Vehicle Mileage Reimbursement
Information

Where staff members are required to travel by car on University business, and where a University vehicle is not available, the University will reimburse such staff members for the use of their own vehicle at the rate per business kilometre as determined by the Australian Taxation Office (ATO). While there may be occasions when staff members seek to use their own vehicle rather than using a University fleet vehicle, supervisors are asked to compare the University charges for its fleet vehicles to the cost of reimbursement on a cents per kilometre basis (ATO rates) – as set out below - before approving the use of private vehicles.

ATO Rates per Business Kilometre

From 1st July 2015 there will be one rate of **66 cents per kilometre**. This is the maximum that staff will be able to use to claim a tax deduction for work use of their own vehicle under the cents per kilometer method for 2015 / 2016 income tax returns. This has no impact on 2014 / 2015 claims.

Charges for Use of University Pool Vehicles – Effective 1st July 2015

<table>
<thead>
<tr>
<th>Type of Vehicle</th>
<th>Cents per Km</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sedans &amp; Station Wagons</td>
<td>85</td>
</tr>
<tr>
<td>Utilities</td>
<td>90</td>
</tr>
<tr>
<td>4 Wheel Drives</td>
<td>95</td>
</tr>
<tr>
<td>12 Seater Bus</td>
<td>100</td>
</tr>
</tbody>
</table>

Minimum Charge $20.00 per trip
No charge is made for on campus travel


The ATO requires the University to include on a staff member’s Payment Summary any reimbursement for vehicle mileage expenses calculated and paid on a cents per kilometre basis.

Effective the 10 June 2005, all vehicle mileage reimbursements for staff paid on a cents per kilometre basis must be processed through the Human Resource system and will appear on the individual’s Payment Summary. Payment will be credited to the individual’s nominated residual bank account recorded on the HR System.

The following form is available for claiming Vehicle Mileage Reimbursement:

- HR/VMR – Vehicle Mileage Reimbursement, which is available from url: [http://www.flinders.edu.au/hr/forms.cfm](http://www.flinders.edu.au/hr/forms.cfm)

If you are a Student, have Academic Status, Scholarship Holder, Volunteer or on Secondment you cannot use this form to claim vehicle mileage reimbursement. You can process your claim directly through Accounts Payable.

This form is an electronic spreadsheet which incorporates a calculator to simplify the process. Employees can claim up to a maximum of 5,000kms per car per financial year before income tax applies.
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The account number to be charged should be the employee’s normal salary account with the account code overlaid with the 09 on the end.

Examples:

<table>
<thead>
<tr>
<th>Normal Salary Account Code</th>
<th>VMR Account Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>1001</td>
<td>1009</td>
</tr>
<tr>
<td>1701</td>
<td>1709</td>
</tr>
<tr>
<td>1101</td>
<td>1109</td>
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<td>1201</td>
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<td>1301</td>
<td>1309</td>
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<td>1901</td>
<td>1909</td>
</tr>
<tr>
<td>1601</td>
<td>1609</td>
</tr>
</tbody>
</table>

The form should be completed electronically, printed and then approved by the relevant supervisor and sent to Payroll Services to be paid in the next available pay. If for any reason the form cannot be completed electronically, it should be downloaded, completed manually, approved and forwarded to Payroll Services for payment.

The University has a policy on the use of vehicles, and clause 12 of this deals specifically with the “Use of Private Vehicles for University Business” (see URL: [http://www.flinders.edu.au/ppmanual/buildings/use Vehicles.cfm](http://www.flinders.edu.au/ppmanual/buildings/use_Vehicles.cfm)). Staff members are urged to read this carefully as staff using their own vehicles need to understand that the University does not accept any responsibility for damage to private vehicles used for University business.

I further draw to your attention that under the Enterprise Agreement (clause B7.12.2.), professional staff members are to be compensated for the kilometres travelled in their private vehicles in accordance with the prevailing ATO rates. Although academic staff are not subject to this clause, the University believes that they should be treated in the same way. Thus, authorised delegates are requested to ensure that all staff are reimbursed for mileage in accordance with the ATO rates to ensure that the University is adequately compensating all employees for the risks involved.

Paul Moran
30\textsuperscript{th} June 2015
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Frequently Asked Questions

Q. Where researchers and supervisors who have limited funds want to negotiate with their employee to pay them less than the rates set down by the ATO each year, is this OK?

A. No, under the Enterprise Agreement, the University is obliged to reimburse a general staff member for kilometers travelled in accordance with ATO rates. The University believes that the same principle should apply to academic staff.

Q. Could the supervisor negotiate to pay a staff member at less than the ATO rates where a staff member wishes to use her/his own car instead of a University fleet vehicle? For example:
   • University vehicle is available but staff member does not want to leave own vehicle on campus overnight
   • Staff member does not want to have to arrange to be dropped at the University
   • Staff member prefers to drive own vehicle
   • Staff member is attending a business function at 4 pm in Adelaide and does not wish to return vehicle to Flinders that evening but is concerned for the welfare of own vehicle

A. No, for general staff, the University must comply with the Enterprise Agreement which requires reimbursement in accordance with ATO rates. This principle should also apply to academic staff as the amount per kilometre covers a contribution to insurance. Anything less would suggest the employee is not being adequately reimbursed and staff could seek compensation.

Q. Would it be acceptable to only reimburse an employee for the cost of petrol upon production of the petrol station tax invoice?

A. No, general staff are covered by the Enterprise Agreement which specifies that the ATO rate is to be paid as reimbursement for kilometres travelled. The same principle should apply to academic staff, particularly as they are responsible for any damage to their own vehicle.

Q. What do I need to do to make sure that I don’t pay tax on Vehicle Mileage Reimbursement?

A. The reimbursement will appear on the Payment Summary as an allowance (ATO requirement) and staff will need to claim the allowance as a deduction in their tax return, otherwise they will pay tax on the amount.

Q. I am a full time student who is also employed on a casual basis can I use the Vehicle Mileage Reimbursement Form to make my claim?

A. If the mileage being claimed relates to the casual employment you can complete the Vehicle Mileage Reimbursement Form to make your claim. However, if the mileage is related to being a student you can not use the Vehicle Mileage Reimbursement Form. Claims for reimbursement of vehicle cost used while a student must go through your Faculty Finance staff for authorisation.