

## Before You Lend Your Car to Your Employee

By GEOFF WILLIAMS, WALLETPOP.COM Posted: 2008-12-11 12:56:21

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It's a situation that plays out again and again for entrepreneurs across the globe. You're literally minding your own business when it comes to your attention that you have to be in two places at once. Since you can't, you toss your car keys to an employee and ask him to pick up an item or a client that suddenly you desperately need to have at your headquarters. You wave good-bye, and then it hits you: I just lent my own car -- and to a guy who still can't work the copier machine properly. What was I thinking?

Fortunately, as long as you're insured for other people to drive your car, you were probably right to hand over the keys, according to Holly Green, the CEO and Managing Director of the Human Factor, a full-service business strategy consultation company, including the tricky issue of human resources. Before the Human Factor, Green spent more than 20 years working as an executive at Fortune 100 companies as well as organizations like the one founded by the famed author and business guru, the Ken Blanchard Companies, where she was president.

But Green, who became an expert on lending a car to employees, the hard way, says that it isn't the big things like insurance that will likely trip you up, but the little things.

"I once lent someone at the office my car and both passengers smoked in it. I'm not a smoker, so I was incredibly frustrated for the month or so it took to get rid of the odor," says Green. "Every time I got in the car after he borrowed it, I got frustrated all over again that I hadn't mentioned not to smoke in my car."

So if you are going to lend your car to an employee, or think that may happen at some point, you'd do well to think through a few issues first car.

Insurance. It's obvious, concedes Green, but it still needs to be said: Check your auto insurance to make sure your car is covered if someone else is driving, and make sure you have enough coverage in case someone is hurt or injured.

Your employee's driver's license. Try to remember to ask if it's active. "You might be surprised that people do drive with expired ones or when theirs has been removed for some reason," says Green.

Make sure your expectations are stated upfront. Quick short trips aren't as necessary to go through an entire debriefing, but if it's a long trip, you need to know who will be paying for gas, and whether the car should be refilled or not upon its return, says Green, who also suggests telling your employee that if he or she would "get a ticket for violating any traffic laws, it will be their responsibility, including parking tickets." Even better, Green says, would be to put all of this in writing.

All in all, if you can avoid lending your car, that's all to the better. "Loaning an employee your vehicle isn't usually covered in the employee handbook, since it's a fairly rare occurrence," says Green. "Car services and taxis are pretty commonplace today and considering the liability, it may be a better option all around. In general, it's not an incredibly wise course of action."

That said, Green concedes, you can't always avoid it. "Reality sometimes gets in the way."

Geoff Williams is a freelance journalist and the author of C.C. Pyle's *Amazing Foot Race: The True Story of the 1928 Coast-to-Coast Run Across America* (Rodale).