

# Guidelines for Vehicle Expenses on ACC Vancouver Section Trips

February 2013

## **Recommendation**

The ACC Vancouver section (the "Club") recommends that a rate of \$0.25/km is used to reimburse drivers who allow their car to be used for carpooling on Club trips. The resulting cost for the trip is to be split evenly between participants of each car that is used for the trip, including the driver. This rate is meant as a guideline and recommendation for the trip participants. In particular, the owner of a car that is used for carpooling may decide on a different cost-sharing scheme. Also, an additional surcharge should be considered for trips that involve driving on rough roads.

## **Rationale**

The willingness of Club members to use their private vehicles on Club trips is an important prerequisite for an attractive trip schedule and therefore the livelihood of the Club itself. It is therefore essential that car owners who offer their cars to be used for carpooling get reimbursed for the costs incurred by using the car for the trip in a fair and satisfactory way.

The purpose of this document is to present a cost sharing model for carpooling on Club trips.

The current (at the time of writing: February 2013) provincial government rate for private vehicle use is \$0.50/km, see

[http://www.bcpublicserviceagency.gov.bc.ca/policy/down/Appendix\\_1\\_Travel\\_Allowances.pdf](http://www.bcpublicserviceagency.gov.bc.ca/policy/down/Appendix_1_Travel_Allowances.pdf).

This amount is based on the assumption that the employee owns the vehicle in order to perform his/her job, i.e., it covers all costs that are related to owning a vehicle, i.e.,

1. fuel costs
2. vehicle insurance costs
3. loss of value due to aging of the vehicle
4. wear and tear

It is assumed that cars used for carpooling on Club trips were not purchased for the sole purpose of using the car on Club trips. Instead, it is assumed that the main purpose of the car is for different usage, e.g., driving to and from work and other non-Club related trips. Therefore, costs that are incurred regardless of whether the car is used for carpooling or not should consequently not be included in the cost sharing model for carpooling on Club trips. In particular, this applies to costs due points (2) vehicle insurance and (3) loss of value due to aging. Hence, car owners should get reimbursed for (1) fuel costs and (4) loss of value due to wear and tear. Consequently the rate per kilometer for car use should be lower than the current government rate.

It remains to estimate (1) fuel costs and (4) costs due to wear and tear.

1. Fuel costs depend on two factors:
  - a. fuel consumption (in l/km),
  - b. cost of fuel (in \$/l).

At the time of writing the fuel consumption of a typical car used on Club trips is around 10l/100km. The cost of fuel is around \$1.40/l. This results in a rate of about \$0.14/km. The underlying factors will likely change in the future, i.e., fuel consumption is expected to drop while the cost of fuel is expected to rise. Thus, this rate may have to be adjusted accordingly.

4. Costs due to wear and tear is much harder to estimate on a per kilometer basis. A rough estimate would be that a car that is driven about 20,000km/year might cost around \$2,000 in repairs per year, resulting in a rate of \$0.10/km.

In summary, the rate recommended to be used for carpooling on Club trips is about half the government rate, i.e., \$0.25/km.