



# ADMINISTRATIVE POLICY

<b>SECTION:</b> 400 – Financial Management	<b>POLICY#:</b> 407
<b>TITLE:</b> Employee Allowances Policy	<b>R &amp; O #:</b> 21-93
	<b>IMPLEMENTED BY PROCEDURE #:</b> 407-A
<b>SPONSORING DEPT/DIV:</b> Support Services/Finance	
<b>ADOPTED:</b> 9/07/2021	<b>REVIEWED:</b>

**PURPOSE:** The purpose of this policy is to establish guidelines regarding County wide Employee Allowances for Clothing and Footwear, Personal Vehicles and Mobile Devices.

**AUTHORITY:**

- IRS Publication 5137 (Taxable Fringe Benefits Guide)
- ORS 244.040 (Oregon Public Employees Ethics Statutes)

**DEFINITIONS:**

- Mobile device - Personal smartphones and tablets that are acquired and paid for by the employee.

**GENERAL POLICY:**

This policy applies to all Regular and Temporary County employees unless specifically addressed in a Collective Bargaining Agreement.

Refer to the accompanying procedure for amounts, frequency, and other specifics regarding these allowances.

All allowances are designated as part of the official ordinary and customary benefit package of all recipients and shall be reported by the County to the IRS on Form W-2 as taxable income.

**POLICY GUIDELINES:**

1. Responsibilities:

The County Finance Division oversees the Employee Allowance Policy, sets County-wide amounts and frequencies, and processes allowance payments via Payroll. Questions regarding the intent or application of the policy or procedures shall be directed to the Chief Financial Officer, Deputy Chief Financial Officer, or Finance Operations Manager.

2. Clothing and Footwear Allowances:

- 2.1. Clothing and Footwear allowances are provided to County employees to maintain a professional appearance, to support worker safety or are necessary for the performance of essential job duties
- 2.2. This section may also apply to County Volunteers and Interns who the Department deems eligible.

3. Personal Vehicle Allowances (PVA):

- 3.1. PVA is intended to compensate employees for the business use of their personal vehicle as an allowance in lieu of claiming mileage reimbursement for routine business travel.
  - 3.1.1. If an employee routinely drives a County owned vehicle, they are not eligible for this allowance.
- 3.2. Authorization for the Personal Vehicle allowance is determined by the Appointing Authority.
- 3.3. Procedure will contain a comprehensive list of those positions eligible to receive PVA.
- 3.4. The PVA amount is established by the County Administrator.
- 3.5. PVA shall be considered full payment (including depreciation, insurance, maintenance, fuel, and other operating costs) for personal vehicle use in lieu of a County vehicle or mileage reimbursement.
- 3.6. Employees who receive the PVA and are in an approved overnight travel status, as defined in the Travel and Business Expense Policy 402, may also be eligible to receive mileage reimbursement.
- 3.7. PVA payments are subject to federal income tax and shall be reported by the County to the IRS on the W-2 form as taxable income.

4. Mobile Device Allowances:

- 4.1. The purpose of this allowance is to address the financial impact of monthly service charges for mobile device expenses incurred by County employees based on business necessity. Allowance recipients shall not be entitled to any other reimbursement related to Mobile Devices.
- 4.2. If an employee elects to receive a County issued device, they are not eligible for the Mobile Device allowance on that device.

5. Exceptions:

Exceptions may only be granted by the County Administrator or designee.

6. Implementation:

Elected officials and department directors are expected to be knowledgeable of, and shall be responsible for, implementing this policy within their respective departments. Observance of this policy is mandatory for all County employees and violation may result in disciplinary action (up to and including termination).

7. Periodic Review:

This policy shall be reviewed by Support Services, Finance Division at least every three years, or more often if needed, and updated as necessary.