Car Allowance Guidance

Reason for Guidance:
This guidance provides instruction regarding car allowance for faculty and staff.

Statement:
Designated employees may receive a car allowance. This Car Allowance Program is intended to cover all local and regional GT-related business travel that an authorized individual may be required to make because of their job.

Designated Employees:
Individuals identified as eligible for car allowance based on their job function requiring the use of their car on behalf of Georgia Tech and have received formal notice of the allowance.

Car Allowance:
A monthly amount is provided through the on-cycle payroll process to qualified individuals.

Georgia Tech employees that receive a car allowance, may not also submit eligible expense reimbursement for local travel.

Car Allowance will be based on a calculation that considers a calculated amount intended to cover the cost of an automobile, including insurance, repairs, and fuel. The allowance will be reviewed annually by GTHR Payroll Services and Finance who will be responsible for calculation.
Tiers of Car Allowance

- **Tier I Designated Individuals:**
  These employees are Staff Executive Administrators and will receive an annual amount of $10,800 ($900.00 monthly).
  - Staff Executive Administrators are Administrative Officers that have been appointed a VP title or equivalent of Chief functional officer. They maintain positions in the President’s cabinet and are reviewed annually by the Chief Business Officer (CBO) and Chief Human Resource Officer (CHRO) or their designee(s).

- **Tier II Designated Individuals:**
  These employees identified by their Executive Vice President, Vice Provost, Associate Vice President, or Dean are those whose work function requires a car allowance instead of vehicle expense reimbursement and an annual amount of $9,000.00 ($750.00 monthly).

- **Athletics:**
  Athletics Directors, Senior Associate-level Athletics Directors, Head coaches, and some program assistant coaches as identified by terms in their contracts.

- **Academic Faculty & Research:**
  as identified by the terms of their offer letter

Car Allowance will be paid as a monthly lump sum and will be included in the employees’ on-cycle payroll. A fixed monthly car allowance is considered compensation, and therefore taxable income at both federal and state levels. Both employee and employer must also pay FICA/Medicare taxes on the allowance. Car Allowance is considered pension-eligible for those enrolled in the TRS retirement plan if the allowance is noted within their authorized employment offer or contract.
Procedures:

Eligibility for Program

- The appropriate Executive Vice President, Vice Provost, Associate Vice President, or Dean is responsible for designating those positions that are eligible to participate in the Car Allowance Program.
- Employees must be in a benefits-eligible position for a period expected to exceed one year.
- Car allowance is submitted via the OneUSG Manager Self-Service (MSS) Supplemental Pay Process and the formal notice of car allowance is submitted as an attachment.

Initiation & Funding Options

Provided that funds are available and that prior approval has been granted, car allowances may be provided.

The department’s Human Resource (HR) Representative or Business Partner (HRBP) will be responsible for obtaining the approvals.

Funds that may be used include:

- Departmental General Operation/State Funds may be used to fund car allowance for non-tenure-track faculty and staff or to supplement funds provided by the Institute for tenured/tenure-track faculty and research faculty.
- Departmental Georgia Tech Foundation Funds may be used to fund car allowance for non-tenured/tenure-track faculty and staff or to supplement funds provided by the Institute for tenure-track faculty and research faculty.
• Sponsored Project Accounts may, in rare cases, allow for the payment of car allowance for specific personnel with the prior written approval of the Director of the Office of Sponsored Programs.

• Georgia Tech Research Corporation (GTRC), through the Office of Faculty Affairs or Georgia Tech Research Institute (GTRI), may support the car allowance of new full-time research faculty.

• The Office of the Provost, through the Office of Faculty Affairs, will support the car allowance of new tenured or tenure-track faculty members. Departments may elect to supplement these payments if the additional contribution is included in the original offer letter.

• Georgia Tech Athletic Association will support the car allowance of Athletic Association coaches and staff.

Any exception requests to this guidance must be approved by the Chief Human Resources Officer and the President or appropriate executive vice president.

Car Allowance amounts will be reviewed each fiscal year by GTHR to validate appropriateness.