



# Personal Use of an IU Vehicle

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## 1. Overview

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The value of the **personal** use by an employee of a University vehicle is considered additional taxable wages (i.e., compensation for services). The value of the **business** use by an employee of a University vehicle is not considered additional taxable wages.

## 2. Reporting

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- Mileage (Personal/Business) **must** be reported on a **monthly** basis through Chrome River (One.IU)
- Reporting Period begins November 1<sup>st</sup> and ends October 31<sup>st</sup>
- The University reports taxable wages of the personal use on an employee's Form W-2
  - University must withhold FICA (Medicare tax plus OASDI tax, if applicable) on this benefit

## 3. Business vs. Personal Use

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### Business Use

Any use for official University business. It includes, (but is not limited to):

- Traveling between the employee's main or regular place of work and another regular place of work
- Traveling between the employee's main or regular place of work and a temporary work location
- Traveling between the employee's home and a temporary work location

### Personal Use

Any use that is not for official University business. It includes, (but is not limited to):

- Using the vehicle to run a personal errand from his/her work location
- Using the vehicle on weekends or days off for other than official University business
- Commuting, i.e., traveling between the employee's home and his/her main or regular place(s) of work (see detailed information on Tax webpage)

## 4. Substantiating Business and Personal Use

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### General Documentation Requirements

- Substantiate an employee's business and personal use of a University vehicle.
- Report only the value of the personal use of the vehicle (determined from the substantiating documentation) as additional taxable wages.
- If records are not maintained, the entire value of the employee's use of the vehicle (including both business and personal use) is considered personal use and must be reported as additional taxable wages to the IRS.
- The employee who uses the vehicle for personal use is responsible for keeping records of personal mileage.

## 5. Questions/Resources

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- **Employee Resources Fringe Benefits Webpage:**
  - <https://controller.iu.edu/services/employees/paychecks/fringe-benefits>
- **Tax Standard Operating Procedure 3.07 – Personal Use of an IU Vehicle:**
  - <https://controller.iu.edu/compliance/fiscal-officer/sops/tsop/tsop-3.07>
- **Questions:**
  - Email University Tax Services at [taxpayer@iu.edu](mailto:taxpayer@iu.edu)