

## Department of the Interior Departmental Manual

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**Effective Date:** 03/11/14

**Series:** Financial Management

**Part 348:** Transportation Subsidy Benefit Program

**Chapter 2:** Bicycle Subsidy Benefit Program

**Originating Office:** Office of Facilities and Administrative Services

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### 348 DM 2

**2.1 Purpose.** This chapter provides Departmental policy, guidelines, and procedures for the Department of the Interior (DOI) Bicycle Subsidy Benefit Program (the Program). The purpose of the Program is to meet the mandate of Executive Orders that call for reducing vehicular traffic congestion and air pollution in areas of the country where DOI has a large contingent of employees and promoting health and wellness by encouraging employees to use non-motorized (pedaled) bicycles as their primary means of commuting to and from work.

**2.2 Scope.** The policy and requirements in this chapter apply to all bureaus and offices, including all DOI employees, paid student/interns and/or unpaid student volunteers who commute within the United States of America.

#### 2.3 Authorities.

A. Federal Employees Clean Air Incentives Act, Pub. L. 103-172, 107 Stat. 1995 (December 2, 1993), codified at 5 U.S.C. 7905.

B. Internal Revenue Code, 26 U.S.C. 132.

C. Executive Order 13514, Federal Leadership in Environmental Energy and Economic Performance (October 5, 2009).

D. Government Organization and Employees, 5 U.S.C. 2105.

**2.4 Policy.** The DOI Bicycle Subsidy Benefit Program provides financial assistance to DOI employees and paid student/interns and/or unpaid student volunteers for the purchase, improvements, repair, storage, and/or maintenance of a non-motorized bicycle that is used as a primary means of commuting to and from work. Violations of the policy and requirements in this chapter may be grounds for suspension or revocation of the benefit and disciplinary action. All DOI Qualified Program Participants (QPP) must adhere to the Program policy and rules of the garage and/or building policy for safeguarding a bicycle on DOI-owned or rented property.

2.5 **Objective.** The Program is intended to encourage employees to use means other than single-occupancy motor vehicles to commute to and from work.

2.6 **Definitions.**

A. Bicycle Commuting Month. Any month during which a DOI employee or student/intern regularly uses a non-motorized bicycle for a substantial portion of his/her daily commute and does not receive any other Qualified Transportation Fringe Benefit (QTFB) or federally-subsidized parking benefit.

B. Calendar Year. Twelve (12) consecutive months beginning January 1 and ending December 31 of that same year. It is also the annual accounting period used to maintain records and report income and expenses for tax preparation.

C. Daily Commute. The daily commute from a QPP's place of residence to his/her place of employment and/or return.

D. Employee. A current DOI employee, paid student/intern, and/or unpaid student volunteer. (For purposes relating to commuting by means other than single-occupancy motor vehicles, any student who provides voluntary service, under 5 U.S.C. 3111, shall be considered a federal employee.)

E. False Claim. Knowingly presenting or knowingly causing to be presented to the federal government an untrue statement to obtain payment or funds from the federal government.

F. Fiscal Year (FY). Twelve (12) consecutive months beginning October 1 of one calendar year and ending September 30 of the next calendar year. Appropriated funds are made available during the fiscal year.

G. Fringe Benefit. An employment benefit given in addition to one's wages or salary. Benefits that include commuter transportation in a commuter highway vehicle, transit passes, qualified parking, and/or qualified bicycle commuting expenses are not taxable to the employee, though they are generally tax-deductible for the employer. See "Qualified Transportation Fringe Benefits (QTFB)" below.

H. Multi-Modal Commute. Combining a portion of an employee's daily commute by a non-motorized bicycle with another mode of transportation (e.g., bus, train, car, or ferry).

I. Non-Motorized Bicycle. A bicycle that is human-powered and designed to be used to transport people by the act of pedaling.

J. Qualified Bicycle Commuting Reimbursement (QBCR). This term means, with respect to any calendar year, any employer reimbursement during the 12-month period beginning with the first day of such calendar year for reasonable bicycle-related expenses incurred by an employee during such calendar year if such bicycle is regularly used for a substantial portion of an employee's daily commute. See "Reasonable Expenses," below. The QBCR limitation (an

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annual statutory monthly amount) is multiplied by the number of qualified bicycle commuting months during such year (e.g., an employee with eligible expenses for that period, who commutes by bicycle 3 months out of the calendar year with a \$20 monthly limitation, is entitled to a \$60 QBCR). On an annual basis or, if necessary, a periodic basis, QPP must submit Claim(s) for Reimbursement - Standard Form 1164 (SF-1164), for their Qualified Bicycle Commuting Costs (QBCC) under the QBCR.

K. Qualified Program Participants (QPP). The DOI employees, paid student/interns, and/or unpaid student volunteers providing services under United States Code, Government Organization and Employees, 5 U.S.C. 2105.

L. Qualified Transportation Fringe Benefits (QTFB). The QTFB is one of eight types of statutory employee benefits (also known as non-taxable fringe benefits) that are excluded from gross income up to an annual statutory monthly limit, under the U.S. Internal Revenue Service (IRS) Code section 132(a). Types of QTFB are:

- (1) Qualified commuter highway vehicle transportation.
- (2) Qualified Department-sponsored transit passes, electronic fare media instruments used for the payment of fare, including, but not limited to, vanpool services, fare cards, passes, transfers, tickets, and vouchers.
- (3) Qualified parking (federally-subsidized workplace parking).
- (4) QBCR.

M. Reasonable Expenses. Expenses related to the use of a non-motorized bicycle that is regularly used in an employee's daily commute. These expenses can include the purchase of a bicycle, bicycle lock, bicycle improvements, bicycle safety equipment, bicycle repair, storage, and maintenance, as well as personal bicycle safety apparel and protective equipment. Costs for non-safety apparel (e.g., briefcases, laptop bags, bike shorts, winter gloves, and shoes), may be reasonable, however are not covered under this Program and, as such, are considered to be non-qualified bicycle commuting reimbursements. See "Qualified Bicycle Commuting Costs" paragraph 2.9A and "Bicycle Commuting Expenses," paragraph 2.12.

N. Recertification. All QPP must verify and recertify on an annual basis that their information is correct and up-to-date. The recertification is required to comply with Office of the Inspector General, Office of Management and Budget, and Department of Transportation, Transportation Subsidy Benefit Program (TSBP) Policy and Guidance, program best practices, and management controls to prevent program fraud, waste, and abuse.

O. Regular Use. To allow for greater employee flexibility in varied work schedules and generally to promote increased ridership, the bicycle industry, private businesses, and several federal agencies and state and local governments have defined "regular" bicycle use to mean using a bicycle for one's daily commute for 50 percent or more of the workdays during a given period (e.g., 10 days per month or more in a 20-day work month). The DOI will follow the

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50 percent threshold to establish “regular” use during a given month in order to be counted as a bicycle commuting month.

P. Substantial Portion of Travel. A relatively lengthy daily commute (distance) can become much more manageable when combined with another mode of transportation (e.g., mass transit or a car). This practice is commonly referred to as multi-modal bicycle commuting. The bicycle industry, private businesses, and a number of other federal agencies and state and local governments have used bicycle distance ridden as a portion of total daily commute to determine the meaning of “substantial portion of travel.” Similar to “regular use,” a 50 percent or greater threshold often has been used for “substantial portion of travel” in industry and government. The DOI will follow the 50 percent threshold to establish whether there was a “substantial portion of travel” during a given daily commute sufficient for that daily commute to count towards “regular use.” Accordingly, QPP may choose to supplement the bicycle portion of their daily commute with a second mode as long as the qualified participant travels at least 50 percent or greater of the distance (mileage) using a non-motorized vehicle (bicycle) to and from work in combination with another mode of transportation (e.g., bus, train, car, or ferry).

Q. Transportation Fringe Benefit Subsidy (TFBS). A non-taxable financial incentive. See “Qualified Transportation Fringe Benefits (QTFB)”, above.

R. Transportation Subsidy Benefit Program (TSBP). Executive Order 13150 dated April 21, 2000, established the Mass Transportation and Vanpool Transportation Fringe Benefit Program, a program of financial incentives designed to encourage employees to use mass transit for commuting to and from work. Under the TSBP, federal employees may receive transportation passes and/or subsidies in amounts approximately equal to employee commuting costs, not to exceed the maximum level allowed by law. The TSBP was fully implemented throughout DOI in October 2000.

## 2.7 Responsibilities.

A. QPP's are responsible for:

- (1) Understanding the scope and limitations of the Program.
- (2) Understanding that it is a violation of law to provide false or fraudulent information to the federal government to obtain the Program Benefit, and understanding the penalties involved for any misuse or false claims involving the Program.
- (3) Following the Program procedures for Program enrollment and for submitting a QBCR as outlined in the Program Handbook.
- (4) Maintaining a personal daily record of their non-motorized bicycle commuting month.
- (5) Certifying monthly to meeting the “Regularly Used” and “Substantial Portion of Travel” thresholds.

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- (6) Maintaining receipts of QBCR items purchased for the calendar year.
  - (7) Completing the requirements of the Program Annual Recertification.
- B. Supervisors/Approving Officials are responsible for:
- (1) Authorizing employee participation in the Program.
  - (2) Ensuring that proper documentation or explanations exist to support the reimbursement claimed.
  - (3) Signing the SF-1164.
- C. National Transportation Subsidy Benefit Program (TSBP) Manager is responsible for:
- (1) Administering the Program.
  - (2) Establishing and implementing best practices for the Program.
  - (3) Establishing and implementing internal controls for managing payment of the benefit.
- D. National Capital Region (NCR) and the Outside of the National Capital Region (ONCR) TSBP Coordinators are responsible for:
- (1) Establishing a point of contact for managing the Program for each bureau/office.
  - (2) Following Office of Management and Budget internal controls responsibilities.
  - (3) Communicating, coordinating, auditing, conducting periodic eligibility verifications, de-enrolling, and managing the bureau/office program.
  - (4) Receiving executed forms (all transit applications, QBCC and/or SF-1164), reviewing for completeness, verifying that the information provided by the employee is correct and then forwarding forms to the QPP or appropriate reviewing/authorizing official for processing.
  - (5) Providing guidance and serving as the point of contact on Program questions or issues.
  - (6) Maintaining a QPP list.
  - (7) Maintaining completed enrollment/registration forms.

- (8) Maintaining all QPP records.
- (9) Ensuring that a QPP supervisor authorizes the SF-1164.
- (10) Ensuring that QPP meet the requirements of QTFB.
- (11) Reviewing QPP membership in any other QTFB or federally-subsidized parking program while enrolled in the Program.
- (12) Resolving customer complaints.
- (13) Distributing Program updates.

E. Human Resource/Business or Finance Managers are responsible for:

- (1) Submitting required forms along with the SF-1164.
- (2) Implementing procedures for preparing, processing, and submitting the SF-1164.

2.8 **Eligibility.** Only QPP's are eligible to participate in the Program. As required by statute, participants are not eligible for, and may not receive any other QTFB during the months they receive the QBCR.

2.9 **Benefit.** Employees regularly using a non-motorized bicycle for their daily commute for a substantial portion of travel may receive assistance to defray some of the costs they incur. Bureaus/offices may provide the QBCR for QBCC as described in paragraph 2.9A, subject to the limitations set forth in this chapter.

A. QBCC. Qualified bicycle commuting costs may include the purchase of a commuter bicycle, bike lock, bike parking/storage, bike upgrades (lights, racks), repairs, storage and general maintenance, as well as personal safety and protective equipment and/or bicycle share membership. They are considered reasonable expenses as long as the bicycle is regularly used (50 percent of daily commuting days or greater) for a substantial (50 percent or greater) portion of the travel (distance) between the participant's residence and place of employment.

B. Reimbursement Schedule. The IRS code §132(f) limits the time for which an employer can reimburse an employee for the QBCR. The employer reimbursement schedule is during the 12-month period beginning the first and ending the last day of such calendar year for reasonable expenses incurred. Therefore, reimbursements occur within the calendar year. All DOI QBCR are provided through an annual cash reimbursement method in the months of October through December of the calendar year that reasonable QBCC were incurred and may be subject to bureau/office end-of-the-year processing schedules. A QPP separating from a bureau/office may submit forms prior to the October through December submission schedule.

C. Annual Benefit. A QPP enrolled in the Program for 12 consecutive months receives an annual maximum QBCR. Bureaus/offices will reimburse up to the capped monthly

amount, not to exceed the maximum QBCR limit per calendar year, toward the purchase of QBCC for eligible program participants.

D. Six-Month Alternative Benefit. Bureaus/offices will provide a QBCR up to the capped monthly amount, not to exceed one-half of the maximum QBCR limit per calendar year for QPP in the Program for six consecutive months. A QPP may switch once a year for a 6 month period between the Program, the TSBP, and/or federally-subsidized parking. A QPP should allow sufficient processing time for the enrollment change.

E. Multi-Month Benefit Claims. A QPP may claim reimbursement for QBCC that exceeds the monthly reimbursement by distributing the excess costs across multiple months following the date the costs were incurred. For example, if the purchase price of a bicycle exceeds a \$20 monthly allowance, the QPP may claim the maximum \$20 monthly benefit from the date of purchase for each successive eligible commuting month within the calendar year of purchase to obtain to the greater reimbursement benefit. In this example, the participant would only be entitled to claim a \$240 maximum annual QBCR towards the purchase of the bicycle if the bicycle was purchased in January and the participant was eligible for all 12 commuting months during the calendar year.

**2.10 Enrollment Approvals.** Each participant must obtain approval from his/her supervisor/approving official before enrolling in the program. The approval of the participant's supervisor/approving official must also be obtained before approval from the bureau/office TSBP Coordinator (NCR and ONCR) who validates that participants are neither in receipt of any other QTFB nor recipients of federally subsidized workplace parking.

**2.11 Bicycle Subsidy Benefit Program Application.** Each participant must complete and submit the Program Application Form to the TSBP Coordinator to enroll in the Program.

**2.12 Bicycle Commuting Expenses.**

A. Qualified Bicycle Commuting Reimbursement Covered Expenses. Covered expenses include, and are not limited to the following types of qualified expenses:

- (1) Bicycle.
- (2) Bicycle lock.
- (3) Bicycle parking/storage.
- (4) Bicycle safety equipment.
- (5) Bicycle improvements or accessories (i.e., reflective lights, racks).
- (6) Bicycle repairs and general maintenance.

(7) Personal safety and protective equipment (i.e., high-visibility safety apparel, headwear, and bicycle gloves).

(8) Bicycle share membership.

B. Non-Qualified Bicycle Commuting Reimbursement or Non-Covered Expenses. Non-covered expenses include, and are not limited to the following types of items: Personal items and non-protective apparel, such as briefcases, laptop bags, shorts, and shoes.

### 2.13 **Exceptions/Limitations.**

A. Accidents While Commuting. If a participant is involved in an accident while using the bike to commute to and from work, the accident would not fall within the Federal Tort Claims Act (FTCA) or Federal Employees Compensation Act (FECA) coverage. Bicycle commuting is at the voluntary election of the employee and shall not constitute official duties of any kind. Participating employees assume the risks associated with this activity both for their own injuries and risks to third parties.

B. Accidents While Performing Job-Related Activities. If a participant is operating a personal bike while acting within the scope of his/her job, then injury or property damage that the participant causes to someone else may be covered under FTCA. If the FTCA is found to apply, then DOI will handle claims arising from the accident and represent the participant in a lawsuit rather than the participant or the participant's insurance company. Similarly, if the participant sustains injuries while acting within the scope of the participant's job, the participant may be covered under FECA.

2.14 **Safety.** A QPP should follow the safety guidelines provided below:

A. When operating a bicycle, a QPP should follow applicable bicycle-related municipal ordinances and traffic laws.

B. The Department strongly recommends that a QPP wear protective gear when operating a bicycle such as a helmet, reflective vest or belt, and other safety apparel.

2.15 **Bicycle Subsidy Benefit Program Handbook.** The Program Handbook supplements the policy set forth in this chapter and includes standard operating procedures, copies of all forms required for participation in the program and instructions for completing them, and Program Frequently Asked Questions. The Program Handbook is available at <http://elips.doi.gov>.