

---

## Alameda-Contra Costa Transit District

---

### **Administrative Regulation No. 226A: Relocation Expense Reimbursement Procedures**

---

**Issuing Officer:** General Manager  
**Date of Adoption:** 8/9/16  
**Most Recent Amendment:** N/A  
**See Also:** 226

**Subject Category:** Section 200, Human Resources  
**Subsection:** Benefits  
**Control Department(s):** Finance, Human Resources

---

#### **I. PURPOSE**

The purpose of this administrative regulation is to provide guidance to departments and individuals for processing and reporting relocation reimbursements and general information regarding taxable and nontaxable relocation expenses.

#### **II. PERSONS AFFECTED**

Please refer to Board Policy 226 – Relocation Policy.

#### **III. REGULATION**

##### **A. Authorizations and Approvals**

This Administrative Regulation shall be administered in accordance with Board Policy 226 (Relocation Policy) which sets forth the applicability of the policy as well as certain limitations and financial caps. A copy of Board Policy 226 shall be provided with the original offer of employment.

##### **B. Reimbursable Expenses**

AC Transit adheres to the IRS moving expense guidelines as outlined in "[Publication 521-Moving Expenses](#)" available online at [www.irs.gov](http://www.irs.gov). Expenses eligible for reimbursement include all expenses identified as reimbursable by the IRS, as well as others deemed reimbursable by the District. Employees must submit the "Reimbursement Request" form attached with receipt and documentation within 60 days from the date the expense was incurred, in order to be reimbursed.

##### **C. Tax Deductibility**

Under Internal Revenue Service (IRS) regulations, all reimbursements associated with the move other than "qualified moving expenses" are taxable income to the employee subject to tax withholding and reporting on the employee's Form W-2 (refer to IRS publication 521 for more details).

Some common deductible items:

- The cost of moving household goods and personal effects of the household members from the employee's former home to the new home.
- The cost of transportation and lodging for the household members while traveling between the former home and the new home.
- The cost of transporting household pets or shipping a car from the former home to the new home.

Non-deductible items include but are not limited to:

- Any part of purchase price of new home
- Expense of getting or breaking a lease
- Loss on sale of home
- Meal expenses
- Pre-move house -hunting expenses
- Temporary living expenses
- Storage (except in transit)

Please see IRS Publication 521 for a detailed list and explanations.

#### **D. W-2 Reporting**

The reimbursed amount must be reported on the employee's form W-2. Taxable items will be included in the employee's taxable gross wages (Box 1). Items not taxable will be shown in box 12 with code P on form W-2.

It is recommended that employees request reimbursement for deductible items first to use up the moving reimbursement allowance, and then consider using the remaining balance on non-deductible items.

#### **E. Reimbursement Procedures**

In general, relocation and moving expenses will be paid on a reimbursement basis, except for invoices from third-party commercial movers that may be paid directly to the moving company by the District. Reimbursements are limited to actual costs incurred up to the maximum allowance specified in the offer letter.

Original documents must be submitted as support for expenses. Photocopies of invoices are not acceptable unless the original document was lost and a signed memorandum is attached to the payment request giving full explanation of the circumstances.

All Relocation and Moving Expense documentation, along with the Relocation Expense Reimbursement Request Form, shall be submitted to Accounts Payable. Accounts Payable staff, in consultation with the Payroll Department, shall review the federal tax implications of

all costs reimbursed by the District, and the employee will be informed of the determination for tax planning purposes. Reimbursement will be paid through payroll checks, and Payroll staff will ensure that taxable and non-taxable payments are reported correctly on the employee's W-2 form.

**IV. ATTACHMENTS**

Relocation Expense Reimbursement Request Form

Approved by:



Michael A. Hursh, General Manager  
Alameda-Contra Costa Transit District

## *Relocation Expense Reimbursement Request*

### Employee Information

Today's Date (mm/dd/yyyy):	
Employee Name:	
Title:	
Department/Division:	

### Relocation Information

Previous Residence Address:	
New Residence Address:	

### Expenditures

Tax-Deductible Moving Expenses	Amount (\$)
Transportation During Move	\$
Lodging During Move	\$
Moving Household Goods:	\$
Moving personal vehicles:	\$
Moving pets:	\$
Other (Specify):	\$
	\$
	\$
	\$
<b>TOTAL Deductible Moving Expenses</b>	<b>\$0.00</b>
Non Tax-Deductible Expenses	Amount (\$)
Transportation for House Hunting Trip:	\$
Lodging for House Hunting Trip:	\$
Meals	\$
Temporary Housing	\$
Other (Specify):	\$
	\$
<b>TOTAL Non Tax-Deductible Expenses</b>	<b>\$0.00</b>
<b>Total - Cannot Exceed Approved Amount (\$)</b>	<b>\$0.00</b>

### Employee Certification and Agreement

The information contained in this application is complete and accurate. I understand part or all of the the reimbursement may be taxable and will be reported on W-2. I also understand that should I separae from employment with AC Transit (unless terminated by the District) in less than 12 months, I am required to refund the full relocation reimbursement to AC Transit.

<u>Employee Signature</u>	<u>Printed Name</u>	<u>Date ( mm/dd/yyyy)</u>
---------------------------	---------------------	---------------------------

### Approvals

<u>HR Signature</u>	<u>Printed Name</u>	<u>Date ( mm/dd/yyyy)</u>
---------------------	---------------------	---------------------------

<u>Chief Financial Officer Signature</u>	<u>Printed Name</u>	<u>Date ( mm/dd/yyyy)</u>
--	---------------------	---------------------------

<u>General Manager Signature</u>	<u>Printed Name</u>	<u>Date ( mm/dd/yyyy)</u>
----------------------------------	---------------------	---------------------------