

<b>CalTIP Governance Policy Manual</b>		
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**Guidelines for the Valuation of Member Vehicles**

**Policy Statement:**

The Board of Directors (Board) of CalTIP has determined that it is in the best interests of CalTIP to establish guidelines to ensure its members are consistently and accurately reporting the Actual Cash Value and Replacement Cost (Cost New) Value of their vehicles within their vehicle schedule. The Board recognizes that these guidelines will assist in protecting the financial assets of CalTIP.

**I. Purposes/Expected Outcomes**

The Board’s goal is to ensure the accuracy of the Actual Cash Value and Cost New Value information received from the members, which are used in the calculation of annual contributions and excess insurance premiums, as well as, the potential payment of vehicle physical damage claims.

**II. Guidelines**

The following guidelines will be applied, by its members, to the valuation process when determining the Actual Cash Value and Cost New Value to be reported on their vehicle schedules. Both the Actual Cash Value and Cost New Value should include any equipment permanently attached to the vehicle.

i. Actual Cash Value

Actual Cash Value shall be defined as the original purchase price of the vehicle less depreciation. Depreciation shall be based on the guidelines established by the Federal Transit Administration (FTA) guidelines relating to the minimum life of a vehicle. The guidelines, as may be amended by the FTA periodically, can be located on the CalTIP website or the FTA website at the following link: <https://www.transit.dot.gov/research-innovation/useful-life-transit-buses-and-vans-final-report>.

ii. Cost New Value

Cost New Value shall be defined as the original purchase price of the vehicle. Four years following the original purchase date, the Cost New Value shall be adjusted to reflect the current market price of a vehicle of like kind or similar make and model.

The reporting of newly acquired vehicles on a Member’s vehicle schedule shall be done within 30 days of the date of delivery.

### **III. Monitoring**

The Board of Directors will review the policy for content and compliance every three years.