

**MARYANNE MORSE
THE CLERK OF THE CIRCUIT COURT AND COMPTROLLER
SEMINOLE COUNTY FLORIDA**

**SPECIAL REVIEW
OF
24 HR Vehicle Assignment**

Report No. 111114



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Special Review of 24 HR Vehicle Assignment

BACKGROUND

There are currently 94 employees who have been assigned a county owned vehicle to use on a 24 hour basis:

- 20 of 94 (21%) are assigned on a permanent basis, which means they are allowed to commute to and from work each day; and,
- 75 of 94 (79%) are classified as rotating assignment. These vehicles are only allowed to be taken home when the employee is on-call.

Other than the commuting to and from work, the employees are not allowed to use the vehicles for any other personal travel.

The following exhibit lists in total the vehicle assignments by department.

Department	Assignment	Total Assignments
Public Works	Rotating	38
	Permanent	1
Public Safety	Rotating	0
	Permanent	5
Environmental Service	Rotating	22
	Permanent	2
IT	Rotating	15
Developmental Service	Permanent	11
	TOTAL	94

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The administrative code defines the criteria that must be met.

Per Administrative Code Section 34 (F) (5) (D):

“The assignment to an employee for use of a County vehicle on a twenty-four hour basis may be made if one or more of the following criteria are met:

1. An assigned on-call employee is called out for bona fide emergencies on an average of four (4) times per month for the preceding three (3) month period. The on-call employee must be specifically on call for emergencies and require transportation and tools or equipment on board the vehicle to perform his or her emergencies duties.
2. Use of a marked 24-hour County response vehicle will reduce the County’s liability during a bona fide emergency response affecting Public Safety in the areas of fire suppression, emergency medical response, accidents, severe weather, loss of roadway, loss of traffic signals or barricades, or sewer water or sewer disruption, or storm water wash outs. In every case this need will attempt to be filled by assigning a minimum rotating staff to an on-call assignment with a County vehicle.
3. The employee is in an administrative or executive position which requires regular weekend and/or evening attendance at public meetings or functions.
4. The employee has been provided with a County vehicle as part of an employment agreement or contract as approved by the County Manager.

The review that follows addresses compliance with this policy.

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Scope and Methodology

The scope of this review included the vehicles assigned to employees and classified as 24 HR Vehicle Assignment; this includes permanent assignments and those on rotating assignments. All records relating to vehicle assignments were subject to our review. Included in this review:

- Review of the county policy;
- Review of the assignments and justification; and,
- Compliance with policy.

The objective is to determine if the administrative controls over the assignment of 24 HR Vehicles is adequate and in compliance with county policy and other governmental regulations.

Overall Evaluation

The internal administrative controls do not ensure compliance with the intent of the administrative code. The code should be updated to ensure compliance with IRS regulations. The following opportunities for improvements should be considered:

- Update Administrative Code Section 34; and,
- 24 Hour Request Forms should be complete and accurate.

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Opportunities for Improvements

1. Update Administrative Code Section 34.

A county owned 24 HR (take-home) vehicle is considered a fringe benefit. The county, for example, provides an employee a fringe benefit when the employee is allowed to use the vehicle to commute to and from work. This fringe benefit in many cases is a tax liability.

The current policy (Administrative Code Section 34) does not address in sufficient detail the regulations as set forth by the Internal Revenue Service (IRS) regarding government owned vehicles that are provided to employees. According to IRS Publication 15-B, qualified non-personal use vehicles generally include the following vehicles:

- Clearly marked police, fire, or public safety officer vehicles. The employee must be on call, required to commute in the vehicle, and be prohibited from personal travel **outside the jurisdiction**.
- Unmarked vehicles used by law enforcement officers if the use is officially authorized
- Qualified specialized utility repair truck
- An ambulance or hearse for its specific purpose
- Any vehicle designed to carry cargo with a loaded gross vehicle weight over 14,000 pounds
- Delivery trucks with seating for the driver only, or the driver plus a folding jump seat
- A passenger bus with a capacity of at least 20 passengers used for its specific purpose
- Construction or specially designed work vehicles, (i.e. bucket truck, dump trucks, cement mixers, forklifts, garbage trucks)

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- School buses
- Tractors, combined and other special-purpose farm vehicles.

Also, according to IRS regulations if you provide an employee with a vehicle that does meet the qualified non-personal use criteria, the personal use of the vehicle is a taxable fringe benefit. It is the employer's responsibility to determine the actual value of this fringe benefit and to include the taxable portion in the employee's income.

The County uses the "Commuting Rule" to determine the taxable value to be added to the employee's payroll. Each payroll period, the employee records the number of trips to /and from home and work. This number of trips is multiplied by \$1.50; this is the taxable value that is added to the employee's payroll summary.

As noted above, the regulation does not allow exempt status for personal travel outside of the jurisdiction for non-personal use vehicles. These requirements (travel outside of jurisdiction) are not addressed in Administrative Code 34.

Based on the IRS tax regulation, the following employees should have had a taxable fringe benefit cost added to their payroll stub. Five drive outside the jurisdiction (Kissimmee, Deltona, and Orange City). The others drive F-150s. By IRS definition, these vehicles are considered personal vehicles; consequently, there is also a taxable fringe benefit.

Employee	Division	BCC Number	Type of Vehicle	Home Address
T. Stone	Public Safety	4008	2006 Ford Explorer	Kissimmee
T. Oliveras	Public Safety	06419	2005 Ford Escape	Oviedo
S. Bateman	Public Safety	06415	2005 Ford Escape	Deltona
H. Mueller	Developmental	7334	2006 Ford F-150	Sanford
S. Frazier	Developmental	6584	2006 Ford F-150	Deltona
Bob Gallagher	Developmental	6070232	2006 Ford F-150	Lake Mary
Edward Hoffer	Developmental	780119	2008 Ford F-150	Deltona
Raymond Converse	Developmental	780120	2008 Ford F-150	Maitland
John Burris Jr	Developmental	7331	2006 Ford F-150	Longwood

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William Locus	Developmental	49617	2008 Ford F-150	Winter Springs
David Robertson	Developmental	6070231	2008 Ford F-150	Geneva
James Sorg	Developmental	7332	2006 Ford F-150	Orange City
Jason Rucker	Developmental	6585	2006 Ford F-150	Geneva
Steve Ammon	Developmental	7328	2006 Ford F-150	Sanford

By not having the proper tax status of each employee, some employees might not be receiving the proper recording of taxable income.

Recommendation

1. Update administrative code to include the definitions included in tax regulations.
2. Travel outside of jurisdiction should be coded (Code 901) on trip report as taxable to be processed by County Finance.

The divisions responsible should immediately amend the time sheet summary reports with the proper summary of trips to and from home (Code 901) for the year 2014. Based on the amended report, County Finance should update the employee's payroll summary.

Management Response to Recommendation to #1

Public Works concurs with this recommendation. Fleet is currently working with the Clerk's Office to fine tune and ultimately submit language to be added to Administrative Code Section 34 under 34.25 Vehicle Policy, Section D Monitoring Utilization of Vehicles, Item Number 3.

Management Response to Recommendation to #2

Public Works concurs with this recommendation. Per Fleet's discussion with the Clerk's Office, once the individual divisions submit revised time sheet summary reports, County Finance will update the employee's payroll summary.

Management Response to Recommendation to #3

Public Works concurs with this recommendation. Per Fleet's discussion with the Clerk's Office, once the individual divisions submit the revised time sheet summary reports, County Finance will update the employee's payroll summary. It is the responsibility of each division to properly record employee trip reports on the timesheets submitted to County Finance.

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2. 24 HR Request Forms and On-Call logs should be complete and accurate.

Per Administrative Code 34 (F) (5) (d):

“The assignment to an employee for use of a County Vehicle on a twenty-four hour basis may be made if one or more of the following criteria are met:

(1) An assigned on-call employee is called out for bona fide emergencies on an average of four (4) times per month for the preceding three (3) month period. The on-call employee must be specifically on call for emergencies and require transportation and tools and equipment on board the vehicle to perform his or her emergency duties.”

To effectively administer these vehicle assignments, the Public Works Fleet Division needs to be provided with fully completed 24 Hour Request forms that have all the necessary information on it. We noted 17 of these forms in the files did not have the employee’s complete home address. In these cases, the employee merely left off the city. Although minor, this information might be needed if management needs to locate a vehicle.

We also noted that the on-call logs were not current; most reporting only through September 2013.

Moreover, 46 of 94 (49%) employees didn’t even submit logs. The list of the 46 employees is noted below. On- call logs should be submitted to Fleet at least quarterly by all employees.

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Management should stand firm on this requirement. For example, the logs completed for the period October 1st 2014 thru December 31, 2014 should be remitted to Fleet by January 10th, 2015.

Employee	Department
Howard Mueller	Developmental Services
Stephen Frazier	Developmental Services
Bob Gallagher	Developmental Services
Edward Hoffer	Developmental Services
Raymond Converse	Developmental Services
John Burriss Jr	Developmental Services
William Locus	Developmental Services
David Robertson	Developmental Services
James Sorg	Developmental Services
Jason Rucker	Developmental Services
Steve Ammon	Developmental Services
Byron Phillips	Information Technology
Doug Hibbets	Information Technology
Ryan Calhoun	Information Technology
Harold Micheo	Information Technology
Herb Reed	Information Technology
Joe Dual	Information Technology
Tommy Oliveras	Information Technology
Steve Bateman	Information Technology
Juan Hofle	Information Technology
Georffrey Durand	Information Technology
Tommy Mitchell	Information Technology
Jorge Riviera	Information Technology
Johnny Diaz	Information Technology
Richard Ruiz	Information Technology
Richard Stover	Public Safety
Leanna Mims	Public Safety
Al Stover	Public Safety
Tad Stones	Public Safety
Matt Nabicht	Public Works
Steve Evan	Public Works
Derek Grieve	Public Works
Joe Hammett	Public Works
Willie Jarrells	Public Works
Joely Boyd	Public Works

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Terry Scott	Public Works
Jim Wilson	Public Works
Gerald Marshall	Public Works
Willie Williams	Public Works
Darren Worthey	Public Works
Wes Jackson	Public Works
Willie Allen	Public Works
Jayson Fitzgerald	Public Works
Kalieh Vann	Public Works
Bernard Atkins	Public Works
Jay Santos	Public Works

According to Fleet, some submit logs regularly; others do not. By not having up to date logs, the necessity for requiring the 24 Hour Vehicle is not documented nor monitored.

Recommendation

Fleet should only process the 24 HR Request Forms that are completed accurately and properly documented. Also, Fleet should send a memo to division management re-iterating the policy.

Management Response

Public Works concurs with this recommendation. In coordination with the Office of Clerk, (24) hour vehicle lists were sent to Directors to verify. All verification of data has been received by the Clerk as of October 10, 2014. Fleet will be sending a memo to all affected Directors to reiterate this policy in which a copy of the memo will be sent to the Clerk's Office for their records.

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