



## **Moving & Relocation Guidelines**

The University is authorized, depending on the availability of funds, and other considerations, to assist in paying a portion of moving and relocation costs for new faculty or staff that change their residence in order to accept employment at Cal Poly. Moving and relocation expenses must conform to CSU guidelines as stated in Technical Letters [HR/Benefits 2018-10](#) and [HR/Benefits 2018-07](#) , and are not provided to individuals that will be employed by the University for a period of less than 2 years. The University's appointment letter indicates the maximum dollar amount which the University will pay towards an employee's moving and relocation expenses. Moving and Relocation Expenses and Reimbursement are subject to IRS guidelines.

### **I. Steps for Moving and Relocation Approval and Reimbursement**

1. Hiring department obtains approval for amount
2. Human Resources drafts offer letter
3. Employee receives offer packet including Moving & Relocation guidelines and claim form
4. Employee incurs expense(s) by paying vendors directly
5. Employee fills out claim form & submits to department
6. Department reviews and substantiates M&R expenses and do not exceed amount; seeks further approvals if needed
7. Department submits to Payment Services (PS)
8. PS audits and confirms claim reimbursement amount & sends to Payroll
9. Payroll Services issues payment with appropriate Federal and State payroll taxes deducted from the moving and relocation reimbursement.
10. Reimbursement check (or direct deposit) is issued to employee AFTER employee's start date and they receive their first paycheck, with applicable payroll taxes deducted.

### **II. Moving and Relocation Expense Reimbursement Approvals**

The hiring department must obtain approval for moving and relocation expenses prior to extending an employment offer. Moving and relocation expenses for staff and management employees must be pre-approved by Human Resources and moving and relocation expenses for faculty must be pre-approved by Academic Personnel. Moving and relocation expenses require the following level(s) of approving officials:

<b>Dollar amount of Moving &amp; Relocation Expense Reimbursement</b>	<b>Approving Official</b>
Less than \$10,000	Dean or Department Head
\$10,000 or Greater	Vice President and President

Total moving and relocation reimbursements shall not exceed the authorized dollar amount provided in the employee's offer letter. Departments cannot approve or submit a claim or multiple claims totaling more than the approved Authorized Amount without Vice President and President written approval.

*Approved Offer Letter language.*

Only the following language referring to moving, housing, lodging, or other relocation type expenses can be added to the offer letter. No other language or amounts can be added to the offer letter that may seem like moving and relocation expenses.

*I will provide you with up to \$«Relocation\_expenses» to help you towards the cost of moving and relocation, reimbursable through receipts. This do not exceed amount can only be used for the below M&R expenses. No other moving and relocation expenses nor additional funds shall be further considered.*

*List expenses.*

*Please note that all moving and relocation expense reimbursements are considered taxable income for Federal income tax purposes. Moving and relocation expense reimbursements may or may not be considered taxable income for California income tax purposes depending on whether they are considered qualified or non-qualified, as prescribed by IRS tax code. Following submission of your expense claims, Payroll Services will issue payment and deduct taxes accordingly.*

*Prior to incurring any expenses, please read through this entire document.*

### **III. Moving and Relocation Expense Reimbursement**

The University shall reimburse the employee for moving and relocation expenses incurred within one (1) year from start date. The University will not pay vendors directly for moving and relocation expenses, including hotels and rental cars for site visits.

Employees will be reimbursed for moving and relocation expenses only after they have received their first paycheck. Although Cal Poly recommends limiting the number of claims to 1 or 2, there isn't a maximum number of claims one employee can submit, as long as the total dollar amount of all the claims submitted: 1) do not exceed the Authorized Amount; 2) are submitted within one year from start date; and 3) meet all other the guidelines outlined in this document.

All expenses must be itemized on the [Moving and Relocation Claim Form](#). Itemized receipts to substantiate services provided and proof of payment must be submitted with the claim form. Below is a list of all paperwork to submit to receive your reimbursement. The newly hired employee's department can assist with this process.

- ☐ Copy of offer letter
- ☐ Signed Moving and Relocation Acknowledgement page (attached to this guideline)
- ☐ Signed Moving and Relocation Claim Form
- ☐ Appropriate receipts for allowable moving and relocation expenses

#### **Reimbursable Moving Expenses**

Cal Poly shall only reimburse the Moving and Relocation expenses listed in the table below.

These allowable moving expenses include the cost of packing, insurance, travel ahead of move to house hunt or scout lodging options, transportation, storage in transit (not to exceed 60 calendar days), and unpacking and installation of the employee's household goods at the new residence. Moving and relocation expenses apply only to the employee and in some cases to the spouse or domestic partner, in the event they are leading the moving and relocation efforts. The sum of all moving and relocation expenses cannot exceed the moving and relocation Authorized Amount in the employee's offer letter.

<b>Code</b>	<b>Description</b>	<b>Expense Type</b>	<b>Allowable Expenses</b>
<b>Move Mile</b>	Mileage reimbursement less than or equal to the federal moving expense mileage rate; use of a personal vehicle	Qualified	Mileage for personal vehicle only for most direct route from employee's current residence to San Luis Obispo area; one way and one personal vehicle only
<b>Move Pack</b>	Moving and packing household goods and personal effects, includes storing household goods or personal effects en route (less than 30 days)	Qualified	Professional moving company partial to full service; rental truck to move household goods; labor to pack and unpack; storage up to 30 days (en route); and towing equipment for one vehicle
<b>Move Travel</b>	Travel and lodging expense en route	Qualified	Lodging (no more than 1 room x 7 nights maximum), \$275 nightly room rate maximum; gas for car rentals only (no RV rentals); employee and spouse or domestic partner one-way airfare for most direct route from employee's current residence to San Luis Obispo area
<b>House Hunt</b>	Pre-move house hunting trips	Non-Qualified	Transportation, lodging, and meals (up to \$55/day) for one person, associated with house hunting; usually for the employee or the spouse/partner tasked with finding a residence in SLO area; maximum 2 trips
<b>Lease</b>	Leases, unexpired or new	Non-Qualified	Fees associated with existing or new lease, except security deposits (since deposits are refundable)
<b>Move Meals</b>	Meals connected with the move	Non-Qualified	Meals associated with the trip and for employee and spouse or domestic partner only
<b>Sal Pur Res</b>	Sale or purchase of a residence	Non-Qualified	Fees associated with selling or buying home, i.e. closing costs, inspection fees, etc. (does not include house staging costs)
<b>Storage</b>	Storage more than 30 days after moving into residence Storage in transit not to exceed 60 calendar days	Non-Qualified	Storage starting at day 31 after moving into residence, temporary or permanent
<b>Temp Living</b>	Temporary living expenses	Non-Qualified	Temporary housing, up to 60 days, excluding security deposit (since tenant will eventually get this back)

### **Relocation**

Relocation reimbursement is allowed for lodging expenses supported by actual receipts and for meals and incidentals in accordance with the [CSU Travel Policy](#). Lodging expense reimbursements shall not be allowed for expenses incurred more than sixty (60) days from employment start date in employee's offer letter, and will terminate immediately upon establishment of a permanent residence by the employee. The sum of all moving and relocation expenses, cannot exceed the moving and relocation Authorized Amount in the employee's offer letter. Any exceptions to this sixty (60) days term requires Vice President approval prior to submitting the Moving and Relocation Claim Form.

### **Substantiation of Expenses:**

All expenses submitted for reimbursement must be supported by itemized receipts or invoices.

**Taxability of Expenses:**

All moving and relocation expense reimbursements are considered taxable income to the employee for Federal income tax purposes. For California income tax purposes, all qualified moving expenses are exempt from State income taxes, and non-qualified moving and relocation expenses are subject to California State income taxes. Income taxes due will be deducted from the employee's reimbursement, i.e. the employee's reimbursement will be issued via paycheck that is net of taxes

**Timing:**

Employee has up to one year after start date to use and claim their Moving and Relocation allocation. Claims should be submitted in a timely manner. Employee may submit more than one claim if expenses are spread over a long duration of time. This will ensure the employee is not financially burdened. Each time employee submits a claim they must identify the prior claims submitted to ensure the approved Authorized Amount is not exceeded. Each department is responsible for identifying and tracking all claims so the employee does not submit above the approved Authorized Amount.

#### **IV. CSU Negotiated Professional Moving Contracts Available to a New Employee**

Employees may use CSU contracted vendors. Please click on the following link for a list of CSU negotiated professional moving vendors:

<https://www.calstate.edu/csu-system/careers/Pages/contracted-moving-companies.aspx>

Employee will enter into a personal contract with the moving company of their choice. Employee pays for the move, and submits moving expenses incurred for reimbursement once move is complete. Expenses incurred must be reasonable and substantiated by itemized receipts. Service costs submitted should be from a professional moving company.

#### **V. Cal Poly Recovery of Reimbursement:**

If an employee, whose moving or relocation expenses have been reimbursed, does not continue employment with the CSU for a period of at least two years (unless discontinuance of the employment was the result of death, disability or other similar unexpected cause beyond the control of the employee as determined by the appointing authority), the employee shall repay the following percentage of the amount received for reimbursement for such moving and relocation expenses:

- (a) 100% if employed less than 6 months
- (b) 75% if employed at least 6 months but less than 12 months
- (c) 50% if employed at least 12 months but less than 18 months
- (d) 25% if employed at least 18 months but less than 24 months

**Department must contact Payroll upon employee's notice of departure.**

**Recovery Process:**

1. Department shall contact Payroll to inform them employee is leaving Cal Poly and provide a copy of offer letter and resignation date
2. Payroll shall confirm time of employment
3. Payroll establishes Accounts Receivable with the State Controllers Office for amount owed based on employment duration
4. Payroll informs employee of total amount owed
5. Employee pays Cal Poly money owed\*

\* Departments may not pay this amount on behalf of the departing employee

**VI. Contact Information**

**Please contact the following for questions regarding:**

**Payroll/Income Tax Questions:**

Cal Poly Payroll Services

Email: payroll-services@calpoly.edu

Phone: 805-756-2605

**This guideline or CSU travel policy:**

Cal Poly Payment Services:

Email: sbs-payment@calpoly.edu

Phone: 805-756-2232

# Cal Poly Moving and Relocation Acknowledgement

**Please read and acknowledge by initialing each of the following:**

\_\_\_\_\_ I have read and complied with the CSU Travel Policy

\_\_\_\_\_ I have read and complied with the Cal Poly Moving and Relocation Guidelines

\_\_\_\_\_ I understand I must include ALL moving and relocation expenses on my moving and relocation claim, including expenses that Cal Poly paid the vendor directly. I have entered a “Y” in Cal Poly Direct Pay column on expense report to indicate the Cal Poly directly paid expenses.

\_\_\_\_\_ I understand that ALL moving and relocation expenses claimed are taxable, regardless if Cal Poly paid the vendor directly or I paid them directly.

\_\_\_\_\_ I understand the TOTAL claim amount will be reported to Cal Poly Payroll so the appropriate taxes may be paid out (taken out) of my paycheck.

\_\_\_\_\_ I understand if I leave Cal Poly’s employment before 2 years I will be required to repay up to the entire amount of the reimbursement received for my moving and relocation.

\_\_\_\_\_ **I understand to receive my reimbursement for my moving and relocation expenses I must submit the following along with my moving and relocation claim:**

- ☐ Copy of offer letter
- ☐ Signed Moving and Relocation Acknowledgement page
- ☐ Signed Moving and Relocation Claim Form
- ☐ Appropriate receipts for allowable moving and relocation expenses