

MANAGEMENT MEMO

SUBJECT:

VEHICLE HOME STORAGE PERMITS

NUMBER:

MM 13-03

DATE ISSUED:

JANUARY 22, 2013

EXPIRES:

UNTIL RESCINDED

REFERENCES: GOVERNMENT CODE SECTIONS: 11000, 14618, 19993.1-19993.8; CALIFORNIA VEHICLE CODE SECTIONS 5001-5002.6; CALIFORNIA CODE OF REGULATIONS: TITLE 2, SECTION 599.800-599.809; STATE ADMINISTRATIVE MANUAL SECTIONS: 4104, 4105, 4107, 4109, 8572.4

THIS MANAGEMENT MEMO AUGMENTS TITLE 2, SECTION 599.808 OF THE CALIFORNIA CODE OF REGULATIONS

ISSUING AGENCY:

DEPARTMENT OF
GENERAL SERVICES

Purpose

This Management Memo informs state agencies of the additional requirements over and above the criteria set by the California Code of Regulations (CCR) regarding vehicle home storage permits (VHSPs) issued by state agencies. In addition, this Management Memo:

- Outlines the rules for proper use and storage of state vehicles;¹
- Restates that it is the responsibility of managers and their employees to account for and to report state and federal taxable income associated with the personal use of state vehicles;² and,
- Notifies state agencies of the revised STD 377, *Vehicle Home Storage Permit/Request Form*.

Policy

The Department of General Services (DGS) requires that vehicle home storage permits (VHSPs) issued by state agencies be essential or cost effective. DGS requires the use of criteria that augment those provided in the [CCR, Title 2, Section 599.808](#). Further, agencies shall use the revised STD 377, [Vehicle Home Storage Permit/Request Form](#) when requesting vehicle home storage permits.

Who is Affected

All state entities under the jurisdiction of [Government Code Section 11000](#) unless specifically exempted.³

Who Should Review

Executive officers, administrative officers, fleet coordinators, managers, supervisors, business services officers, department auditors, and state vehicle operators.

Background

A VHSP is required for any employee who stores a state vehicle at or in the vicinity of his/her home on a frequent basis as defined by CCR, Title 2, Section 599.808 (d). Section 599.808 (d) requires the Department of General Services (DGS) to prescribe the rules and procedures relating to the home storage of state vehicles as well as to review and approve VHSPs at DGS' discretion.

¹DGS defines a state vehicle as being owned, leased or rented, or otherwise under the control of a state agency.

²If an employer-provided vehicle is stored at an employee's home, commuting between the residence and work site may be considered a taxable event.

³This policy does not apply to employees in an authorized commute program pursuant to CCR Section 599.801.

STATE ADMINISTRATIVE MANUAL

Existing VHSP Policies

- ☐ California law specifies that state vehicles shall be used *only* in the conduct of state business, and that no state officer or employee shall use, or permit the use of, any state-owned motor vehicle other than in the conduct of state business (see [Government Code Sections 19993.1-19993.8](#)).
- ☐ State agencies utilizing non-exempt license plates on state vehicles must strictly adhere to the Department of Motor Vehicles (DMV) rules pursuant to [Vehicle Code Sections 5001-5002.6](#), and [DMV Form INV 218, Request for Nonexempt License Plates](#).
- State vehicles stored at or in the vicinity of an employee's home more than 72 nights in a 12-month period, or 36 nights in a 3-month period, require a VHSP approved by the department head, deputy, or chief administrative officer pursuant to CCR Section 599.808 and STD 377, *Vehicle Home Storage Request/Permit Form*.
- ☐ Employers must apply facts and circumstances on a case-by-case basis to ensure they follow Internal Revenue Service and Franchise Tax Board regulations regarding taxable compensation for personal use of a state vehicle. The [State Controller's Office Payroll Procedures Manual, Section N 129 et seq.](#) has information that covers the taxable event triggered by state vehicle use, as well as the reportable/taxable amount to report and exceptions to the taxable reporting requirements (see [State Administrative Manual Section 8572.4](#)).
- State employees must report the taxable amount monthly on the [State Controller's Office STD 676V, Non-USPS Adjustment Request-Values \(Fringe Benefits/Employee Business Expense\)](#), and submit it to their department's human resources office. If you have questions regarding the taxable amount or the STD 676V, please contact your department's human resources office.

Additional VHSP Criteria

[Executive Order \(EO\) B-2-11](#) specifies that state agencies and departments may only issue VHSPs that are essential or cost effective. In continuance of this policy, DGS developed ongoing criteria to assist departments in their future determinations of essential and cost-effective VHSPs.

ESSENTIAL PERMITS

An essential VHSP is deemed necessary even though it may not be cost-effective; it must meet all of the following criteria:

- ☐ The individual must respond to emergency events after hours as a primary responder.
 - ☐ The emergency responder must respond to the field, rather than to a state facility where his/her vehicle could be stored.
 - ☐ The emergency responder must be able reach the emergency event within 30 minutes to no more than 1 hour.
 - ☐ The emergency response must require specialized equipment that is not transferrable to a personal vehicle, or include activity that is not reasonable for a personal vehicle (i.e., taking a felon into custody).
 - ☐ The emergency response must be for health and safety purposes (i.e., responding to hazards or criminal activity).
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Additional VHSP Criteria (Cont.)

- ☐ The individual only takes a vehicle home when he/she is needed as a primary responder.
- ☐ The individual must respond to a minimum of 24 emergency responses per year.*

A department should not issue an essential VHSP to any employee who does not meet all of the above criteria. It is also incumbent upon the department to report/record information as necessary to support the issuance of an essential VHSP.

*DGS will allow an exemption process for essential VHSPs that cannot meet the minimum of 24 emergency responses per year if a department can demonstrate that there will be a significant health and safety risk to the public if this permit is not issued. A department is required to submit the STD 377, *Vehicle Home Storage Request/Permit Form*, to DGS for approval and to provide narrative to substantiate the critical need for each VHSP.

COST-EFFECTIVE PERMITS

A cost-effective VHSP must meet at least one of the criteria from both Category A and Category B:

Category A

1. The employee has a department-approved home office separate from the department's facilities. Generally, the employee's duty statement and personnel file will denote that his/her reporting office is his/her home.
2. The vehicle is essentially the employee's office (i.e. performing requisite duties in the field on a daily basis directly from his/her home). However, the employee may still be required to occasionally work from a state office.

Category B

1. The employee's job (as reflected on the official duty statement) requires substantial field work (greater than 50 percent), and it is more efficient for the employee to travel directly to the field work location.
2. The employee drives directly to the field from home and/or has work-related after-hour activities that account for 50 percent or more work days within a given month.

A department should not issue a cost-effective VHSP to any employee who does not meet the above criteria. It is also incumbent upon the department to report/record information as necessary to support the issuance of a cost-effective VHSP.

These general standards for cost effectiveness justify the use of a state vehicle versus reimbursement for the use of a personal vehicle or rental – it is not a justification for the state to pay for personal commute miles associated with taking a vehicle home. Providing for personal commuter transportation is not an obligation of the state.

STATE ADMINISTRATIVE MANUAL

Annual Certification

Beginning on January 2, 2014, and each year thereafter, state agencies shall submit a *VHSP Certification Form* ([Attachment 1](#)) to DGS that denotes the number of VHSPs issued at that time. DGS may, at any time, request copies of the permits or a list of names and other specific data for the individuals who have been issued permits.

VHSP Requirements: Required Documents

The following documents shall be on file and available upon request. Should a state agency conduct its own internal audit of its assigned VHSPs, it is required to provide the VHSP audit results and/or findings to the DGS Office of Fleet and Asset Management.

- [DGS STD 273, Monthly Vehicle Travel Log](#) shall be completed on a daily basis to record, among other things, the following: daily miles traveled, date and time of travel, itinerary, overnight storage information, and the driver's name.
 - ☐ VHSP annual certifications shall be completed each calendar year.
 - ☐ VHSP requests (STD 377, *Vehicle Home Storage Request/Permit Form*) shall be completed for each applicable employee.
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Audit Requirements

DGS reserves the right to audit state agencies to ensure compliance with the VHSP requirements. DGS further reserves the right to withdraw a department's ability to issue and approve its own VHSP pursuant to CCR Section 599.808 (d), if it is determined that a state agency is not in compliance with the VHSP policy. The minimum retention schedule for the required documents listed below shall be the current fiscal year and the preceding fiscal year.

DGS Contact

For further information about the vehicle use and storage policy, please contact:

Carol Shellenberger, State Fleet Asset Manager
Department of General Services
Office of Fleet and Asset Management
(916) 928-5831
carol.shellenberger@dgs.ca.gov

Signature

Original Management Memo signed by Fred Klass, Director, DGS

Fred Klass, Director
Department of General Services

Attachment

VHSP Annual Certification Form

Vehicle Home Storage Permit Certification

Department of General Services
Office of Fleet and Asset Management

State department name: _____

Number of active Vehicle Home Storage Permits (VHSPs) as of the signature date
of this certification: _____

This certification is due by January 2 of each year. Please submit the certification either electronically to your agency's assigned analyst or mail to:

Carol Shellenberger
Department of General Services
Office of Fleet and Asset Management
1700 National Drive
Sacramento, CA 95834

I certify that only those personnel who are required to have a permit (i.e., employees who store a state-owned vehicle at or in the vicinity of their home on a frequent basis, as defined below) have a VHSP on file with this department.

California Code of Regulations, Title 2, Section 599.808 (d) Storage of State-Owned Motor Vehicles:

(d) When a state-owned vehicle is to be stored frequently at or in the vicinity of an employee's home, regardless of the reason, a permit must be obtained in advance from his/her department. The permit must be signed by the department head, a deputy, or the chief administrative officer. The Department of General Services (DGS) will prescribe the form and procedures relating to such permits. Permits will be available for review by the DGS. At the discretion of DGS, any agency may be required to submit permits to it for final approval. For the purpose of enforcing this rule, "frequently" is defined as storing a state-owned vehicle at an employee's home, or in the vicinity thereof, for more than 72 nights over a 12-month period or more than 36 nights over any three-month period.

[Executive Order \(EO\) B-2-11](#) specifies that state agencies and departments may only issue VHSPs that are essential or cost-effective. In continuance of this policy, the DGS developed ongoing criteria to assist departments in their future determinations of essential and cost-effective VHSPs.

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An essential VHSP is deemed necessary even though it may not be cost-effective; it must meet all the following criteria:

- ☐ The individual must respond to emergency events after hours as a primary responder.
- ☐ The emergency responder must respond to the field, rather than to a state facility where their vehicle could be stored.
- ☐ The emergency responder must be able reach the emergency event within 30 minutes to no more than 1 hour.
- ☐ The emergency response must require specialized equipment that is not transferrable to a personal vehicle or activity that is not reasonable for a personal vehicle (i.e., taking a felon into custody).
- ☐ The emergency response must be for health and safety purposes (i.e., responding to hazards or criminal activity).
- ☐ The individual only takes a vehicle home when he/she is needed as a primary responder.
- ☐ The individual must respond to a minimum of 24 emergency responses per year*.

A department should not issue an essential VHSP to any employee who does not meet all of the above criteria. It is also incumbent upon the department to report/record information as necessary to support the issuance of an essential VHSP.

*DGS will allow an exemption process for essential VHSPs that cannot meet the minimum of 24 emergency responses per year if a department can demonstrate that there will be a significant health and safety risk to the public if this permit is not issued. A department will be required to submit the Std. 377 to the DGS for approval and provide narrative to substantiate the critical need for this VHSP.

COST-EFFECTIVE PERMITS

A cost-effective VHSP must meet at least one of the criteria from both Category A and Category B:

Category A

1. The employee has a department-approved home office separate from the department's facilities. Generally, the employee's duty statement and personnel file will denote that his/her reporting office is his/her home.
2. The vehicle is essentially the employee's office (i.e. performing requisite duties in the field on a daily basis directly from his/her home). However, the employee may still be required to occasionally work from a state office.

STATE ADMINISTRATIVE MANUAL

Category B

1. The employee's job (as reflected on the official duty statement) requires substantial field work (greater than 50 percent), and it is more efficient for the employee to travel directly to the field worklocation.
2. The employee drives directly to the field from home and/or has work related after-hour activities that account for 50 percent or more work days within a given month.

A department should not issue a cost-effective VHSP to any employee who does not meet the above criteria. It is also incumbent upon the department to report/record information as necessary to support the issuance of a cost-effective VHSP.

These general standards for cost effectiveness justify the use of a state vehicle versus reimbursement for the use of a personal vehicle or rental – it is not a justification for the state to pay for personal commute miles associated with taking a vehicle home. Providing for personal commuter transportation is not an obligation of the state.

I certify that whenever an employee, who has a valid vehicle home storage permit on file with the agency, stores a state-owned vehicle at or in the vicinity of his/her home; he/she has an essential and/or cost-effective permit as defined above.

Signature of Agency Secretary, Director or designee	Title
Print Name	Date