

**Fairleigh Dickinson University**  
**Human Resources Office**

**Automobile Allowance Policy**  
**As of December 11, 2025**

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**Purpose:** Auto allowances are set payments to employees for the use of their personal vehicle for University business.

**Scope:** This policy applies to all employees that have been provided with an auto allowance as authorized by the respective budget officer. Note that auto allowance eligibility may be reevaluated if job duties change or if the employee transfers to a role without required travel. This policy does not apply to reimbursements for authorized non-automobile travel in accordance with the University's Travel and Business Expense Policy and does not apply to the use of University-owned vehicles.

**Policy:** The auto allowance is intended to cover the use of the vehicle (including the cost of gas, vehicle maintenance, insurance, and other personal vehicle related costs). The employee is responsible for maintaining sufficient insurance coverage on the vehicle. Any employee with an auto allowance will not be allowed to request mileage reimbursement. Tolls and parking fees incurred as business travel in excess of what would be incurred as part of an employee's normal commute may be reimbursed as part of the University's Travel and Business Expense Policy.

The auto allowance is a fringe benefit to the employee and is treated as taxable income to the employee. Payment of the auto allowance will only be processed through Payroll and is subject to withholding for federal and state income taxes and applicable FICA taxes. The annual amount allowed is paid in twenty-four equal payments with the regular pay periods. The payments are reportable on the employee's W-2 in the year paid.