G-13 POLICY CHANGES

Jim Corkill, Controller
Steve Kriz, Assistant Director

UNIVERSITY OF CALIFORNIA
SANTA BARBARA
WELCOME to BFS Mini Tune-ups

OBJECTIVE:
Online meetings to provide campus staff with a high level perspective and information on both topics of interest and new/upcoming initiatives and policy updates.

PRINCIPLES:

• Sessions are conducted via Zoom and will last no longer than 30 minutes
• Participants will be muted during the session
• Chat questions can be submitted but priority will be given to questions submitted ahead of time at www.bfs.ucsb.edu/coaching
• Sessions will not be recorded, but the Mini Tune-up website will be updated with session details and information, including questions and answers
Chancellors et al.
October 18, 2017
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The BFU G-13 policy changes went into effect on October 15, 2017 and this policy will be available online at http://policy.ucop.edu.

Yours very truly,

Janet Napolitano
President

Enclosure

cc: Division Leaders
Associate Vice President Arrivals
Interim Deputy Compliance Officer Lohoe
Universitywide Policy Office

Dear Colleagues:

Attached is the revised University of California BFU G-13 Policy and Regulations Governing Moving and Relocation. The core changes that went into effect on October 15, 2017 include the following:

- removed policy on relocation allowance;
- added provision allowing the reimbursement of reasonable expenses associated with the sale of former primary residence or unexpired lease expenses associated with new appointment;
- added repayment provisions requiring new appointees to reimburse moving and relocation expenses if the appointees voluntarily separates from the position prior to completing one year of service;
- clarified the reimbursement of meals while in temporary living quarters; and
- revised to require submission of non-taxable expenses reimbursement requests within a reasonable amount of time not to exceed 60 days.

The revisions were undertaken with assistance from the Office of the General Counsel, Labor Relations, Academic Personnel, Human Resources Policy, Chief Human Resources Officers, Accounts Payable Managers, and the Campus Controllers. The Executive Budget Committee, Faculty Welfare Committee and State Audit Steering Committee leadership were consulted as well.
G-13 Moving and Relocation Policy Changes

Core Changes Include (effective October 15, 2017)

- removed policy on relocation allowance;

- added provision allowing the reimbursement of reasonable expenses associated with the sale of former primary residence or unexpired lease expenses associated with new appointment;

- added repayment provisions requiring new appointees to reimburse moving and relocation expenses if the appointees voluntarily separates from the position prior to completing one year of service;

- clarified the reimbursement of meals while in temporary living quarters; and

- revised to require submission of nontaxable expenses reimbursement requests within a reasonable amount of time not to exceed 60 days.
Relocation Expense Changes to G-13

Provisions Removed

- Relocation Allowances are no longer allowed for MSP and PSS Personnel
Relocation Expense Changes to G-13

Provisions Added

- Reimbursement for reasonable expenses associated with sale of former primary residence or unexpired lease expenses.

- Repayment Provisions requiring new appointees to reimburse moving and relocation expenses if the appointee voluntarily separates from the position prior to completing one year of service.
G-13 Moving and Relocation Policy Changes

Relocation Expense Changes to G-13

Provisions Clarified

• Temporary Meals – Up to 30 days of meals or groceries depending upon the availability of cooking facilities at temporary lodging location.

• Deadline – Employees seeking reimbursement of moving and relocation expenses must submit their expense reports within a reasonable time not to exceed 60 days after the expenses were paid or incurred.
G-13 Moving and Relocation Review

Reimbursable Moving Expenses

**Moving** - The cost of packing, crating, transporting, unpacking, and uncrating the appointee’s household goods and personal effects. Such costs are limited to one household move per appointee.

**Insurance** - Insurance for the household goods while in transit, if incurred within any 30-day period after removal of the household goods from the former primary residence.

**Storage** - Actual and reasonable storage costs for household goods and personal effects for up to 30 days immediately after removal from the primary residence.
Reimbursable Moving Expenses (Continued)

**Motor Vehicles** - Actual and reasonable expenses related to moving **two** personal motor vehicles per household

**Travel** - Actual travel expenses for the employee and his or her immediate family up to the cost of coach-class airline transportation.

**Temporary Lodging** - The cost of furnished temporary lodging for up to 30 days plus:
- Meals for up to 30 days if temporary lodging does **not** have cooking facilities, or
- Groceries for up to 30 days if facility has cooking facilities.
Non-Reimbursable Moving Expenses

- Assembly and disassembly of unusual items
- Animal transportation others than a small pet
- Motorized recreational vehicles
- Building supplies, farm equipment, and firewood
- Plants
- Car maintenance
- Bicycle maintenance
Non-Taxable Expenses

**Moving** – The cost of moving household goods and personal effects, including in-transit storage.

**Lodging** – Lodging (excluding meals) incurred en route from former residence to new residence.
G-13 Moving and Relocation Review

Tax Treatment of Moving Expenses

Taxable Expenses

• Meals incurred while moving from old residence to new residence
• Meals and Lodging incurred in connection with temporary quarters at new job location
• Car Rental Expenses
• Storage Charges at new job location
• House Hunting Expenses
Moving Companies

- All moving contracts for household goods and personal effects **must** be entered into between the employee and the common carrier (i.e., no UCSB purchase order required).

- UCSB can pay the moving company directly – The employee and department staff needs to coordinate this effort by submitting a Removal Payment Request form with the invoice from the moving company.
G-13 Moving and Relocation Review

Reimbursement Process

• **Tax Withholding** – Reimbursement of many relocation benefits are subject to tax withholding so the reimbursement received by the employee will be net of Federal and State tax withholdings

• **No TEV’s** - Do not claim moving and relocation expenses on the Travel Expense Voucher

• **No USBank Corporate Card Transactions** - Do not use US Bank Corporate Card to pay for Moving or Relocation expenses.
G-13 Moving and Relocation Review

BFS Travel and Entertainment Website
Q: Are we going to be using the Web Travel System for Reimbursement of Moving Expenses paid to the Professor or do we still have to use the Paper Travel Expense Form?

A: No, the Paper Travel Expense Form is still required due to the complex reporting and tax withholding requirements of moving and relocation expense reimbursements.
Q: The new policy states that expenses submitted after 60 days will be left at "the discretion of the location" to reimburse the expense or whether a reimbursed late submission is reported on the employee's IRS Form W-2. How does your office plan to handle these late submissions? What about those faculty who just submitted their expenses and had a 7/1/17 start date?

A: UCSB Travel Accounting will continue to process moving and relocation expense reimbursements that are submitted outside the 60-day time limit as long as it can be demonstrated that the employee has exercised due diligence in their submission of the required forms and documentation. Please contact Annette Gonzalez or me directly regarding any specific cases where reimbursements requests are outside the 60 day time limit.
Q: What is the process to setup the moving company with direct billing?

A: UCSB does not offer Direct Billing for Moving Companies. The employee can ask the moving company to issue an invoice to the University. The Department can then request payment on the Moving Company’s invoice by submitting a Removal Payment Request Form and submit the form with the invoice to Accounting.
Q: Does the faculty person pay the moving cost out-of-pocket?

A: The typical situation is for an appointee to pay out-of-pocket and request reimbursement. In some cases a department can request an advance to cover some of the out-of-pocket expenditures or a 3rd option is for the department and appointee to work with the moving company to invoice the University directly.
CLOSING - BFS Mini Tune-ups

NEXT STEPS:

- Visit the Mini Tune-ups website to:
  - View our session blog updates
  - Sign up for future sessions and submit questions
  - Submit suggestions for future topics

www.bfs.ucsb.edu/coaching
Thank You!

WRAP UP