

UCR Policies and Procedures

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Policy Title:	Moving Expense and Relocation Allowance for Staff
Policy Number:	650-32
Responsible Officer:	Associate Vice Chancellor of Business and Financial Services and Controller
Responsible Office:	Business and Financial Services - Accounting Office
Origination Date:	12/01/2008
Date of Revision:	07/05/2017
Date of Last Review:	06/30/2017
Scope:	Guidance Concerning Moving Expense and Relocation Allowance Involving Staff Positions

I. Overview

To attract and retain the most qualified employees, the University on occasion provides reimbursements for certain moving expenses, depending on the situation (e.g., promotion), the employee's position, and availability of funding. Also, the University may on occasion provide relocation allowances to offset higher living costs in a new location, depending on the situation, the employee's position, and availability of funding.

Business and Finance Bulletin [G-13](#) sets forth the University-wide policy governing the payment of these expenses for non-exclusively represented staff employees. The implementing procedure, 650-32, describes UCR's process for transacting these reimbursements and allowances for non-exclusively represented staff employees. Represented staff should refer to their collective bargaining contract agreement.

Note: The policy for moving and removal expenses for academic employees is in a separate UCR [P&P 650-31](#).

II. Eligibility for Moving Expense Reimbursements and Relocation Allowances

Business & Finance Bulletin G-13 should be referred to for determining if a staff employee is eligible for a moving expense reimbursement or relocation allowance.

III. Allowable Moving Expenses

Business & Finance Bulletin G-13 should be referred to for determining moving expenses that are allowable and eligible for reimbursement. Reimbursements can vary depending on the situation, the employee's position, and availability of funding. The [Moving Reimbursement Qualification Matrix](#) provides information about reimbursable expenses depending on staff classification.

IV. UCR Procedure - Moving Expenses

A. Authority to Approve Moving Expenses

The authority to approve staff moving expense reimbursements that are in accordance with Business & Finance Bulletin G-13 has been delegated to the department head.

Approval of a reimbursement that is an exception to policy goes through the respective Vice Chancellor or Dean that the department head reports to and then to the Vice Chancellor Administration (VCA). The VCA evaluates as the campus chief staff officer if such exceptional reimbursement is necessary for the recruitment of the most qualified employees in that particular profession. The request for an exception should be made in advance in writing and must specify the purpose, special circumstances, applicable dates, and name of the individual.

B. Source of Funds/Forms

As a general rule, moving expense reimbursements for staff employees are typically recorded and funded on the same activity, fund, and function as that used to pay the employee's salary. In some cases other fund sources are used, if it's an appropriate cost for that fund to bear. One caveat: moving expenses for persons whose appointment is funded entirely from extramural funds must be funded from sources other than state funds. Moving expenses are paid from the moving expense account (780320) of the Hiring Department.

C. Notifying Employee

After securing the appropriate approvals for payment, the Hiring Department should send the employee a "[Family and Household Move Informational Brochure for Staff Employees](#)" at the earliest possible date. The employee must also be advised that UCR has contracts with specific household carriers, and arrangements for any move of household goods are to be coordinated through the UCR Purchasing Department. They are not to enter into a contract with any carrier.

Employees are to make their own travel arrangements for themselves and their family members. Reimbursement of allowable costs will be made upon submission of a Moving Expense Reimbursement form with required receipts.

D. Preparing Purchase Requisition

To initiate arrangements for the moving of household goods, an online purchase requisition should be prepared by the hiring department. The requisition must include: budget to be charged, present address, new address (if known), anticipated moving date, employee's social security number, and telephone numbers (home and office) where the employee can be reached. The electronic requisition will be accessed by Purchasing, which has the responsibility for arranging the move with the moving company. The local representative of the moving company will contact the employee. The requisition should be prepared as early as possible, but not later than 30 days prior to the anticipated date of the move. This limitation is imposed to provide sufficient time for coordinating with the carriers, as well as allowing the carrier to make all arrangements required to perform the move as requested.

Please have the employee contact the Receiving Division at 951-827-3134 for information regarding packing, labeling and documentation on personal items that are not considered household goods. Items not considered household goods will NOT be covered by the University insurance and are not reimbursable.

E. Reimbursement

Application for reimbursement for moving expenses should be made on the [Moving Expense Reimbursement Form](#). A moving expense reimbursement form is completed in all cases to make a final accounting of the moving expense and to initiate reimbursement of related travel costs. It should be submitted to the approving authority within 7 days after the move. The moving expense reimbursement form should reference the purchase requisition number and the amount. **Original receipts must be supplied for claims of allowable expenses.**

The receipt requirement states:

Tape all receipts to a full sheet of paper and attach them to the moving expense reimbursement form in the same sequence as the entry of their totals on the reimbursement form. Identify or clearly reference attachments. Please indicate the exchange rate used for each receipt when applicable. The original of the following receipts must be submitted with the Travel Voucher:

- all airline expenses*
- all itemized lodging expenses for domestic travel*
- all rental car expenses*
- gifts provided to a host costing \$25 or more (only one gift per stay to a maximum of \$75)*
- meals and incidental expenses and miscellaneous expenses of \$75 or more.*

Electronic receipts are acceptable provided that the detail contained therein is equivalent to the level of detail contained in an acceptable paper record.

Air travel is usually the preferred mode of transportation, however, a traveler may use surface transportation for personal reasons. The cost of meals and lodging, parking, mileage, tolls, taxis, and ferries incurred while in transit by surface transportation may be reimbursed, subject to the 300 mile-per-day rule (must travel a minimum of 300 miles per day via the most direct route). The sum of all costs shall not exceed the expense of airfare, based on the lowest regular coach fare available (which is usually a round trip airfare) for the location of travel from a standard commercial air carrier, plus transportation costs to and from the terminals. Please attach a copy of an itinerary obtained from a travel agent, commercial air carrier or travel web site like "travelocity" stating the cost of the airfare. You also need to attach a sheet stating the itemized costs you are claiming for reimbursement, which as stated above, should not exceed the cost of the airfare. The receipt requirements apply. Contact the Accounting Office - Travel Office for further information.

F. Insurance

The UC agreement with the moving agents insures household goods that are allowable expenses. Personal items that are not allowable expenses are not covered by the University insurance. Household goods are insured at \$3.50 - \$4.00 times the weight. The first \$50,000 of value is included in the agreement with the move carriers at no additional charge. For values in excess of \$50,000, a charge of \$.40 per \$100 of additional value is added to the invoice. Items of extreme value should be brought to the move agent's attention at the time of the estimate.

NOTE: Regardless of the amount of insurance secured, the employee will be responsible for proving the value of any damaged or missing articles (see section G, Claims for Damages or Lost Articles below).

G. Claims for damaged or lost articles

In the event of damaged or lost articles, it is the employee's responsibility to file a claim against the carrier. Accurate records reflecting dates, names, manufacturers and model numbers, value, weight, etc., will greatly strengthen and support a claim. The carrier, or insurance company, will not accept responsibility for concealed damage if the employee packed the item. It is strongly recommended that the moving company pack expensive items such as artwork, rare books, and heirlooms.

V. UCR Procedure - Relocation Allowances

Relocation allowance payments are intended to offset higher living costs in a new location; however, the total value of such payments may not exceed 25% of an appointee's annualized base salary. Relocation allowances are not intended to reimburse or offset the actual or presumed costs of moving from one location to another. Payment is generally made on a monthly basis over a four-year period, with 40% of the allowance paid in the first year, 30% in the second year, 20% in the third year, and 10% in the fourth year. Such payments must be included in an individual's gross income as taxable wages but are excluded from covered compensation under the University of California Retirement Plan. Relocation allowances may be provided to individuals recruited for the following positions: Senior Managers, Managers, and Senior Professionals. **However, eligibility is limited to individuals who, at the time of recruitment, are not employed by the University and who reside outside the State of California.**

A. Authority to Approve Relocation Allowances

The authority to approve relocation allowances has been delegated to the Chancellor. Approval for relocation allowances including exceptions should come through the respective Vice Chancellor or Dean that the department reports to and then to the Vice Chancellor Administration (VCA). The VCA, who evaluates as the campus chief staff officer if such a relocation allowance is necessary for the recruitment of the most qualified employees in that particular profession. The request should be made in advance in writing and must specify the purpose, special circumstances, applicable dates, and name of the individual.

B. Source of Funds for Relocation Allowances

Relocation allowances for staff employees are typically recorded and funded on the same activity, fund, and function as that used to pay the employee's salary.

C. Process for Relocation Allowances

The departmental Payroll Processor should use the Payroll/Personnel System (PPS) to establish an appointment line using the employee's primary title code. A distribution should also be set up to pay the approved relocation monthly amount using description of service (DOS) code "RIP" (Relocation Incentive Payment).

VI. Summary of Responsibilities

A. Prior to the move

1. Hiring Department

- a. Obtain approvals.

Review the appropriate policies, and when required, obtain the appropriate department head's approval. For exceptions, obtain the appropriate Dean/Vice Chancellor written approval PRIOR to making a commitment to the new employee.

- b. Inform the employee.

Send "[Family and Household Move Informational Brochure for Staff Employees](#)" to the employee upon making a commitment for a moving expense re-imbursement.

Advise the new employee of the University policy on moving expense re-imbursement and the records he/she must have when filing a moving expense reimbursement form. Advise the employee to make travel arrangements for self and family members in accord with policy.

Advise the employee not to enter into a contract with carrier for moving household goods or professional items until contacted by the UCR moving agent.

- c. Submit a requisition to Purchasing to initiate the household goods and/or professional items move.

d. Forward to Purchasing by email, fax or campus mail, a copy of the department chair's approval of UCR payment of moving expenses, as well as any Dean/Vice Chancellor approval of exceptions to policy. Write the DAPO number on this document.

2. Dean's Office/Vice Chancellors Office

Review appropriate policies and process exception requests

3. Purchasing

Obtain any additional information about the household goods/professional items move from the employee and instruct carrier as needed. Forward the estimate of moving costs supplied by the carrier to the appropriate department.

B. After the Move

1. Hiring Department

Prepare a moving expense reimbursement form and forward it to the Accounting Office.

2. Purchasing Department

When carrier's invoice is received, process purchase order and forward with the original invoice to the Accounting Office. A copy of the completed purchase order and the basic invoice is sent to the appointee's department.

3. Accounting Department

Pay the carrier's invoice(s) within seven days to meet government regulatory agency requirements. Charge the total invoice payment to the departmental account per the purchase order.

Upon receipt of the moving expense reimbursement form, charge employee's department. Record taxable items as income to the employee, subject to federal tax withholding. Complete a BEA journal if applicable.

4. Employee

The household carrier will invoice the university at the discounted rate which will be paid in full by the Accounting Office. Charges for storage or non-allowable costs are to be billed directly to the employee and will not be processed through the university for payment.

VII. Income Tax Reporting

Income tax reporting will conform to IRS regulations. Although the University believes the following to be an accurate summary of the IRS regulations, reading of the actual IRS documents is encouraged. Please refer to [IRS Publication 521 - Moving Expenses](#).

A. Non-taxable expenses

Under Internal Revenue Service (IRS) regulations, nontaxable (i.e., deductible) moving expenses reimbursed by an employer, or paid to a third party on behalf of an employee, are excludable from an employee's gross income provided the move is closely related to the start of work and meets both the time and Distance Tests. If the requirements of *all three* of these tests are not met, any payments made for moving expenses will be taxable and must be reported as specified in Section VII-C.

1. *Related to Start of Work* - The move must be made in connection with the commencement of work at a new job location and the moving expenses must be incurred within one year from the time the employee first reports to the new job.
2. *Time Test* - During the 12-month period immediately following the move, the individual must be employed full time for at least 39 weeks.
3. *Distance Test* - The new job location must be at least 50 miles farther from the individual's former principal residence than the former principal job location.

The following *reasonable expenses* are nontaxable:

1. The cost of moving household goods and personal effects (including in-transit or foreign-move storage expenses); and
2. Expenses (including lodging but **excluding** meals) incurred in traveling from the former residence to the new residence. Deductible amounts that are not reimbursed by the University may be eligible for inclusion as an above-the-line deduction (i.e., not subject to the 2% floor for miscellaneous deductions) on the employee's tax return.

B. Taxable expenses

Any reimbursement of, or payment to a third party for, taxable (i.e., nondeductible) moving expenses must be included in an individual's gross income as taxable wages.

The following expenses are taxable:

1. Travel expenses, meals, and lodging for pre-move house hunting trips;
2. Meals and lodging while occupying temporary quarters in the area of the new job location;
3. Rental automobile costs incurred while the primary automobile is being shipped to the new location;
4. Meal expenses incurred while moving from the old residence to the new residence;
5. Qualified residence sale, purchase, and lease expenses (including home improvements, disconnecting utilities, mortgage penalties, real estate taxes, breaking a lease, security deposits);
6. Loss on the sale of a home;
7. Any part of the purchase price of a new home or other costs associated with its acquisition;
8. Real estate taxes;
9. Expenses associated with the new location such as automobile registration, driver's license fees, refitting of carpets and draperies, connecting utilities;
10. Mileage reimbursements in excess of twenty four (24) cents per mile; and
11. Storage charges, except those incurred in transit and for foreign moves.

VIII. Tax Reporting

A. Nontaxable Amounts

1. Paid to employee (reported on form W-2, box 13)- although amounts *paid directly to an employee* for the reimbursement of nontaxable moving expenses are excludible from the employee's gross income, such expenses must be reported on the employee's Form W-2.
2. Paid to third party (Not reportable on Form W-2) - *Nontaxable expenses paid directly to a third party* (such as a moving company) on behalf of an employee or a new appointee, and services that an employer furnishes in kind to an employee, are **not** reportable on the employee's Form W-2.

B. Taxable Amounts (Reported on Form W-2, Box 1)

Amounts paid for taxable moving expenses, *whether or not they are paid directly to an employee*, are includible in an employee's gross income, subject to withholding of income, social security, and Medicare taxes.

IX. Feedback and Additional Information

If you have questions or comments on interpreting or applying this procedure, please contact the accounts payable manager in the Accounting Office.

X. Other Policy References

- Business and Finance Bulletin G-13, [Policy and Regulations Governing Moving and Relocation](#)
- Business and Finance Bulletin G-28, [Policy and Regulations governing Travel](#)
- [Family & Household Move Informational Brochure for Staff Employees.](#)
- [IRS Publication 521 - Moving Expenses](#)