



California Health Sciences University

CHSU RELOCATION EXPENSES POLICY

I. PURPOSE

This policy is to ensure that University funds are appropriately expended in the process of relocating candidates to the surrounding area once they have accepted an offer of employment. All or part of a new faculty, administration or staff members' relocation expenses may be paid for or reimbursed by the University, if assistance with relocation is a significant factor in recruiting the employee to CHSU.

II. ELIGIBILITY, APPROVAL AND MAXIMUM AMOUNTS

Eligible Individuals associated with the payment of relocation expenses are determined by the hiring manager/administrator. Eligible Individuals may also be extended to include dependents, spouses, domestic partners and/or other significant others of the future employee if they will reside with the employee. Individuals who are tenants or domestic employees of the employee are not Eligible Individuals. Eligibility is not based on position or title, but rather on the University's need to provide relocation assistance as a recruitment tool.

CHSU may pay relocation expenses by: (1) paying a vendor directly on an employee's behalf; or (2) reimbursing an employee for a relocation related expense. In the case of reimbursement, such expenses must be accounted for with appropriate documentation within one (1) month after the expense has incurred. Relocation amounts and packages are determined and funded by the hiring department, consistent with this policy. However, in no event shall relocation packages exceed amounts approved by procedure of the Business Office unless prior written approval from the Chief Financial Officer or the President before an offer is made.

All relocation expenses must be submitted by the hiring manager/administrator via a personnel action form with the appropriate approval signatures to the AVP of Operations (or designee), with a copy to Human Resources. Upon approval of the executed personnel action form, Human Resources will generate an offer of employment letter which will include the maximum amount awarded for relocation expenses. Prior to expenditures taking place, Human Resources (or designee) will provide a separate Relocation Expense Letter which will summarize the relocation expenses and method of payment. If a moving company or other vendor will be used, the Relocation Expense Letter will include the name, appropriate dates and other details related to the use of that particular company or vendor. The new employee must use an approved vendor provided by CHSU or submit an estimate from a vendor they wish to use for approval.



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CHSU has the right to revise the approved relocation expenses as detailed in the initial offer of employment at any time for any reason, including, but not limited to, the amounts CHSU will pay towards an employee's relocation expenses. In the event of a revision, the employee will be provided notice of the changes in writing. CHSU will not be responsible for any relocation expenses an employee incurs beyond what is expressly approved in writing.

III. TAX IMPACT NOTICE AND TAX REPORTING

An employee's relocation expenses may be taxable as income to the employee. Under the Tax Cuts and Jobs Act of 2017, the personal deduction for moving expenses and exclusion from income of employer-paid moving expenses are suspended from January 1, 2018 through December 31, 2025. California tax law may be applied differently than the federal tax law. CHSU will follow the applicable law in determining how to report relocation expenses for tax purposes, as the law may change from time to time.

CHSU is not responsible for any additional tax liability incurred by an employee as a result of an employee receiving a payment of relocation expenses, or if the employee issues CHSU a refund of such a payment. For determination of individual tax liability, employees who receive a payment of relocation expenses should consult a qualified tax advisor, at the employee's expense, for applicability of federal and California tax laws.

IV. PROCEDURES FOR RECEIPT OF RELOCATION EXPENSES

A. Qualifying Relocation Expenses

Actual and necessary moving expenses eligible for payment include:

1. The cost of packing, crating, transporting, unpacking and uncrating the household goods and personal effects of Eligible Individuals (limit of one household typically no more than 15,000 pounds). This includes transportation of houseplants small enough to fit into a moving truck with other household goods and personal effects.
2. The cost for moving insurance for the household goods and personal effects while in transit, if incurred within any 30-day period after removal of goods and effects from the former primary residence.
3. Storage costs for household goods and personal effects for up to 30 days immediately after removal from the primary residence.



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4. Moving two personal motor vehicles per household (which may include motorcycles). Vehicles may be shipped or driven. If driven, the reimbursement will be at the current IRS mileage reimbursement rate.
5. Meal and travel expenses for Eligible Individuals for two trips in advance of the move to allow for searching for and making arrangements regarding a primary residence in CHSU's surrounding area, and a third trip for making a final move to the primary residence. All meal and travel costs must comply with the University's policy for employee reimbursement of meal and travel expenses.
6. Transportation for up to three (3) common household domesticated pets, such as a cat or dog.

B. Excluded Relocation Expenses

The following costs may be incurred during an Eligible Individual's relocation, but are not covered by the University:

1. Rents and Mortgages: Rents and mortgage payments on the future employee's new primary, permanent residence.
2. Vehicle Exclusions: Motorized recreational vehicles, boats, kayaks, canoes, airplanes, camping vehicles, snow machines, or jet skis. Costs for car registrations, emissions or smog tests are excluded. Special costs associated with accommodations needed for collector's motor vehicles are also not eligible for reimbursement.
3. Other Recreational or Leisure Equipment: Assembly and disassembly of unusual items such as swing sets, swimming pools, hot tubs, satellite dishes or storage sheds.
4. Animals: Farm animals or unusual domesticated pets such as pigs, poultry, reptiles, rodents or aquariums with live fish. Costs associated with the kenneling of pets upon arrival in CHSU's geographic region are also not eligible for reimbursement.
5. Food: Canned, frozen or bulk food storage and transportation costs.
6. Real Estate: Income taxes, property taxes or assessments associated with the sale of the former primary residence or purchase of the new primary residence, or the cost of physical improvements to enhance the former or primary residence. Selling costs directly associated with the sale of the future employee's former primary residence are also excluded.
7. Miscellaneous: Research supplies, laboratory supplies or equipment, construction and building supplies, farm equipment, or firewood, large plants, trees, shrubbery, rocks or other landscape items. Any expenses for research or laboratory equipment must be handled through the University's start-up research funds policy.



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C. Timeline for Move

All moves of Eligible Individuals should be completed within one year of the date the future employee reports for work at CHSU.

D. Documentation of Relocation Expenses by Eligible Individuals

All relocation expenses must be documented with the CHSU Business Office within one (1) month from the expenses were incurred. All other expenses incurred by an Eligible Individual directly must be submitted for reimbursement on the Expense Reimbursement Form with supporting documentation (e.g., hotel folios, mileage maps, itemized receipts, invoices, etc.).

E. Repayments to CHSU In the Event of Separation from CHSU

Any employee who receives a payment for relocation expenses and voluntarily terminates employment with CHSU or is fired for-cause within twelve (12) months from his/her start date must refund the payment to CHSU. The payment amount to be refunded will be pro-rated based on the number of months the employee was employed CHSU out of the prior twelve (12) month period. For example, an employee who is employed for six (6) months must refund CHSU half of the total payment the employee received. The refund is due to CHSU no later than 60 days after the date the employment is terminated. The amount owed may only be deducted from the employee's final paycheck with prior written authorization from the employee so long as it is large enough to cover all expenses.

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- Policy Owner: Chief Financial Officer
 - Effective Date: 3/07/19
 - Approval by the President Date: 4/04/2019