

IPS Enterprises, Inc.
Vehicle Allowance Policy

Purpose

The Board of Directors (“Board”) of IPS Enterprises, Inc. (“IPS”) adopts this policy to establish guidelines and standards for vehicle allowances to IPS officers and employees. Certain employees who drive to fulfill the primary duties of their job are required to have a vehicle available for the performance of their official duties, must have valid driver licenses, and adequate automobile insurance. For requirements applicable to the standard mileage reimbursement for the use of a personal vehicle for IPS business travel, IPS officers and employees must refer to the Board’s policy on travel expense reimbursements.

Authority Over Fiscal Matters

Refer to the Board’s policy relating to its authority over fiscal matters for requirements applicable to this policy. In the event of a conflict between this policy and the Board’s policy relating to its authority over fiscal matters, the latter policy shall prevail and govern.

The Delegates shall report to the Board any business arrangement or transaction with an individual that is an officer, as defined in Sec. 5 of Board’s policy relating to its authority over fiscal matters, and any conflicted,¹ interested² or related³ party, as defined in other Board policy or applicable law. IPS may not enter into a business arrangement or conduct a transaction in such a manner so as to circumvent this requirement.

Policy

It is IPS’ policy that in the event an employee is required to use his or her personal vehicle to fulfill the primary duties of their job, that employee may get that mileage reimbursed in accordance with U.S. Internal Revenue Service requirements and rates. Based on eligibility due to frequent driving (see table below), the Delegates or designee may approve the payment of a vehicle allowance to cover such frequent business-related driving in lieu of mileage reimbursement. Such allowance will be paid monthly. These allowances are reported as ordinary wages on a W-2 and will be subject to federal and, as applicable, other state income tax reporting and withholding. With respect to mileage reimbursement, **in accordance with the Internal Revenue Code, Treasury Regulations and other IRS requirements, travel distance excludes and is not considered the distance from the employee’s home to their primary work location or “home station”** (see examples of how to calculate mileage on last page).

Eligibility

To be eligible for a vehicle allowance, IPS employees must incur significant business mileage reimbursement expenses during the prior fiscal year. Every July, IPS will identify potentially-

¹ Tex. Ed. Code § 12.1054; 19 TAC §§ 100.1131 through 100.1135

² 19 TAC § 100.1047(f)

³ Tex. Ed. Code § 12.1166

eligible employees and inform them of their opportunity to complete and submit a vehicle allowance application form. Alternative, IPS management may, at any time, request an application form for an employee.

In accordance with the Board policy, all mileage that is covered by IPS' travel policy should be submitted for mileage reimbursement whether or not a standard vehicle allowance is in place (see "Super Allowance" for alternative). Driving not covered by this policy is eligible for consideration for a vehicle allowance based on the allowance below. A specific allowance will be approved by the Delegates or designee, at which point the employee will begin receiving a monthly vehicle allowance with the next pay cycle and will no longer be eligible to submit for mileage reimbursement for same-day within-region travel. Vehicle allowance will continue at the same rate until job duties or expected mileage change, at which point eligibility must be re-classified.

Allowance Schedule

At least 400 miles average per month	\$300.00 per month (\$3,600 per year)
At least 550 miles average per month	\$412.50 per month (\$4,950 per year)
At least 700 miles average per month	\$525.00 per month (\$6,300 per year)
At least 850 miles average per month	\$637.50 per month (\$7,650 per year)

After the IRS publishes the standard mileage rate for operating a vehicle for business purposes, the Delegates shall review the allowances above and propose an amendment to this policy to maintain allowance amounts that are no greater than thirty percent (30%) of the amounts that would have been derived using the IRS standard mileage rate for business use.

Training and Updates⁴

The Delegates or designee shall properly train or ensure training is provided to IPS officers and employees on the requirements of this policy and any administrative procedures adopted to implement this policy. Additionally, the Delegates or designee shall keep IPS officers and employees informed of any changes to this policy and related requirements.

Administrative Procedures⁵

The Delegates or designee shall prepare and formally adopt administrative procedures as reasonably necessary to properly administer this policy and to adhere to applicable legal requirements. In doing so, the Delegates or designee shall not adopt, and is prohibited from adopting, an administrative procedure that is not authorized by and that conflicts with applicable law or this policy. Accordingly, the Delegates or designee shall confer with the Board or legal

⁴ 2 CFR § 200.303(a), U.S. Government Accountability Office *Standards for Internal Control in the Federal Government*, 4.02 and 4.05.

⁵ Consistent with 19 TAC § 100.1033(b)(14)(C)(iv), the Board has the final authority to adopt policies governing charter school operations, including authorizing the Delegates or designee to adopt an administrative procedure to implement this policy. Moreover, as set forth in IPS' Articles of Incorporation and Bylaws and in accordance with Tex. Bus. Org. Code §§ 3.101 and 22.201, the Board is IPS' governing authority and, as such, manages and directs IPS' business and affairs through Board actions, resolutions, and policy.

counsel before deviating from the requirements set forth in this policy and whereby an amendment to this policy or deviation shall be proposed and adopted.

Date Adopted and Effective

As set forth in the pertinent minutes to the meeting of the Board, the Board adopted this policy on MDY and became effective on MDY.

Retention

This policy shall be retained until superseded, expired or discontinued and for five (5) years thereafter.

Form

Vehicle Allowance Request Form

Employee Name and Title:		Home Station		Date Submitted		
# Monthly or Yearly Trips	Purpose	FROM (Please select from drop-down menu)	TO (Please select from drop-down menu)	Mileage	Roundtrip (Please select Y/N from drop-down menu)	Total Mileage
IDEA Within-Region Travel						
40	Training	IDEA HQ	IDEA Donna	4.1	Y	328
30	Compliance Visit	IDEA HQ	IDEA Pharr	18.4	Y	1104
6	Training	IDEA HQ	IDEA Toros	17.4	Y	208.8
50	Chick-ins	IDEA HQ	IDEA McAllen	18.9	Y	1890
Other Planned Within-Region Travel (MapQuest map must be included)						
Please write in or select from drop down menu or write-in location address and enter 1-way mileage. Select Y if roundtrip. Only						
8	Region Once HR Training	IDEA HQ	Edinburg	21.4	y	342.4
0				0	N	0
0			Total Within Region Mileage			3873.2
IDEA Between-Region Travel						
5	Regional Conference	IDEA HQ	IDEA ROSA	256	Y	2560
0				0	N	0
Other Planned Overnight Travel (MapQuest map must be included)						
Please write in or select from drop down menu or write-in location address and enter 1-way mileage. Select Y if roundtrip. Only						
1	Region Leaders Meeting	IDEA ROSA	IDEA HQ	256	Y	512
0				0	N	0
				Total Mileage		6945.2
				Monthly Payment		\$ 400.00