

AUTOMOBILE MEMORANDUM of UNDERSTANDING

The University of Kentucky acknowledges with sincere appreciation that _____ has agreed to provide (____) vehicle(s) for use by Athletic Department. It is understood that the use of the automobile will be governed by the conditions set forth herein from July 1 through June 30.

RESPONSIBILITY

In accepting a vehicle, the assignee assumes 24-hour per day control and responsibility for such vehicle. Such assignee assumes a moral obligation to exercise all normal measures and precautions for the care and protection of the assigned vehicle, including necessary servicing. Operation of the vehicle by other persons, including dependents, (except spouses and such other exceptions as noted), is not permitted. The dealer-donor will permit the spouse of the assignee to operate the vehicle. This restriction does not apply to other University employees who may be assigned to operate the vehicle. It is understood that the assignee will NOT permit the use of vehicle to unauthorized persons. Under no circumstances are student-athletes to drive the vehicle. An athlete being allowed to drive a courtesy car is in direct violation of NCAA rules. Other persons under the age of twenty-one are not permitted to drive the vehicle.

INSURANCE

The responsibility for insurance coverage is per agreement with the dealer-donor and the assignee. UKAA does not carry insurance for this arrangement, and both parties are advised to take the necessary steps to ensure that both parties are protected. Dealer/donor assignee insurance declaration must be completed by both parties and attached to this document.

PRIVILEGES/BENEFITS OF THE DEALER-DONOR

1. Two complimentary football season tickets (per car); one football parking pass (per car).
2. Two complimentary men's basketball season tickets (per car).
3. Invitation to an occasional car dealer appreciation function.

ASSIGNEE RESPONSIBILITIES

It is the responsibility of the recipient of a dealer vehicle to:

1. Keep the car clean and neat at all times.
2. Maintain an ongoing relationship with the dealer, contacting the dealer, at least quarterly.

3. Ensure that the car is serviced regularly to the manufacturer's specifications at the dealer's service department, if possible.
4. Return the car promptly to the dealer at the agreed time, upon completion of set mileage allowance specified by the dealer, at the dealer's request or upon separation from the University.
5. Report any accident or damage involving the vehicle to the dealer, the appropriate insurance agencies, and University of Kentucky Athletic Department.
6. Be responsible for payment of fees for any traffic or parking violations.
7. Return the car in good condition for sale.
8. Maintain a valid driver's license for both employee and spouse. The employee issued the car and his/her spouse is the only person that may drive a dealer/donor vehicle.

Additional Assignee responsibilities are as follows:

Taxable Fringe Benefit on Personal Use

IRS regulations define taxable fringe benefits to include an employee's personal use of an employer provided automobile (i.e., a dealer car). The personal portion of the annual lease value of the dealer car is included on the recipient's W-2 form and taxed at an estimated total of 41.65%, which is the 28% federal, 6% state, and the 7.65% social security taxes. The driver will be taxed on a quarterly basis. This is all processed through the University of Kentucky Athletic Department Business Office.

Documentation and Reimbursement of Business Mileage

Each driver must maintain a vehicle mileage log book for all business miles documenting the date, destination, business purpose of the trip, the beginning and ending odometer readings for each trip and the total miles driven for each trip. Mileage logs are submitted quarterly to the University of Kentucky Athletic Department Business Office. Commuting mileage is not considered business related or a reimbursable expense.

DEALER-DONOR RESPONSIBILITIES

Dealers participating in the Dealer Car Program are expected to:

1. Provide the assigned driver a new vehicle or current year low mileage (program) vehicle of the dealer’s choice suitable for recruiting and conducting department business. Assignees will not be asked to drive vehicles that are not still covered by warranty.
2. Replace the car according to the schedule agreed upon.
3. Provide registration, title, taxes, and license plate.
4. Instruct the driver as to dealer requirements for insurance, service to the vehicle and where that service may be performed.

ASSIGNMENT

The vehicle provided by you will be assigned as follows:

ASSIGNEE	ADDRESS	PHONE NUMBER
_____	_____	_____

DEALER/CONTACT	ADDRESS	PHONE NUMBER
_____	_____	_____
_____	_____	
	_____	FAX NUMBER
	_____	_____

The terms and conditions stated herein agreed to:

_____	_____
Dealer/Donor	Date

_____	_____
Assignee	Date

_____	_____
University of Kentucky Athletic Department Official	Date

_____	_____
University of Kentucky Purchasing Division Official	Date