
SECTION 17

TRAVEL POLICIES

17.04 GOVERNMENT-OWNED OR LEASED VEHICLES

AUTHORITY: TREASURY BOARD

ADMINISTRATION: PUBLIC SERVICE COMMISSION
TREASURY BOARD SECRETARIAT

EFFECTIVE DATE: JUNE 2024

17.04 GOVERNMENT-OWNED OR LEASED VEHICLES

(1) PURPOSE

The purpose of this policy is to set out, in summary form, some relevant information for employees who have been assigned a motor vehicle; owned, leased or otherwise rented by the Government to carry out the official responsibilities of their positions. For more detail on the policy and procedures on Government vehicles refer to Section 18 - Government Vehicles of the Treasury Board Policy and Procedures Manual.

(2) APPLICATION

The application of this policy is referenced to the schedules of the *Financial Administration Act* (FAA) and applies, as follows:

- Schedule “A” - Departments
- Schedule “B” - Crown Corporations - **except**
 - Workers Compensation Board
 - Charlottetown Area Development Corporation
 - Summerside Regional Development Corporation
- Schedule “D” - Commissions

except to the extent that their enabling legislation may incorporate alternate requirements, such as Ministerial or Board Authority.

While this policy **does not apply in total** to the Crown corporations noted above and Reporting Entities listed in Schedule “C” of the *Financial Administration Act*, the **spirit and intent** of the policy should serve as a **guideline** for these entities in developing their own policies.

(3) ASSIGNMENT OF VEHICLES TO EMPLOYEES

(a) Policy Guidelines

Consistent with Government’s overall vehicle policy objective, the following guidelines have been established:

- (i) employees should be encouraged to use their own vehicle for travel on Government business in return for the transportation allowance outlined in Section 17.02 - In-Province Travel of the Treasury Board Policy and Procedures Manual, where in-province business travel does not exceed 30,000 km per year;
- (ii) in positions where an employee is expected to travel on a regular basis and where such travel is not expected to exceed 30,000 km per year, departments and agencies should work toward making it a condition of employment that the employee provide their own vehicle;

- (iii) in positions where an employee is required to travel in excess of 30,000 km per year, or where the nature of the travel requires a special type of vehicle or tends to put excessive wear on the vehicle or where the employee is unwilling or unable to provide their own transportation (and such is not a condition of employment) the department or agency should examine the situation and determine whether the employee is to be assigned a Government vehicle or be given access to a pooling arrangement;
 - (iv) in positions where the employee is regularly required to travel on Government business in excess of 35,000 km per year, departments and agencies must provide a vehicle for the employee's use in accordance with other sections of this policy, unless other arrangements are specifically approved by Treasury Board;
 - (v) in special circumstances where a number of employees can share (pool the use of) a vehicle in an efficient and effective manner the department or agency may consider providing a vehicle (refer to Section 18.04 - Vehicle Pooling/Swing Vehicles of the Treasury Board Policy and Procedures Manual); and
 - (vi) employees who are assigned a Government vehicle must have a valid driver's license.
- (b) Authorization and Procedures
- (i) Deputy Heads are responsible for determining, within the above-noted guidelines, whether or not an employee or group of employees should be assigned or continue to be assigned a government vehicle.
 - (ii) The utilization of all vehicles in the fleet, as well as allowances paid to employees using their own vehicles, are to be reviewed at least annually to determine the need for changes to the fleet and to ensure such changes are reflected in the department's budget. This review is the responsibility of the Deputy Head or their delegated officer.
 - (iii) Employees, who have been assigned a Government vehicle are required to sign a Government Assigned Vehicle Acknowledgement, in the form set out in Attachment 18.03-I). This Acknowledgement sets out the responsibilities of the employee and Government in care and control of the vehicle.
 - (iv) Each employee who is assigned responsibility for a pool vehicle is required to sign a Government Pooled Vehicle Acknowledgement, in the form set out in Attachment 18.03-II, which sets out the responsibilities of the employee in the care and control of the vehicle.

(4) PERSONAL USE OF VEHICLES**(a) Policy**

Consistent with the overall objectives of Government vehicle policy, “personal use” includes travel between an employee’s domicile and their place of work, as well as other personal travel.

(b) Procedures

(i) Employees who have been allocated a Government-owned or leased vehicle must reimburse the Government for all personal use as follows:

0-3,000 kilometers per fiscal year	-	Nil
Over 3,000 kilometers per fiscal year:		
6 cylinder or less	-	14.5 cents/km
8 cylinder	-	16.5 cents/km

For greater clarity, an employee who has an assigned vehicle for less than a full year will receive the same proportion of the “no charge” 3,000 km, provision as the proportion of the year the vehicle has been assigned to them (e.g., prorated).

- (ii) Departments shall ensure that vehicle diaries are maintained and monitored for all personal use and that employees reimburse the Government in accordance with the foregoing rates. Employees have primary responsibility and supervisors have secondary responsibility to ensure accuracy of claims.
- (iii) When an employee travels with an assigned Government vehicle to a workplace other than their primary workplace, the distance to be claimed for personal use shall be as set out in Section 18.05 - Personal Use of Vehicles of the Treasury Board Policy and Procedures Manual.
- (iv) An employee operating a Government vehicle for personal use shall include on the Monthly Vehicle Log Report (see Attachment 18.06-I) an account of all personal kilometers travelled. Reimbursement for personal use shall accompany the monthly submission of vehicle log reports.
- (v) Except in emergencies, only the employee is permitted to drive a Government-owned or leased vehicle. Notwithstanding the foregoing, drivers other than the employee may be permitted to drive the vehicle **in emergency situations**.
- (vi) Government-owned or leased vehicles are not permitted to be taken out of the province for personal use without the written authorization of the Minister or delegated officer.

(c) Tax Implications

The employee should be aware that Canada Revenue Agency considers any personal use of a Government-owned or leased vehicle to be a taxable benefit. For further information, the employee should consult the Canada Revenue Agency publication entitled “Employment Expenses Tax Guide.”

(5) **INTERPRETATION**

In cases where an interpretation is required, such should be referred to the Secretary to Treasury Board or their delegated officer who will make the interpretation or refer the matter to Treasury Board, if a Treasury Board decision is deemed necessary.

CAUTION: Employees using Government vehicles for private purposes without proper authorization place themselves in a precarious position in that they will be held responsible for public liability and property damage claims in the event of an accident, particularly if injuries are involved. Such unauthorized use could result in disciplinary action by the employer.