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# Oklahoma FFA Association

## Policy on the Use of Vehicles for Awards and Degrees

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Vehicles such as pickup trucks, cars, four-wheelers, grain and fuel trucks, etc., may be an essential asset to a successful SAE program. The Internal Revenue Service (IRS) will allow a reasonable proportion of your ownership costs as a business expense. The following specific guidelines should be followed when listing vehicles as assets in an SAE program.

**\*The percent value of a vehicle that is allowed to be counted in an SAE program is the percent the vehicle was used toward the SAE in a given year.**

*Example: You put 10,000 miles on your pickup truck this year and 2,000 of those miles were directly attributed to your SAE program. Therefore, 20 percent of the value of that pickup can be counted as an asset toward your SAE. In real dollars that means if a pickup truck is valued at \$8,000, then \$1,600 can be counted as an asset toward your SAE. The remaining value of \$6,400 shall be listed as “non-productively invested/personal non-current assets.”*

**\*Current IRS rules recommend that the total value of a vehicle should never exceed 60 percent of the value of the vehicle. The exception to this rule would be feed trucks, fuel trucks, etc. In this instance, the vehicle shall have a *farm tag*, and there shall be substantial supporting inventory that requires the investment of the vehicle.**

*Example: A feed truck with a farm tag would require substantial supporting inventory such as livestock. A fuel truck with a farm tag would require substantial supporting inventory such as tractors, combines, or other types of equipment.*

**\*At no time can a vehicle count as the only source of investment in an SAE program of a student applying for the State FFA Degree.**