



ACCOUNTING POLICY AND PROCEDURES (APP) MANUAL

TOPIC: Section 12 – Travel 2.2	EFFECTIVE DATE: 10/18/1985
TITLE: Vehicle Rental Approvals – Mandatory Use Bulletin	REVISION DATE: 11/05/2014
AUTHORIZED BY: Deputy Director, Bureau of Fiscal Services	

BACKGROUND

The Uniform Travel Schedule Amounts [UTSA Section F 3.05 (4) of the 2011-2013 Compensation Plan] lists those requirements that must be met to allow an individual to rent a car. Effective July 1, 2006, the authorized vendor is Enterprise Rent-A-Car for rentals originating in Wisconsin. See State Purchasing Bulletin 15-97514-402 for the contract and additional information. For rentals originating outside of Wisconsin, National Car Rental, Inc., is the authorized vendor. See State Purchasing Bulletin 15-97514-403 for the contract and additional information.

Car Rental Delegation

Rental of cars requires approval by the head of the department or delegated designee. This policy delegates this approval authority to division administrators/office directors, who may delegate this further. This may not be delegated further than bureau directors. If the division administrator/office director further delegates this approval authority, a signed statement identifying the designee must be forwarded to the Accounts Payable/Preaudit Unit, Expenditure Accounting Section – Bureau of Fiscal Services (BFS).

PROCEDURES

1. Normally, employees shall not rent cars. Exceptions require documentation of non-availability of commercial carrier services or of a lower cost and approval by the head of the department or delegated designee.
 - a. There may be situations when state cars are not available, and public transportation is so inconvenient and costly in time that a rented car must be used.
 - b. If commercial transportation was used to arrive at the destination, a rented car shall be evaluated against other available modes of transportation.
 - c. When a car rental is deemed to be the most convenient and cost-efficient means of transportation in a particular situation, written justification to this effect should be included along with the original paid receipt. Justification and approval should be attached to the voucher documentation.
2. A mandatory use State Procurement Bulletin provides the name of the authorized vendor and conditions when exceptions may apply. Employees should be prepared to provide appropriate identification or proof of employment by the state of Wisconsin.
3. Only the reasonable cost of compact models is reimbursable unless non-availability of this size automobile is documented by the car rental agent.

4. The state's contracts with both Enterprise Rent-A-Car and National Car Rental, Inc., include the Collision Damage Waiver (CDW) or Loss Damage Waiver (LDW) and Comprehensive Liability Insurance for all domestic rentals. The examples listed in the procurement bulletin include CDW or LDW. The traveler is responsible for making sure that a foreign rental includes this provision when renting any vehicle. If Enterprise or National are unable to provide an appropriate vehicle and the traveler uses his/her best judgment to rent another vehicle, the traveler **should purchase** the CDW or LDW for domestic rentals as well as international rentals. The CDW or LDW is a reimbursable travel cost.

Effective January 1, 2004, the policy on purchasing CDW and liability insurance has been clarified. When renting from non-contract vendors, both the CDW and liability insurance shall be purchased.

5. Personal insurance purchased by an individual is not reimbursable by the state.
6. The employee shall reimburse the state for any personal mileage accumulated by the employee when using a rented car.
7. In order to claim reimbursement for car rental, claims that are filed must be accompanied by documentation of non-availability or lower cost than commercial carrier service. Prior approval of the appropriate division administrator/office director or delegated designee must be attached to the voucher. The original paid receipt must also be included.
8. **Refueling Fee: *Per-gallon*** surcharge if returned vehicle is not full. State employees are required to refuel rental vehicles prior to their return. The state will not reimburse its employees for the surcharge on gasoline if incurred.

Note: See Attachment 1 for Clarification of Car Rental Policies. For a summary of car rental information, see Attachment 2.

ATTACHMENTS

1. Clarification of Car Rental Policies, dated June 20, 2006
2. Department of Administration – Car Rental Information

REFERENCES

Office of State Employment Relations (OSER), 2011-2013 Compensation Plan, Uniform Travel Schedule Amounts (UTSA), [Section F](#) 3.05 (4)
State Procurement Operating Bulletin #15-97514-402
State Procurement Operating Bulletin #15-97514-403

CONTACTS

[Travel Preaudit, Expenditure Accounting Section](#)

[DHS Fleet Manager, Administrator's Office, Division of Enterprise Services](#)

[Deputy Director, Bureau of Fiscal Services](#)

ATTACHMENT 1



WISCONSIN DEPARTMENT OF
ADMINISTRATION

JIM DOYLE
GOVERNOR

STEPHEN E. BABLITCH
SECRETARY

Division of Executive Budget and Finance
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Date: June 20, 2006
To: Agency Financial Managers
From: Jim Behrend, Audit Supervisor
State Controller's Office
Subject: Clarification of Car Rental Policies

A variety of questions have been raised regarding use of rental cars. This document is intended to clarify the existing policies on this issue. The primary issues are:

- Instances when the state rental car contract cannot be used.
- Instances when the state purchasing card cannot be used to pay for a rental car.
- Allowable reimbursement if the contract vendor is not used for a rental car or if the employee combines personal time with a business trip.

The general policy is that when a rental car is the most cost efficient means of transportation [UTSA F-3.05(4)] employees traveling on state business are suppose to use the contract vendor. However, if an employee is traveling on business with a non-state employee (spouse, family, etc.) who is not traveling on state business then the state rental contract cannot be used. In these situations, if a rental car is needed for business purposes then the employee can rent from any vendor (including the contract vendor) but cannot rent under the state contract. When not using the state car rental contract, employees on business are required to purchase the collision damage waiver (CDW) and liability insurance (UTSA F-3.05(b)).

Employees cannot use the state purchasing card (P-Card) when renting a car in situations where non-state employees (spouse, family, etc.) are accompanying them on the business trip or if the employee expects to use the rental car for more than incidental personal use. Incidental personal use is not treated as personal use for determining reimbursement amounts. The State's travel card or the employee's personal credit card may be used in these situations.

Incidental personal use is defined in the state Fleet Driver and Management Policies and Procedures manual. For overnight trips incidental personal travel includes trips to a pharmacy, grocery, laundromat, fitness center, or other locations to purchase goods or conduct activities necessary for the employee's health and well being. Trips to these locations should be reasonable in distance.

If it is determined that rental of a vehicle is the most cost effective means of transportation or if the efficient conduct of the state business precludes the use of other means of transportation then the employee can be reimbursed for the business use of the rental under the following provisions:

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1. Reimbursement for the business travel is limited to the lesser of the actual cost incurred or the cost that would have been incurred if the state rental contract had been used, if one was available at the location. If the contract vendor is not available then the employee would be reimbursed for the actual cost incurred, including the insurance coverage, with a non-contract rental.
2. If the rental includes both business and personal use (but the vehicle is not rented for more days than needed for business use) the reimbursement will be based on the costs that would have been incurred if there had been no personal use. For example, if the employee rents a vehicle that includes unlimited mileage in the daily rate and is rented for the business days only, but includes more than incidental personal use in the evening then the daily rate would not be prorated between the business and personal miles. The daily rental cost (and applicable taxes and insurance) would be reimbursable subject to item 1 above. However, the cost of gasoline would need to be prorated between the business and personal miles because this includes a cost that would not have been incurred if the vehicle had not been used for more than incidental personal use.
3. If the rental includes both business and personal use and is rented for more days than necessary for the business use then the rental cost should be prorated between the business and personal use (based on number of days). Prorating the cost is necessary because in some instances the longer rental will result in a reduction in the rental cost per day (weekly rate versus daily rate). This reduction in the rental rate per day should be allocated to both the business days and the personal days. Any other costs (taxes, insurance, gasoline, etc) of the rental should also be prorated between the business and personal use. These costs should be prorated based on reasonable methods for the type of cost (fuel based on mileage, insurance based on number of days, taxes based on costs, etc.) Any costs that are strictly personal would not be reimbursable.

The following chart provides a summary of the policies regarding rental cars.

Situation	Rental	Can State P-card be used?	Reimbursement
Employee travels with spouse or other non-state employee who is not involved in state business.	Cannot use the State rental contract. Must purchase CDW and liability insurance.	No - may use the state travel card or personal credit card.	<u>Business use</u> of the rental can be reimbursed but reimbursement is limited to the lesser of the actual rental cost (for the business days) or what it would have cost using the state rental contract. (Items 1 - 3 above)
Employee travels alone or with other state employee but plans on using the rental for more than incidental personal use.	Cannot use the State rental contract. Must purchase CDW and liability insurance.	No - may use the state travel card or personal credit card.	<u>Business use</u> of the rental can be reimbursed but reimbursement is limited to the lesser of the actual rental cost (for the business days) or what it would have cost using the state rental contract. (Items 1 - 3 above)
Employee travels alone or with other state employee and intends on using the rental for strictly business use with some incidental personal use.	Must use the state contract vendor, if available, or can use a non-contract vendor if the cost including CDW and liability is less than the contract vendor.	Yes - must use the State P-card or travel card.	<u>Business use</u> of the rental is reimbursable in accordance with UTSA F-3.05(4). (Item 1 above)

ATTACHMENT 2



Car Rental Information

The State has contracted with Enterprise Rent-A-Car for in-state rentals.

The following guidelines and conditions apply to both in-state and out-of-state vendor car rentals:

Both contracts are for employee use on official State business. Personal use is not allowed.

Family members are not allowed to drive or ride in a vehicle rented through the State contract. Only State employees, officers or officials may drive a rental vehicle. Volunteers, interns or contractors of the State may ride in a rental car if on official State business and authorized by risk management.

- A. Cars can be rented in-state only when a fleet vehicle is not available.
- B. Vehicle rentals will require State employee identification at the time of the rental.
- C. The State employee must refer to the Agency or State *booking code* when making car rental reservations.
- D. Employees should verify that the Agency or State *booking code* is referenced on the rental agreement to ensure contracted insurance coverage.
- E. Employees must be at least 21 years of age to use the contract vendors.
- F. Additional drivers must be listed on the rental agreement at the time the vehicle is rented.
- G. The vendor contract rates provide for and include Loss Damage Waiver (LDW) or Collision Damage Waiver (CDW). Insurance is for a minimum of \$300,000 combined, single limit and \$25,000 per occurrence property damage.
- H. Employees who rent vehicles must use the contract vendors. If the vendor cannot provide a vehicle, the State employee must use his/her best judgement in renting an appropriate vehicle from a different vendor. If the LDW/CDW is not provided by the next appropriate vendor at no cost, the State employee must purchase this insurance service. The State will reimburse the State employee for the total vehicle rental.
- I. Liability coverage is provided by the vendor under terms and conditions of the bid.
- J. Emergency service may be obtained while on the road by contacting the toll-free number provided at the time of rental. If necessary, the car rental company will replace an impaired vehicle at no cost to the State employee or the State.
- K. State employees must report any accident situation or mechanical failure to the car rental company.
- L. The renter agrees to follow the terms of the car rental company contract. The car rental contract will supercede all other agreements.
- M. When renting vehicles within the State of Wisconsin, employees must provide the vendor with your Agency's tax exemption certificate to avoid being charged for state, county and local taxes.
- N. Employees should fill the gas tank before returning rented vehicles to avoid the substantially higher fuel rates charged by the car rental companies.
- O. Rates do not include taxes, government or airport fees, or optional charges such as refueling, Personal Accident Insurance (PAI), Personal Effects Coverage (PEC) and supplemental Liability Insurance (SLI) are insurance coverages that are not reimbursable expenses.

[View instructions and information for In-State car rentals](#)