

LUSKIN SCHOOL OF PUBLIC AFFAIRS
UNIVERSITY OF CALIFORNIA, LOS ANGELES

FACULTY RELOCATION GUIDELINES

Changes to Procedure

PLEASE REMEMBER TO CONTACT YOUR DIVISIONAL ANALYST IF YOU HAVE ANY QUESTIONS WITH REGARDS TO THE RELOCATION POCEDURE

- The departments must submit the relocation expense forms to the College Budget Office with 6 months from Faculty date of hire.
 - New IRS Policy - All relocation moves must be completed within one year from date of hire - otherwise the reimbursement will be considered as taxable income.
 - Reasonable costs are costs that are considered to be reasonable under the circumstances of a particular move (such as travel from the old to the new residence made via a conventional mode of transportation using the shortest and most direct route available and in the shortest period of time normally required to travel the distance).
 - Consult your Dean's Office (Divisional Analyst) for any anticipated expenses other than Airfare and moving company's payments. Examples include:
 - Non-transit storage
 - Shipping of 3rd automobile
 - Temporary lodging
 - Multiple household per relocation
- Advance approval is obtained from the Vice Chancellor for Academic Personnel and is only granted on an exceptional basis.
- Any airfare arrangements for the new employee and eligible family members must be made through the UCLA Travel Center.
 - The Department must process all reimbursements as a "T" class purchase order on BruinBuy and not through Travel Express. Please note Travel Express is used for reimbursing business travel not relocation expense. The department is responsible for complying with this policy and any forms submitted with a Travel Express reimbursement will be returned to the department as is. The department will need to reverse the transaction and correctly process a "T" class purchase order.
 - The Department needs to submit one Relocation Expense Form per faculty to the Dean's Office. The form can be found at http://www.travel.ucla.edu/new/PDFs/policy_relocation_form.pdf. The form needs to detail all relocation expenses covered by the Chancellor, Dean and Department as applicable. The department will attach all original receipts to the form. Once approved by the Dean's Office, the form will be sent to APO for final approval before submission to UCLA Travel Office for payment. Please note UCLA Travel Office will not pay any invoices or reimburse any out-of pocket payments without approval from APO.

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The following guidelines summarize the standard relocation policy and provide procedural clarifications where needed. UCLA's policies & procedures on faculty relocation should be referred to at:

- UCLA Travel: <http://www.travel.ucla.edu> (Under Recruitment and Relocation)
- Academic Personnel Manual: APM 550 covers teaching faculty who transfer to another campus and APM 560 covers new appointees to academic positions.
- UCOP Business and Finance Bulletin G-13 (complete):
<http://www.ucop.edu/ucophome/policies/bfb/g13.html> is the link to the complete business policy for moving and relocation.
- Please make sure to consult each of these policies for complete treatment of moving and relocation. There are more policies listed in these online guidelines than are referenced in this document.

Academic appointees with any of the following title series and titles are eligible for consideration for relocation expense reimbursement:

- **Regular Professorial series**
- **Professor in Residence series**
- **Acting series if appointed to regular series within one year of initial appointment**
- **Visiting series if immediately appointed to regular series**
- **Professional Research series if cost is allowable under the contract or grant**

Relocation vs. Recruitment Expenses:

Relocation vs. Recruitment – University departments must not include reimbursement for any recruitment trips as part of the relocation expense. Relocation differs from recruitment as follows:

- **Relocation expenses include all expenses incurred after the acceptance of the UCLA offer that are part of the final move to Los Angeles.**
- **Recruitment expenses include any expenses incurred before the acceptance of the UCLA offer.**

For a list of allowable expenses please see Allowable Expenses.

Relocation Procedure:

The procedures below ensure all payments are in compliance with University and IRS rules and regulations.

- **Distance test:**
- **Reasonable costs are costs that are considered to be reasonable under the circumstances of a particular move (such as travel from the old to the new residence made via a conventional mode of transportation using the shortest and most direct route available and in the shortest period of time normally required to travel the distance).**
- **The University will pay directly for most moving expenses including household goods, personal effects and transportation to minimize the traveler's out-of-pocket costs and income tax reporting for the employees in connection with non-taxable expenses.**
- **Non-excludable expenses (house hunting trips, temporary housing and meals) must be included in the employee's gross income. The UCLA Payroll Office deducts the appropriate tax**

percentage from the employee's federal and state tax and will reimburse the employee for the expense.

- **At the time of hiring, departments must explain to the new appointee the tax issues involved in the non-deductible (non-excludable) portion of the move.**

If the new appointee is coming from a foreign country to provide services as an employee, a visa status that includes work authorization is required. Typical acceptable visa status types at UCLA include: J1, J2, H series, K1, K2, O series, green card, TN. For details, contact the UCLA Payroll Office.

Task	Steps
1. Advance Approval required and only granted on an exceptional basis.	<p>Consult your Dean's Office (Divisional Analyst) for any anticipated expenses other than Airfare and moving company's payments. Examples include:</p> <ul style="list-style-type: none"> - Non-transit storage - Shipping of 3rd automobile - Temporary lodging - Multiple household per relocation <p>Advance approval is obtained from the Vice Chancellor for Academic Personnel and is only granted on an exceptional basis.</p>
2. Obtain Authorization	<p>Academic Appointees: In most cases the department Chair or Dean issues an offer letter to new academic appointees. This letter includes the hiring agreement and details the allowable relocation expenses.</p> <p>Relocation expenses are not provided automatically; the Dean's Office provides the Academic Personnel Office with a copy of the offer letter as part of obtaining approval for moving expenses for academic appointees.</p>
3. Employee chooses a moving company	<p>Provide the new appointee with a list of the University's contracted moving companies. See UCLA Travel website "Household Goods Moves" for more information.</p> <p>If the new appointee is coming from another country, he or she must contact UCLA's contracted moving companies; the moving company will arrange the move with one of their own agents within that country.</p>
4. Obtain an estimate	<p>Instruct the traveler to:</p> <ul style="list-style-type: none"> - Obtain an estimate in writing from two or more of the moving companies on the list. - Advise you, preferably in writing, of the chosen company and the estimate amount. <p>The estimate should include only those expenses for which the University will pay.</p>
5. Process the order	<p>Use one of the following methods:</p> <ul style="list-style-type: none"> - If the selected quote is under \$15,000, process a Low Value Order (L.V.O.) with order class code (A), and fax the order to the vendor. - If the selected quote is over \$15,000, process a purchase requisition (request for purchase order (P.O)) with order class code (R). <p>Fax copies of all estimates to the Campus Purchasing Department. Campus Purchasing will issue a P.O., and the vendor will contact the employee to make the final arrangements.</p>
6. The traveler pays for the uncovered moving expenses	<p>After the move, the traveler must pay the movers Cash on Delivery (C.O.D.) for any services provided, that are not covered by the University.</p>
7. The moving company is paid for covered expenses	<p>The University receives the mover's invoice directly and makes the payment for allowable expenses to the moving company. The UCLA Travel Accounting department automatically pays all invoices up to 5% over the total invoiced amount. Under no circumstance should the faculty pay for this directly.</p>
8. Arrange for airfare	<p><u>Any airfare arrangements for the new employee and eligible family members must be made through the UCLA Travel Center.</u> He or she should then advise the department of the specifics of the travel arrangements (flight number and airline) as soon as possible.</p>

Expense Categories:

The table below summarizes the most common relocation expense categories and indicates (i) if advance approval is required (ii) percentage of Chancellor's funding (iii) whether reimbursement of the expense is reported as taxable income or not and (iv) processing procedure by departments. Please refer to the UCLA policy for detailed information on whether specific expenses are allowable, funded and/or taxable.

Standard Expenses:

EXPENSE CATEGORY	ADVANCE APPROVAL REQUIRED	CHAN-CELLOR'S FUNDING	TAXABLE	DEPARTMENT PROCESSING
House Hunting:				
Pre-Acceptance	NO	0%	NO	Reimbursement through Travel Express
Post-Acceptance	YES	0%	YES	EDB payment (reported on Relocation Expense form)
College Office, Lab, and Library	NO	100%	NO	UCLA Purchase Order (approved vendor)
Household (including two automobiles)	NO	50%	NO	UCLA Purchase Order (approved vendor)
Multiple Household\ Multiple location	YES	50%	YES	UCLA Purchase Order (approved vendor)
Travel for <u>final</u> move (faculty member and immediate family. Does NOT include PETS):	NO	50%	NO	Through UCLA Travel Center via direct billing
- COACH AIRFARE				
OR EQUIVALENT expense, which may include:				
- Relocation mileage is established by the IRS and reimbursed at a different rate per mile than the business rate. Please consult with the IRS website or UCLA Travel website for the current relocation mileage rate.	NO	50%	NO	"T" Class Purchase Order (reported on Relocation Expense Form) *
- Lodging				
- Meals (receipts required; no per-diem)	NO	50%	YES	EDB payment (reported on Relocation Expense Form)
Storage				
- Transit Storage (usually included with household\office move)	NO	50% (H), 100% (O)	NO	UCLA Purchase Order (approved vendor)

Expenses that need Advance Approval (may not be granted) even if funding is provided by the department:

EXPENSE CATEGORY	ADVANCE APPROVAL REQUIRED	CHAN-CELLOR'S FUNDING	TAXABLE	DEPARTMENT PROCESSING
Household – third automobile	YES	0%	NO	UCLA Purchase Order (approved vendor)

Temporary Living Arrangements - Car Rental - Meals - Lodging	YES	50%	YES	EDB payment (reported on Relocation Expense Form)
- Non-Transit Storage (any storage that exceeds 30 consecutive days)	YES	0%	YES	EDB payment (reported on Relocation Expense Form)

** The Department must process a "T" Class purchase order to the Traveler, submit the Relocation Expense Form including original receipts to the Divisional Analyst (Dean's Office).*

Notes:

- Any requests for decanal funding to supplement the percentages detailed above need to be submitted in advance for consideration. Departmental/decanal supplementation of standard relocation funding is normally specified in the final offer letter.
- Taxable expenses should NOT be grossed up for reimbursement. They must be reimbursed at the levels incurred to match the receipts submitted.
- If the faculty wishes to ship a third car, the department must notify the Dean's Office in advance so that the approval can be obtained from the Chancellor's Office.
- Advance approval is required for consideration for 50% funding of temporary living arrangements. The Department Chair must submit a statement to the Dean endorsing this request for Chancellorial funding.
- Non-transit storage costs are not covered by standard relocation funding. In cases where the faculty is going to incur this type of expense and will request reimbursement from an existing decanal supplement, the Department must get advance approval from the Dean's Office.
- House hunting trips that are reimbursed *post*-acceptance of a UCLA offer are taxable. However, house hunting expenses are not covered under the standard relocation policy. The Chancellor's Office does not provide funding for this type of expense.

Reimbursement and Payment of Invoices:

The Department needs to submit one Relocation Expense Form per faculty to the Dean's Office. The form can be found at http://www.travel.ucla.edu/new/PDFs/policy_relocation_form.pdf. The form needs to detail all relocation expenses covered by the Chancellor, Dean and Department as applicable. The department will attach all original receipts to the form. Once approved by the Dean's Office, the form will be sent to APO for final approval before submission to UCLA Travel Office for payment. Please note UCLA Travel Office will not pay any invoices or reimburse any out-of pocket payments without approval from APO. On occasion, there is a significant time gap between parts of a move. If the faculty member does not require a personal reimbursement, the department should wait until the total move has been completed and submit only one form for processing.

Reimbursement of Faculty Member:

For out-of-pocket expenses that are being covered by the Chancellor, Dean and/or Department:

- If the expense is taxable, the Department must reimburse the faculty via the Payroll system after appropriate prior approval is obtained.
- If the expense is non-taxable, reimbursement must occur via the UCLA Travel Center based on the Relocation Expense Form submitted. The form will be forwarded by the Dean's Office for further processing.

Reimbursement to Department:

- Any expenses covered will be funded with the recruitment & retention *common fund* (Humanities: 69312, Life Sciences: 69313, Physical Sciences: 69314, Social Sciences: 69315) to the faculty's *research account & cost center*.
- Payroll expenses should be charged to **sub 5**. The DOS code is **MOV**.
- The object code for all relocation expenses is **2700**.
- If the College office/laboratory/library moving expenses and household moving expenses are both charged to one PAC order, the form needs to indicate a percentage breakdown between the two expense categories.

Time limit:

All relocation reimbursements should be requested within **six months** from the faculty's appointment start date. If this is not possible, an extension of the time limit will need to be requested by the Dean from the Chancellor's Office.

Definitions of Relocation Expenses

Terms	Definitions
Employee	A current UC employee who is transferring UC locations or a new UC employee.
Household Goods and Personal Effects	Household goods and personal effects include furniture, clothing, musical instruments, household appliances, foods and other items that are usual and necessary for the maintenance of a household. Household goods do not include automobiles, other motor vehicles, farm tractors, implements and equipment, livestock, trailers with or without property, boats that are not the property of the employee's immediate family or building materials of any description.
Freight Costs	Freight costs include the total charges for transporting household effects from the point of origin to the point of destination. Freight costs also include associated charges such as packing containers, labor and insurance on household effects.
Moving and Transferring Expenses	Moving and transferring expenses are defined as the reasonable costs of moving household goods and personal effects to a new residence. These costs also include the cost of travel to the new university location for the employee and his or her immediate family.
Nontaxable Reimbursement Amounts	Nontaxable reimbursement is a reimbursement for moves and transfers that is not included in the employee's gross income. The amount is recorded on the employee's W-2 form as a fringe benefit that is excluded from taxation such as: <ul style="list-style-type: none"> • Packing of furniture and personal belongings • Transportation of furniture and personal belongings from the old residence to the new residence • Insurance and in-transit storage charges • Travel and lodging expenses associated with the final move to the new residence for employee and members of employee's household See the general definition of recruitment expenses below for a definition of taxable vs. nontaxable expenses.
Reasonable Costs	Reasonable costs are costs that are considered to be reasonable under the circumstances of a particular move (such as travel from the old to the new residence made via a conventional mode of transportation using the shortest and most direct route available and in the shortest period of time normally required to travel the distance).

Taxable Reimbursement Amounts	<p>Reimbursement for expenses incurred for moves and transfers that must be included in an employee's gross income and are therefore taxable. The following expenses are taxable:</p> <ul style="list-style-type: none"> • Pre-move house hunting including travel, meals and lodging once an offer has been accepted • Meals and lodging while occupying temporary quarters in the Los Angeles area • Meals associated with the final move to the new residence • Rental automobile costs incurred while the primary automobile is being shipped to the new location • Qualified residence sale, purchase and lease expenses (including home improvements, disconnecting utilities, mortgage penalties, real estate taxes, breaking a lease and security deposits) • Storage charges, except those incurred in transit and for foreign moves • Relocation reimbursement if relocation occurs after one year from date of hire <p>See the general definition of recruitment expenses below for a definition of taxable vs. nontaxable expenses.</p>
Recruitment Expenses (taxable vs. nontaxable)	<p>The reimbursement of travel expenses associated with interviewing prospective appointees to a position that requires specialized training or experience of a professional, technical or administrative nature.</p> <ul style="list-style-type: none"> • Reimbursements for authorized travel expenses such as airfare, hotel, and meals incurred during the recruitment process are not taxable to the prospective employee. • Once an offer of employment has been accepted, travel expenses incurred by the prospective employee and family are considered taxable (such as house hunting trips, temporary housing, etc.).

Allowable Relocation Expenses

Moving Expenses	Academic Appointees
<p>Transportation of household goods and personal effects from the old to new residence.</p> <p>Rule: Household effects may include those in storage and those used by the employee at or before the time of the move to the new residence.</p>	Yes
<p>Transportation expenses to transport the employee and member of the employee's household from the old to the new residence.</p> <p>Rule: Members of the household may travel separately.</p>	Yes
<p>Meals and lodging, en route from the old residence to the new residence.</p> <p>Rule: The reimbursement of this cost must be made according to University travel regulations; for example, meals are taxable. See the related article for more information.</p>	No
<p>Driving or shipping automobile(s) to the new residence.</p> <p>Rule: Automobiles can include vans, mini vans, passenger trucks, and others that are used</p>	No

<p>as the employee's or spouse's primary daily mode of transportation.</p> <p>If the automobile(s) is to be used to transport the employee and the employee's household members, household goods, or personal effects, the employee will be reimbursed for transportation costs for parking and tolls fees plus twenty (20) cents per mile for expenses incurred before 12/31/2007 \ nineteen (19) cents per miles for expenses incurred after 1/1/2008.</p> <p>This is the only mileage rate associated with moving expenses. The mileage rate allowed for University business travel is not applicable for this purpose.</p>	
<p>Storing and insuring the employee's household goods and personal effects while in transit.</p> <p>Rule: Allowable if storage and insurance fees are incurred within any consecutive thirty (30) day period after removing the household goods and effects from the old residence to the new residence.</p>	Yes
<p>Connecting and disconnecting utilities.</p> <p>Rule: Not to include refundable deposits.</p>	No
Transportation of domestic pets from the old residence to the new residence.	No
Foreign employee's passport expenses incurred with the commencement of work in the United States.	No
<p>Pre-move house hunting trips, temporary living expenses.</p> <p>Rule: Can be reimbursed following University approval of employment. At the discretion of UCLA, reimbursement of such expenses may be made for other members of the employee's family.</p>	No