance and Administration of automobiles and pickup trucks, as defined in § 22-8-203, to be acquired, owned, or otherwise disposed of by certain state agencies, boards, commissions, departments, and institutions of higher education.

22-8-203. Definitions.

As used in this subchapter:

- (1) "Automobile" means a motorized vehicle equipped with pneumatic tires used for the transportation of persons, as commonly known and recognized by the Revenue Division of the Department of Finance and Administration, as a pleasure vehicle for licensing purposes as established by § 27-14-601(a)(1);
- (2) "Emergency vehicle" means an automobile or pickup truck used in law enforcement or for protection of the public peace and health of the citizens of Arkansas;
- (3) "Pickup truck" means a motorized vehicle equipped with pneumatic tires which are regularly and commonly rated as having a load capacity not exceeding three-fourths (3/4) ton, as recognized by the Revenue Division of the Department of Finance and Administration, for licensing purposes for trucks and trailers as established in § 27-14-601(a)(3)(A);
- (4) "State agency" means a state agency, board, commission, department, or institution of higher education which derives any financial support from the fund accounts enumerated in §§ 19-5-302 -- 19-5-304, 19-5-306, 19-5-307, 19-5-1011, 19-6-404, 19-6-411, and 25-4-117;
- (5) "State Vehicle Inventory and Control System" means an automated system maintained by the Department of Finance and Administration to record and control the size and composition of the state's vehicle fleet and to accumulate historical data on the costs associated with the vehicle fleet; and
- (6) "Vehicle" or "motor vehicle" means an automobile or pickup truck as defined in this section, unless used out of context in implementing the purposes and intent of this subchapter.

22-8-204. Applicability.

This subchapter shall not apply to the elected constitutional officers of the state, to the moneys appropriated by the General Assembly for financing the statutory responsibilities of these officers, to the Arkansas State Highway and Transportation Department, nor to any local political subdivision.

22-8-205. Allocation of vehicles -- Priority listing.

(a) Each state agency requesting the acquisition of an automobile or pickup truck shall:

- (1) Have its existing automobiles and pickup trucks included on the state vehicle inventory and control system;
- (2) Not exceed the number of motor vehicles as authorized by law for the agency; and
- (3) Submit a schedule as required for replacing its automobiles or pickup trucks reflecting each vehicle's historical information, the need for replacement, and the disposition of the existing vehicle.

(b)) From the information provided by state agencies requesting the acquisition of automobiles or pickup trucks, the Department of Finance and Administration shall prepare a prioritized ranking for the then-current fiscal year based upon:

- (1) Age of the vehicle to be replaced;
- (2) Actual and projected mileage of the vehicle to be replaced;
- (3) A history of repair costs of the vehicle to be replaced;
- (4) Number and average age of each state agency's fleet of vehicles; and
- (5) Condition of state agency fleet and cost of maintenance of its vehicles.

(c) The Director of the Department of Finance and Administration, through its Marketing and Redistribution Section, shall have the authority to reassign a vehicle from a state agency to another state agency based upon need, age, condition, utilization, and justification but not to decrease a state agency's actual number of vehicles owned.

(d)) The director shall review the schedule of prioritized ranking for acquiring vehicles, and he or she shall have the authority to make changes, as he or she deems necessary, to the priority listing. He or she shall then forward the priority listing to the Governor for his or her approval or modification.

(e) Upon securing the Governor's approved priority listing for acquisition of motorized vehicles, the director shall then proceed to acquire the vehicles, and he or she shall ensure that the replaced vehicle is transferred to the Marketing and Redistribution Section of the Department of Finance and Administration within thirty (30) days for disposal.

22-8-206. Purchase of automobiles.

(a) The Director of the Department of Finance and Administration shall purchase vehicles for state agencies from moneys as appropriated and made available by the General Assembly.

(b) There is created and established upon the financial records of the Department of Finance and Administration, the Treasurer of State, and the Auditor of State a fund to be known as the Motor Vehicle Acquisition Revolving Fund, which shall be used for the purpose of acquiring motor vehicles as authorized by this subchapter.

(c)(1) The Motor Vehicle Acquisition Revolving Fund shall be financed by its proportionate share of moneys made available from:

- (A) The allocation of general revenues as authorized by the Revenue Stabilization Law, 19-5-101 etseq.;

(B) Moneys made available upon the disposal of used vehicles, which moneys shall be deposited to the credit of the Motor Vehicle Acquisition Revolving Fund rather than being deposited to the owning state agency's fund;

(C) Deposits of moneys from benefitting state agencies; and

(D) Transfers from other State Treasury funds and fund accounts of benefitting state agencies.

(2) Upon approval by the Chief Fiscal Officer of the State, the appropriation and funds shall be transferred from the Motor Vehicle Acquisition Revolving Fund to the designated appropriation and fund of the state agency.

(d)(1) In the event that the director determines that any state agency, as defined by 22-8-203(4), has sufficient funding from sources other than general revenues that may be used to purchase vehicles requested by the agency, he or she shall transfer on his or her books and on the books of the Auditor of State and the Treasurer of State an amount equal to the price of the vehicles from the fund from which the funding is available to the Motor Vehicle Acquisition Revolving Fund.

(2) Upon approval by the Chief Fiscal Officer of the State, the Motor Vehicle Acquisition Revolving Fund appropriation shall be transferred from the Motor Vehicle Acquisition Revolving Fund to the designated appropriation of the state agency.

(3) In the event that the funds are held in depositories other than the State Treasury, the administrative head of the affected state agency shall issue a check drawn against the funds, which shall be deposited into the Motor Vehicle Acquisition Revolving Fund as a nonrevenue receipt.

(e) After seeking the advice of the Legislative Council, in order to effectuate the intent and purposes of this subchapter, the Chief Fiscal Officer of the State shall have the authority to transfer:

(1) Appropriations from the Property Sales Holding Fund to the Motor Vehicle Acquisition Revolving Fund; and

(2) Appropriations or funds from the Motor Vehicle Acquisition Revolving Fund to the designated state agency appropriation and fund from which the payment for the purchase of vehicles is to be made.

(f) The Department of Human Services is hereby exempt from this section insofar as federal funds and state general revenues necessary to match the federal funds may be transferred to the Motor Vehicle Acquisition Revolving Fund when the Director of the Department of Finance and Administration has determined that the Department of Human Services has sufficient funding that may be used to purchase requested vehicles.

22-8-207. Purchase from qualified vendors.

The Director of the Department of Finance and Administration shall have the authority to purchase new or used vehicles from qualified vendors in accordance with the Arkansas Procurement Law, § 19-11-201 et seq.

22-8-208. Vehicle ownership.

Vehicles acquired or assigned under the provisions of this subchapter shall be the property of the state agency to which the vehicle is assigned, and legal title to the vehicle is to rest with the agency.

22-8-209. Rules and regulations.

The Director of the Department of Finance and Administration, through his or her disbursing officer, is authorized to promulgate such rules and regulations as deemed necessary to implement the provisions and intent of this subchapter.

22-8-210. Motor vehicle renovation.

(a) Funds deposited into the Motor Vehicle Acquisition Revolving Fund created by § 19-5-1002(a) and § 22-8-206(b), which may be made available for the purchase of motor vehicles for the Department of Arkansas State Police, may in addition be made available and used for expenses associated with the renovation of state police motor vehicles.

(b) If the Director of the Department of Arkansas State Police determines the cost associated with renovating or repairing state police motor vehicles is economically beneficial, he or she shall contract with a qualified vendor and, when invoiced, shall submit said invoice to the Chief Fiscal Officer of the State, who shall direct payment from moneys set aside in the fund for the department.

Title 25: State Government

25-1-110. Cost-effectiveness of state-owned vehicles.

(a) Each agency shall ensure that the purchase and continued ownership of state-owned vehicles is cost effective for the agency.

(b)(1) Each agency shall determine if the purchase or continued ownership of a vehicle is cost effective based upon a comparison between state vehicle ownership and private car mileage reimbursement break-even points, as established pursuant to regulations promulgated by the Department of Finance and Administration.

(2) The comparison shall be based upon the previous year's use of the state-owned vehicle.

(c) On June 1 of every year, each agency shall provide the department a report including:

(1) The number of agency vehicles;

(2) The mileage used on the agency vehicles;

(3) Any private car mileage reimbursements; and

(4) Justification for retention of all vehicles identified as under-utilized.

(d) By September 1 of each year, the department shall provide each agency and the Legislative Council with recommendations concerning the continued ownership of state-owned vehicles by each agency.

(e)) The provisions of this section do not apply to institutions of higher education and vocational technical institutes.

Appendix B: Executive Order 10:14

EXECUTIVE ORDER GOVERNING THE USE OF MOTOR VEHICLES OWNED OR LEASED BY EXECUTIVE BRANCH AGENCIES, BOARDS AND COMMISSIONS

I, MIKE BEEBE, Governor of the State of Arkansas, acting under the authority vested in me by law, do hereby order and direct as follows:

1. **SCOPE:** For purposes of this Executive Order, "state vehicles" means "automobiles," "emergency vehicles," and "pickup trucks" (as defined in Ark. Code Annotated § 22-8-203(1) through (3)), which are owned or leased by any agency, board, or commission of the executive branch of state government.

2. **OFFICIAL BUSINESS:** State vehicles shall be used only for purposes of official state business, as provided in this Order.

3. **VEHICLE POOLS:** Except as otherwise provided in this Order, all state vehicles not assigned to individual officials or employees of an agency, board, or commission must be pooled and available to any authorized officials or employees of that agency, board, or commission who require use of a state vehicle for official purposes. Pooled vehicles must remain on state property when not in authorized use.

4. **TAGS AND OFFICIAL MARKINGS:** All state vehicles shall be clearly marked with either the seal of the State of Arkansas or the seal or insignia of a state agency, board, or commission. All state vehicles shall be licensed with and display State "Official Business Only" license plates, except for those state vehicles used for purposes in which it is in the best interest of the State for such vehicles not to bear such plates and insignia, such as vehicles used for law enforcement or similar purposes, pursuant to Ark. Code Ann. § 19-4-905(e).

5. **ASSIGNMENT OF STATE VEHICLES TO INDIVIDUAL OFFICIALS OR EMPLOYEES:** State vehicles may not be assigned to or permanently reserved for the use of a single official or employee except when such assignment is in the best interest of the State, pursuant to this section. Circumstances under which the assignment of a state vehicle to an individual agency official or employee shall be deemed to be in the best interest of the State are as follows:

A. **REGULAR TRAVEL STATUS:** State vehicles may be assigned to individual officials or employees whose responsibilities require regular travel from their homes to job assignments, the locations of which vary on a regular basis. This provision shall not be applied to employees who commute from their homes to a single state office. Examples include an employee who drives daily from her home to audit businesses, check scales, monitor pollution, etc. at locations that vary on a regular basis, and in other such circumstances in which the use of a state vehicle is likely to be less costly to taxpayers than the cost of regularly reimbursing the employee for ongoing use of a personal vehicle for official state business.

B. PUBLIC HEALTH, SAFETY, AND WELFARE: State vehicles may be assigned for use by individual officials or employees who are certified law-enforcement officers as required for their job. Vehicles may also be assigned to individual officials and employees whose job duties require them to be available to respond after normal business hours to public health, safety, or welfare emergencies that require immediate travel from a personal residence to a location where specific skills, services, tools, equipment, or supplies are necessary to perform the job.

C. COMMUTING: Commuting in state vehicles is prohibited except when a legitimate state business purpose is established. State vehicles may be used to commute only if a waiver is granted by the Director of the Department of Finance and Administration authorizing commuter status for such a purpose.

i. "Commuting" means driving a state vehicle from the state employee's home to a central state office on a daily basis when the employee is not in regular travel status or is not a certified law-enforcement officer. Appropriate state vehicle use by individuals under Sections 5.A and 5.B of this Order shall not be considered "commuting."

ii. Vehicles used to commute shall be clearly marked with either the seal of the State of Arkansas or the seal or insignia of a state agency, and shall be licensed with and display red state "Official Business Only" license plates, unless a waiver of these requirements has been obtained from the Director of the Department of Finance and Administration.

iii. The Director of the Department of Finance and Administration shall establish the effective period of any waivers granted for commuting, and establish the circumstances, such as change in the employee's job status or duties, which may require the submission and approval of a new waiver application.

iv. Heads of agencies, boards and commissions are responsible for determining, with assistance from the DFA Office of Accounting, whether individual employees who have been assigned a state vehicle are subject to income tax or other similar withholding or reporting for use of the state vehicle.

6. REPORTS OF MISUSE: Reports of alleged misuse of state vehicles received by the Department of Finance and Administration will be communicated by the DFA-Office of Administrative Services to the office of the department or agency director that owns the vehicle. Responses to such reports shall be submitted to DFA-Office of Administrative Services within ten business days of receipt. Such responses shall be signed by either the director or assistant director of the agency/department and shall include a brief description of the circumstances generating the report and corrective/disciplinary action, if any, that was taken.

7. ANNUAL INVENTORY REPORT: The Department of Finance and Administration shall prepare an Annual Inventory Report (AIR) on state vehicles. The AIR shall include

information concerning all vehicles owned or leased by state agencies, as well as those owned or leased by constitutionally-established agencies, boards, commissions, and officers. The AIR shall be posted on the Arkansas Department of Finance and Administration's Web site, and other information about state vehicles shall be made available upon request, as is required by the Arkansas Freedom of Information Act. Subsequent to the effective date of this Order, the Annual Inventory Report shall include information on each state vehicle, including vehicle type; whether the vehicle is assigned to an individual state official or employee and that employee's position or job title; whether an assigned vehicle is used by employees designated as Regular Travel Status or Public Health, Safety or Welfare; whether a vehicle has been assigned to an employee who has been granted a waiver to commute; and the nature of the primary use of the vehicle.

8. **EFFECTIVE DATE:** The terms of this Order shall be effective beginning November 1, 2010. Any existing waivers permitting the assignment of a state vehicle for commuting and/or permitting the use of a state vehicle without state or agency insignia and "Official Business Only" license plates shall expire as of that date. Applications for new waivers pursuant to Section 5.C. of this Order should be submitted to the Director of the Department of Finance and Administration in advance of the effective date of this Order, on such forms and in such manner as the Director may require.

9. **VOLUNTARY COMPLIANCE:** State governmental boards, commissions, agencies or officials who are not subject to the terms of this Order are encouraged to voluntarily comply with its provisions. The Director of the Department of Finance and Administration shall cooperate fully with any such agencies that wish to voluntarily comply.

10. **CONFLICT WITH OTHER LAWS:** This Order does not supersede, alter, amend, or repeal any applicable state statutory law, or any applicable federal statutory law or rules or regulations that may apply to state vehicles. In the event of any conflict between the terms of this Order and the provisions of any state statutory or federal law, the provisions of the latter shall control.

11. **GPD-3:** This order shall supersede any conflicting provisions in previously issued Governor's Policy Directive No. 3.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Arkansas to be affixed at the Capitol in Little Rock on the 5th day of October, in the Year of our Lord 2010.

Appendix C: Implementation of Executive Order 10-14 & Act 1021 of 2011

Executive Order 10-14 establishes three circumstances under which a State vehicle may be assigned to an employee. These circumstances, or status designations, are strictly limited in nature. The terms of the executive order are to be strictly applied, and the purpose of this document is to help State agencies in correctly applying its limitations.

All status designations are specific to individual employees and not positions.

Arkansas Code Section 19-4-903 (b)(3)(A)(i)) requires that the cost of personal use of a State vehicle by an employee be reimbursed to the agency.

For employees granted the status designation of either, Regular Travel or Public Health, Safety and Welfare, complete compliance with these rules will result in no reimbursement for *de minimis* personal use of the vehicle per (A.C.A. 19-4-903 (b)(3)(A)(i)). However usage of the vehicle for the occasional commute to an assigned office for those designated Regular Travel Status will require additional income be recorded on the employee's W-2 (IRS Publication 15b).

Employees who are assigned a State vehicle but whose responsibilities fall outside the scope of either, Regular Travel or Public Health, Safety & Welfare, as defined in these rules, must instead apply with the Department of Finance and Administration – Office of Administrative Services for a status designation of Commuter.

Employees operating under the status designation of the Commuter must report additional taxable income on their W-2 and will be required to reimburse the State for personal use of the State vehicle.

Regular Travel Status: Vehicles may be assigned to specific employees whose responsibilities require regular travel from their homes (official work station) or office to job assignments, the locations of which vary on a regular basis. The assignment of the vehicle is dependent upon the assignment being in the best interest of the State based on cost or other reasons specific to the employee's job assignment. Generally this is based on the volume and distance of travel required by the employee's job function. Examples of employees that meet these criteria are: Tax auditors, driver license hearing officers, and field inspectors.

An employee qualifies for Regular Travel Status only if all of the following conditions have been met: The employee either

- (1) does not at any point work from a work station that is provided by the State for their exclusive use (their official work station is their home) or
- (2) works on a limited or periodic basis from a State-provided work station other than their home; and

The employing agency has made a written determination, based on the employee's regular, documented travel on State business, that the assignment of a State vehicle to the employee will be less costly to the State than the cost of reimbursing the employee for the use of a personal automobile in fulfilling the employee's responsibilities to the State.

If the employing agency determines that the employee meets both of these requirements, the agency must prepare a written justification detailing the facts supporting its conclusion that the employee qualifies for Regular Travel status in accordance with Executive Order 10-14. This written justification must be reviewed and signed by the issuing agency, board or commission, and the justification must be kept on file for as long as the need for the status designation remains.

Public Health, Safety & Welfare: An employee qualifies for Public Health, Safety & Welfare status only if one of the following conditions has been met:

The employee is certified law enforcement officer as required for their job as defined under Ark. Code Ann. § 12-9-102, or

The employee is assigned a vehicle which is specifically equipped with items unique to the job functions of the employee that allow the employee to carry out his or her assigned duties in responding to emergencies which threaten the public health and welfare of the State.

If an agency determines that an employee meets either of these requirements, the agency will prepare a written justification detailing the facts supporting its conclusion that the employee qualifies for Public Health, Safety & Welfare status in accordance with Executive Order 10-14. This written justification must be reviewed and signed by the issuing agency, board or commission, and the justification must be kept on file for as long as the need for the status designation remains.

Commuter: If an agency believes that a strong business interest of the State can only be served through the assignment of a State vehicle to an employee but that employee does not meet the criteria established above for the status designations of either Regular Travel or Public Health, Safety & Welfare, the agency can seek approval from the Director of the Department of Finance and Administration for a status designation of Commuter.

Requests for approval of the status designation of commuter must be made in writing on forms prescribed for that purpose by the Department of Finance and Administration. Requests can be made at any time. If approved, the status designation of Commuter will remain effective for as long as the business interest established by the requesting agency remains in effect. Employees granted the status designation of Commuter will be subject to additional reporting requirements necessary to comply with federal and State laws.

The status designation of commuter requires additional income be added to the employee's W-2, and any employee granted a commuter designation will be required to pay a reimbursement to the State for the commuter miles driven (A.C.A. 19-4-903 (b)(3)(A)(i)). The rate of reimbursement must be equal to the rate paid by the employee's agency as reimbursement for use of a personal vehicle on State business. Employees operating a vehicle under a commuting waiver are responsible for logging every mile driven in that vehicle on the vehicle's log. Employees must clearly identify which miles were driven for personal use only and for which reimbursement must be paid to the State. The amount paid

in reimbursement to the State must match the number of miles reported on the vehicle log as personal use.

The additional income to be added to the employee's W-2 is generally the \$3.00 Commuter Rule rate per day (\$1.50 per each way commute) as detailed in IRS Publication 15-B (page 25 of the 2012 publication). Elected officials and highly compensated employees may be required to calculate a lease value rate instead of using the Commuter Rule (page 26 of the 2012 publication).

Appendix D: Executive Order 10-14 & Act 1021 of 2011: Implementation Matrix

Status Designation Under Executive Order 10-14	Is the employee required to report \$1.50 one-way commuting benefits under IRS Publication 15-B?	Is the employee required to reimburse the employing agency for non-business use of a State Vehicle under Act 1021 of 2011 ¹ ?
Regular Travel (EO 10-14, Paragraph 5A)	Employees designated as Regular Travel Status and whose responsibilities meet the minimum requirements of the status must report the \$1.50 one-way commuting benefit for every instance in which the employee uses a State vehicle to commute between their home and their State-provided work station. Employees operating a State vehicle under a Regular Travel status designation are excused from this obligation if they travel from their homes to any place of work other than their official, state-provided work station.	The employee is not required to reimburse the employing agency for use of a State vehicle to travel to and from their homes.
Public Health, Safety & Welfare (EO 10-14, Paragraph 5B)	Employees designated as Public Health, Safety & Welfare status and whose responsibilities and qualifications meet the minimum requirements of the status are excused from reporting \$1.50 one-way commuting benefit.	The employee is not required to reimburse the employing agency for use of a State vehicle to travel to and from their homes.
Commuting (EO 10-14, Paragraph 5C)	Employees designated as Commuters must report the \$1.50 one-way commuting benefit for every instance in which the employee uses a State vehicle to commute between their home and their State-provided work station.	The employee is required to reimburse the employing agency on a per-mile basis for any miles driven in a State vehicle while traveling between an employee's home and their official work station.

¹ Ark. Code Ann. § 19-4-903(3)(A)(i)