Employee Overview/Allowable Expenses – by Category

Use this information as a reference for allowable expenses. Reimbursement categories A - G are excerpts from the Moving and Relocation Policy. Always refer to the policy for complete information.

Reimbursement is limited to the following expense categories:

- House-hunting
- Temporary quarters
- Cancellation of lease
- Home sale
- Purchase of home
- Travel (actual or “final” move to new job location)
- Transportation and storage of household goods and personal effects

A  House-hunting (Taxable)

House-hunting expenses apply to both employee and spouse but not children or family members. They may be incurred while traveling to and from the new job location and while looking for new living accommodations. House-hunting trips may occur both prior to and after the employee’s first day of work. The employee may be reimbursed for these expenses only if the travel begins after a Moving Agreement is executed and the travel is primarily for the purpose of finding a place to live.

Reimbursable house-hunting expenses include the following for employee and spouse: Cost of transportation (including car rental), meals and lodging.

The cost of transportation includes parking fees and tolls, plus actual expenses such as gas and oil (but not depreciation) for the use of a personal car. In lieu of actual costs, reimbursement may be made at the mileage rate in effect at the time of travel. The number of trips for house-hunting that are reimbursable is limited to three (3) for the employee and three (3) for the spouse. The maximum number of nights or reimbursable lodging is fifteen (15). A night of combined lodging for both the employee and spouse counts as one night.

All reimbursements associated with house-hunting are deemed taxable expenses and taxes will be withheld as appropriate.

Limits on lodging and meals rates imposed by State Travel Regulations (see http://www.procurement.virginia.edu/main/ and select “Travel and Meals”) are applicable to hotel and meals expenses incurred during house-hunting trips.

B  Temporary Quarters (Taxable)

Reimbursement for reasonable lodging or rent may be claimed for a period of ninety (90) days not to commence earlier than thirty (30) days prior to the first day of work. Reasonable residential parking
fees will be reimbursed during the ninety (90) days of temporary quarters. Expenses for meals may be claimed for the first thirty (30) days of residence in temporary quarters. Such expenses must be reasonable and necessary. Reimbursements for temporary quarters are taxable and appropriate taxes will be withheld.

C    Cancellation of Lease (Taxable)

The settlement of a lease in a former residence is reimbursable if the settlement is due to moving and relocation.

D    Home Sale (Taxable)

Supporting documentation for this reimbursement shall include the HUD Settlement Statement signed by buyer and seller at closing. The following expenses relating to the sale of the primary residence are reimbursable:

- Actual expense of real estate commission
- Attorney fees
- Escrow fees
- State or local transfer taxes
- Pest inspection

The following expenses relating to the sale of the primary residence are not reimbursable:

- Sales commissions and similar expenses if the employee acts as a selling agent (closing and legal costs are allowed)
- Advertising and "fix-up" costs
- Loss sustained on sale of residence
- Real estate and capital gains taxes
- Payment and repayment of interest
- Points or loan payment charges that are negotiable
- "Carrying" costs (maintenance fees, utilities, principal, etc.)
- Mortgage penalties
- Buyer's closing costs, including Virginia fees.

E    Purchase of Home (Taxable)

Expenses related to the purchase of a replacement home which is the employee’s primary residence are reimbursable for the specific items listed below and are subject to the $15,000.00 limitation. In order to qualify for this reimbursement, the relocated employee must have owned a primary residence at the
prior location, which due to relocation, has been sold. This reimbursement is not allowed for the purchase of a second residence, investment property, business property or resort/vacation property at the new work site. Supporting documentation for this reimbursement includes the HUD Settlement Statement signed by buyer and seller at closing. Reimbursements of expenses associated with the purchase of a home are taxable and appropriate taxes will be withheld.

The following expenses relating to a home purchase are reimbursable:

- VA funding fee
- Loan origination fee, or lease processing fee
- Mortgage survey
- Appraisal fee
- Credit report
- Title search
- Recording fee
- Title insurance
- Attorneys fee
- Home inspection
- Notary fees

All of the above expenditures must be related to the purchase of the primary residence. Documentation clearly identifying these expenses is required. In order for the expenses related to a home purchase to be considered for reimbursement, the replacement of the primary residence must be accomplished (closed) within twelve (12) months after the official starting date of employment. Extenuating circumstances that result in the twelve (12) month period expiring prior to purchase (closing) of a replacement home may be approved by the authorized approver for up to an additional twelve (12) months. Extensions after this period may be present to the appropriate Dean/VP for review and, where warranted, approval. All such extension should be in writing and provided to the Payroll Department (moveandrelocate@virginia.edu).

Costs related to the purchase of a primary residence not specifically listed above are not reimbursable.

**Travel (Actual or "Final Move" to New Job Location) (Non-taxable with exceptions noted.)**

Travel relating to moving and relocation is eligible for reimbursement under three circumstances: (1) the initial trip after employment to the new location; (2) house hunting trips; (3) the trip to bring the family
to the new residence. When the employee and family are traveling to the new home, expenses for in-transit meals (taxable) and lodging (non-taxable) are reimbursable. Transportation expenses also include parking, tolls, plus actual expenses such as gas and oil (but not depreciation) for the use of the personal car (Non-taxable). In lieu of actual costs, payment may be made at the mileage rate in effect at the time of travel. (A portion of the mileage rate reimbursement is taxable, a portion is non-taxable.) Refer to the Mileage Rate left menu.

Limits on lodging rates imposed by State Travel Regulations (see http://www.procurement.virginia.edu/main/) are applicable to hotel expenses during travel. (Note: Per diem rates may not be used for moving and relocation.)

Automobile rental is not a reimbursable expense, except for house-hunting purposes.

G Self-Moves (Non-taxable)

If the employee chooses to move himself/herself, the amount of the actual cost allowed will be included in the $15,000.00.00 limitation. The following actual costs are reimbursable, within the $15,000.00 total limitation, with appropriate documentation:

• **Moving vehicle rental.** Costs of renting a moving van, truck, trailer, hand truck or other appropriate moving vehicles, equipment, and supplies are reimbursable. (Note: Vehicle rental for moving purposes is not reimbursable unless used for house-hunting.) Purchase of such a vehicle or equipment is not reimbursable. The purchase of moving supplies, such as packing paper, boxes, or cartons may be reimbursed with appropriate receipts. The amount of any such purchases must not exceed $500.00. Gas used by the rental truck during the move is reimbursable with proper receipts.

• **Labor used during move.** Reimbursement is limited to a reasonable hourly wage with the maximum total of $500.00. Labor provided by the employee or the employee’s immediate family member(s) is not reimbursable. A receipt from the individual employed, with signature and amount paid must be attached to the reimbursement request.

• **Mileage.** If a personally-owned or borrowed moving vehicle is used in the move, reimbursement is allowed at the mileage rate specified in the current Appropriation Act. Reimbursement will not be allowed to cover the “rental value” of the personally-owned vehicle. A car or truck with a trailer in tow will also be reimbursed at the mileage rate specified in the current Appropriation Act.

• **Tolls.** Tolls paid during the move are reimbursable provided the name of the facility (road, bridge, tunnel, etc.) is documented.

• **Storage.** The expense of temporary (in-transit) storing household goods and personal effects for a maximum of thirty (30) days is reimbursable if the employee is unable to move directly into the new residence. This amount is not includable in the $15,000.00 limitation

**Transportation and Storage of Household Goods and Personal Effects**

**Common Carrier Moves:** The actual costs paid for common carrier transportation of the
employee's household goods and personal effects from the former principle residence to the residence at the new work location are reimbursable. If the new employee uses common carrier transportation, the amount of the actual costs is allowed in addition to the $15,000.00.00 limitation on reimbursements paid directly to the employee. The employee must obtain and submit to the department one of the following:

- A price quotation for less than $5,000.00;
- A price quotation from a contracted relocation vendor; or
- Three price quotations from contracted or non-contracted vendors, preferably based in Virginia, including at least one quote from a firm certified by the Virginia Department of Minority Business Enterprise as woman- or minority-owned.

**Non-reimbursable Expenses**

Costs not specifically allowed in this policy are not reimbursable, nor are actual miscellaneous and incidental expenses such as but not limited to baby-sitting, disconnecting and connecting appliances and utilities, care or transportation of pets, removing and installing antennas, carpet and draperies, general cleaning, laundry or dry cleaning while in temporary quarters, and the cost to transport recreation vehicles such as yachts.