

MOTUS REIMBURSE

# Personal-Use Chargeback

## Transform Your Company Car with Technology

The cost of personal-use chargebacks on a company-provided vehicle can be tricky for fleet vehicle program administrators to calculate. Your employees are using the vehicle to perform their job duties, but they also need to make personal stops like running errands or dropping off their kids at school. To that end, depending on role, chargebacks can be highly variable or difficult to validate on a case-by-case basis.

## How can you accurately charge for personal mileage?

### Put Your Employees First with Fair and Accurate Personal-Use Chargebacks

Companies with fleet programs often assume a personal-use percentage of total reported mileage or charge employees a flat monthly total regardless of actual personal mileage driven. This can have the unintended effect of incentivizing employees to drive more on nights and weekends in their company car, resulting in faster vehicle replacement cycles. These methods are costly to your bottom line and unfair to your employees who may or may not incur excessive personal mileage.

Fortunately, Motus Fleet offers three flexible personal-use chargeback options that guarantee each employee is only charged for the personal-use they incur. Choose from a flat cent-per-mile rate, variable fuel rate, or even a combination of both. Chargeback calculations are specific to the individual employee, measuring their business mileage against their monthly odometer reading, helping ensure your employees enjoy the benefits of driving a company-provided vehicle without costing the business.

### Save on Your Bottom Line by Recovering the Cost of Personal Mileage

For Motus customers, personal-use chargebacks are calculated based on the actual personal and business mileage for each individual employee, factoring in the specific costs of operating their fleet vehicle. With this level of accuracy, the average personal-use chargeback across Motus customers was \$164 per employee in 2019.

### Eliminate Risk with IRS-Compliant Mileage Logs

In addition to reducing vehicle program costs, Motus also protects your business in the case of an audit. Companies can face potential tax liabilities, penalties and interest if an IRS audit identifies under-reported personal-use mileage. Since the IRS requires that employees maintain detailed mileage logs to substantiate business and personal use of company-provided vehicles, there are no surprises for the employee or business during tax reporting season.

**Learn how easy it is to build a tailored vehicle program with Motus today!**

BUILD YOUR PROGRAM