

## Area 75 Proposal Form

**Proposal Sponsor:** Todd U.  
**Sponsors Phone:** (414) 507-1970

**Sponsors Service Position:** Area Treasurer

### **Describe your proposal (Attach any supporting documentation):**

That the current Assembly Action addressing mileage reimbursement:  
"2001/03/04 That Area 75 pay mileage for Area Officers and Committee Chairs in an amount equal to that which GSO pays the delegate for driving mileage when attending the General Service Conference. This amount's rate is sent to the delegate each year prior to his/her attendance at the General Service Conference and should be updated automatically upon its receipt by the delegate." (page 5-9 of Area 75 Assembly Actions)

be rescinded and replaced with:

"Area Officers and eligible Committee Chairs will be reimbursed for personal vehicle travel expense in a per mile amount based on the direct cost of operating the vehicle where the direct cost exclusively includes the cost of fuel and oil."

### **List the primary benefits of your proposal to the area.**

Area 75 should reimburse its officers and chairs at a fair and reasonable rate for travel expense, but at the same time be prudent and conservative in its method.

Currently, the Area reimburses at a business rate set by the General Service Office for the Delegates. Adopting this proposal would lower the reimbursement rate to be equal to the direct costs associated with operating a vehicle as calculated by the cost of fuel and oil.

### **Background**

Currently, the Area reimburses at a business rate of 41.5 cents per mile, which includes not only the direct costs of operating the vehicle but also includes allowances for automotive maintenance, insurance etc.

The proposed rate would be based on the actual direct cost to operate the vehicle in terms of fuel and oil. The charts below provide a sample of what that reimbursement rate would be:

Cost to operate an automobile assuming a fuel cost of \$2.50/gal and a \$30 oil change every 5000 miles		Cost to operate an automobile assuming a fuel cost of \$3.00/gal and a \$30 oil change every 5000 miles	
Mileage (MPG)	Cost (\$/mile)	Mileage (MPG)	Cost (\$/mile)
15	0.17	15	0.21
17	0.15	17	0.18
19	0.14	19	0.16
21	0.13	21	0.15
23	0.11	23	0.14
25	0.11	25	0.13

Formula to arrive at reimbursement rate:

$(\text{Cost of fuel per gallon} / \text{Miles per gallon}) + (\text{Cost of oil change} / \text{miles driven between oil changes})$

There is also a potential problem in that reimbursing at a rate greater than the allowable charitable rate, it may be advisable for our trusted servants to report as taxable income the amount reimbursed that is greater than the charitable rate.

Research indicates that the IRS allows for a volunteer to be reimbursed at the actual cost to operate the vehicle, where the actual cost is calculated using the cost of fuel and oil, even when such costs exceed the fourteen cents set by statute. If this proposal passes, this interpretation can be applied so that no one loses money as a result of high fuel costs and low vehicle mileage.

**Estimate any funding required. Outline where funding would come from. Explain whether this is a one-time or ongoing expense.**

No additional funding required.

Area budgeted expenses will likely decline as a result of this proposal.

Printing of updates to the Assembly Actions is a budgeted item.