



**AUTO EXPENSE REIMBURSEMENT POLICY – TOTAL RETAIL SERVICES, INC.**

The IRS allows auto allowances to be paid to employees under the following conditions:

- The employee expenses have a business connection;
- The employee adequately accounts for the expenses within a reasonable time period; and
- The employee returns excess allowances within a reasonable period of time.

Employees who receive a monthly Auto Allowance must submit monthly mileage reports substantiating the allowance.

Employees who do not receive a monthly Auto Allowance, should submit an expense report detailing date, mileage and business purpose for reimbursement of business mileage driven.

We currently require employees to complete on the TRS website and on a weekly basis, a Weekly Activity Report (WAR) that shows total daily business miles and the purpose. Reports run from first of each month through to the last day of each month and are due for completion online by the end of the first week of the following month for Director of Services review.

Business fuel expenses (gas reimbursements) are reported on a monthly basis and are due to the Communications Manager by the end of the first week of the following month.

The business miles are multiplied by the IRS allowable rate (56.5 cents for 2013). If this total exceeds the auto allowance plus gas reimbursements given to the employee, nothing further is done at the company level. If the total does not exceed the auto allowance plus gas reimbursements the difference is taxed to the employee as regular income (reconciliation is annually) and reported on the employees W-2. An excess reimbursement or allowance is any amount you are paid that is more than the business-related expenses that you adequately accounted for to your employer.

You are expected to have your vehicle insured and maintained in a safe and reliable manner.