



SUBJECT

REIMBURSEMENT OF EMPLOYEE RELOCATIONS

I. AUTHORITY

- A.R.S. § 35.196.01 Expenditures of state monies for certain purposes
A.R.S. § 41.722 Powers and duties relating to finance

II. INTRODUCTION

ARS § 35-196.01 grants specific authority to agencies to spend monies to reimburse employees for reasonable relocations expenses related to management-initiated geographical reassignments of more than fifty miles. As with any expenditure of public monies, Agency Management has the responsibility of assuring that the benefits to be realized by the state from the reimbursement of an employee's moving expense substantially and demonstrably exceed the costs incurred. The policy set forth below takes precedence over any similar guidelines that may have been in effect in any agency.

III. DEFINITIONS

- A. Agency – Any agency, department, authority, board, commission or unit of the Government of the State of Arizona.
- B. Agency Management – The chief executive officer of any agency, department, authority, board, commission or unit of the Government of the State of Arizona or those who are designated by him to authorize reimbursement of expenses incurred in connection with a qualified move.
- C. Common Carrier – A person or company that moves household goods, etc., from one location to another as a business.
- D. Compensated Hour – An hour for which an employee is paid. Compensated hours include hours during which services were performed, as well as holidays, annual leave, sick leave or any other time used in the computation of salaries, wages, employment taxes or retirement benefits.
- E. Duty Post – The primary location at which an employee is assigned to work by the Agency. If the employee has no single place to which he is assigned or if he is a telecommuter, his principal duty post is that at which the employee reports to his supervisor.
- F. Employee – Any full- or part-time individual being paid under the authority of any payroll system of the Government of the State of Arizona or any public officer, deputy, board or commission member. To be defined as an officer of the State, the person must be participating on a board, commission, authority, council or committee created by law, the Governor, or by an Agency Head with the proper authorization to create such an entity.



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- G. Family – For purposes of this writing, an employee’s family includes his spouse as well as his natural, adopted, step or foster children, parents, grandparents and grandchildren who, at the time of the move, lived with him or qualified as a dependent for purposes of computing his federal income tax liability.
- H. Former Duty Post – The employee’s duty post before reassignment to new duty post.
- I. Former Residence – The employee’s principal residence before departure to a new duty post.
- J. Hauler – A person or company that hauls mobile or manufactured homes from one location to another as a business.
- K. He/him/his – For brevity and clarity, singular, masculine pronouns are used throughout. Feminine or plural pronouns may be substituted where appropriate.
- L. Household Goods – The personal effects and possessions of an employee located in or about his residence. As used herein, the term household goods does not include automobiles, motorcycles or other motorized conveyances; outbuildings, sheds and other structures; or proscribed materials.
- M. Limit of Reimbursement – The maximum dollar amount, as defined herein, of moving related expenses for which an employee may be reimbursed.
- N. May – to have the authority, but not the obligation, to perform a certain act; to be a possibility, but not a requirement.
- O. Mobile Home – A transportable structure usually parked and used as a residence, a manufactured home.
- P. Move-in Date – The date upon which an employee’s household goods are delivered to his new residence.
- Q. New Duty Post – The employee’s duty post after reassignment from a former duty post.
- R. New Residence – The employee’s principal residence within the general vicinity of a newly designated principal duty post.
- S. Personal Motor Vehicle – A motor vehicle owned, leased, rented, or borrowed by the employee being moved or a member of his family.
- T. Proscribed Materials – Those objects and substances which cannot and will not be moved at the expense of the State.



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- U. Qualified Move – A move, deemed by Agency Management to be in the best interests of the Agency and the State, the cost of which may be wholly or partially borne by the State.
- V. Reimbursement – Repayment of amounts actually spent, subject to expressed limitations.
- W. Self-move – A situation in which an employee moves his own household goods. Self-moves can involve the use of personally owned, leased or rented transportation equipment.
- X. State – the State of Arizona.

IV. POLICIES AND PROCEDURESA. Limit of Reimbursement

The limit of reimbursement for any one relocation-including the transport of household goods or mobile home hauling, travel, lodging and other costs-shall be the lowest of:

Ten thousand dollars (10,000), or

The actual relocation expenses incurred, or

The sum of the limits by category expressly set forth below.

B. Eligibility

Employee relocation expenses may be eligible for reimbursement if they meet the following conditions:

1. The move must be approved by Agency Management.
2. The move must demonstrably benefit the Agency and the State.
3. Agency Management shall execute such document (memorandum, transfer request, personnel action form, etc.) as may be prescribed by the Agency to effect such a move. This document shall contain sufficient information to justify the move. A copy of this document shall be retained in the employee's permanent file.
4. The move must involve an employee, whether covered or uncovered, who has at the time of the move, been employed on a full-time basis for the State, in any capacity, no fewer than two hundred (200) compensated hours.



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5. The move must involve a geographical relocation of fifty (50) or more miles, measured point to point.
 - a. The distance between the employee's former duty post and new duty post must be fifty (50) or more miles.
 - b. The distance between the employee's former residence must be fifty (50) or more miles.
 - c. The distance between the employee's new residence and his former duty post must be fifty (50) or more miles.
 - d. The assignment to the new duty post would have required the employee to commute twenty-five (25) additional miles from his former residence to his new duty post than was the case when he commuted from his former residence to his former duty post.
 6. To be reimbursable, the move must be what is considered a permanent change in the employee's duty post within the Agency.
 - a. A permanent change in duty post is one for which, at the time the reimbursement is authorized, no subsequent change is contemplated to occur within one (1) year from the date of the move.
 - b. Moves resulting from the transfer of an employee from one agency to another are to be approved, agreed to and, if reimbursement is to be made, reimbursed by the receiving agency.
 - 1) In the case of a transfer between agencies that may involve relocation, it is the transferring employee's responsibility to secure any agreement concerning the reimbursement of moving expenses from the receiving agency before accepting the new position.
 - c. Relocation coming about as result of an employee's leaving State service will not be reimbursed.
- C. **General Exclusion.** If an expense, cost or expenditure or category of expense, cost or expenditure is not specifically defined as reimbursable, it does not qualify for reimbursement.
- D. **Qualifying Moving Expenses.** The following actual expenses may be reimbursed to an employee eligible for reimbursement.
1. Transportation of household goods. Taking into account budgetary constraints, operational needs and employee circumstances, Agency Management may, subject to the terms and conditions set forth herein, authorize the transportation of household goods using one of three means: common carrier, employee self-move, or mobile home hauling. Agency management reserves the right to require self-moves or to



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limit reimbursements to those amounts that would have been reimbursed had a self-move been undertaken.

a. Common carrier. Common carriers may be engaged for moves-other than mobile home hauling-in which the net weight of an employee's household goods equals or exceeds four thousand (4,000) pounds.

1) The Agency may reimburse the common carrier moving charges for up to ten thousand (10,000) pounds of household goods.

a) The employee will be responsible for those charges incurred for moving household goods in excess of ten thousand (10,000) pounds.

2) The Agency may reimburse unavoidable common carrier charges for stair carries, long carries, shuttles and special equipment such as cranes necessary to affect the move.

3) If the common carrier charges for a weekend move are higher than those for a weekday move, the reimbursement will be limited to the amount that would have been charged for a weekday move.

b. **Employee self-move.** Self-moves shall be used for moves – other than mobile home hauling – when the net weight of an employee's household goods is less than four thousand (4,000) pounds. The Agency may reimburse:

1) The rental of a truck or trailer for the time necessary to load and unload the truck or trailer and to effect the move, not to exceed five (5) days.

2) The rental of moving – related equipment such as dollies, hoists, belts and pads.

3) Actual fuel costs, evidenced by receipts, incurred on the move.

4) Collision and liability insurance for the truck or trailer.

c. **Mobile home hauling.** When applicable and within the limits discussed below, the Agency may reimburse an employee the costs associated with the relocation of a mobile home.

1) Reimbursable costs. The Agency may reimburse the cost of mobile home hauling, as detailed below:

a) Line haul charges.

b) Certain unavoidable costs incidental to the line haul of the mobile



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home, including:

- (1) Permits and licenses required by any jurisdiction through which the mobile home will be hauled.
- (2) Pickup and drop fees.
- (3) Rental of running lights.
- (4) Legally required escort vehicles.
- (5) Tire and axle rental, but not the purchase of tires or axles.

c) Certain other charges, including:

- (1) Anchoring labor, but not the anchors.
- (2) Re – Leveling.
- (3) Takedowns and/or breakdowns.
- (4) Skirting labor, but not the skirting material.
- (5) Awning installation and takedown, but not the awning materials or mechanisms.
- (6) Blocking labor, but not blocking materials.
- (7) Utility hookup labor, but not materials, not to exceed a run of fifty (50) feet.

d) Mobile home transport insurance. The hauler shall provide insurance to cover the mobile home and its contents while moving it from the old to the new location.

- (1) Reimbursable coverage for household goods is subject to the same limitations in effect for common carrier moves.
- (2) Reimbursable coverage for the mobile home structure itself is limited to the cost of insuring fifty thousand dollars (\$50,000) of value.
- (3) Any legally required, separately charged collision or liability insurance premium may be reimbursed.

2) Mobile home relocation costs not subject to reimbursement. The following costs associated with the relocation of a mobile home shall not be reimbursed:



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- a) Wrecker services necessary to place a mobile home in position for over-the-road movement.
 - b) Tire failure and replacement of failed tires.
 - c) Movement or replacement of outside fuel tanks.
 - d) Any costs incurred to bring the mobile home up to safety requirements for over-the-road movement.
 - e) Additional insulation or freeze protection.
 - f) Any costs in excess of the limitations specified above.
 - g) Site preparation fees for below-ground installation.
 - h) Costs of moving fencing.
 - i) Costs of moving non-collapsible underpinnings and non-collapsible stairways.
2. **Packing, unpacking and packing materials.** Up to five hundred dollars (\$500) in total may be reimbursed for any combination of the following costs:
- a. Boxes, crates, other packing and packaging materials.
 - b. Professional packing, crating and unpacking services.
3. **Insurance of household goods in transit.** Insurance charges for leased rate liability coverage up to sixty cents (60¢) per pound per article for goods in transit shall be paid by the employee.
- a. Charges for full-value, depreciated, lump sum value and pound-weight value coverage are not reimbursable.
 - b. Costs of released rate liability in excess of sixty cents (60¢) per pound per article for goods in transit shall be paid by the employee.
4. **Travel.** An employee may be reimbursed for the cost of driving a single personal motor vehicle from the employee's former residence to his new residence.
- a. Reimbursement will be at the Internal Revenue Service's standard mileage rate for moving that is in effect at the time of the move.
 - 1) Through calendar year 2001, the Internal Revenue Service's standard mileage rate for moving is twelve cents (12¢) per mile.



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- 2) For calendar year 2002, the Internal Revenue Service's standard mileage rate for moving is thirteen cents (13¢) per mile.
 - b. An employee may be reimbursed for up to two days' rental fees, including the cost of collision and liability insurance, for a rental car used in connection with a qualified move.
 - c. If the employee elects to use an airline, train or bus in the move, the Agency may reimburse the actual cost of the airline, train or bus fare incurred by the employee and/or his family.
 - 1) The Agency will not reimburse airline, train or bus fares incurred for the transport of persons other than the employee and/or his family.
 - 2) The Agency will not reimburse any single individual for more than one for a single trip between the residence or duty post and the new residence or duty post.
 - 3) Cab fares will be reimbursed only in connection with local transportation from the former residence to the air, train or bus depot and from the air, train or bus depot to the new residence.
5. **Lodging.** The employee may be entitled to reimbursement for hotel or motel costs incurred to house his family and himself during the course of the move.
- a. Except in the case of mobile home hauling, no more than one (1) night's lodging will be reimbursed.
 - b. In the case mobile hauling, no more than four (4) nights' lodging will be reimbursed.
 - c. If the employee and his family number four (4) or fewer, the cost of one (1) hotel or motel room will be reimbursed.
 - d. if the employee and his family number five (5) or more, the cost of two (2) hotel or motel rooms will be reimbursed.
 - e. The amount of reimbursement shall be the lesser of the amount actually spent or the maximum State reimbursement rate then in effect for the location of the hotel or motel in which the employee and his family stays.
- E. **Moving Expenses Not Qualifying for Reimbursement.** Reimbursements for the following expenses shall not be made:
1. **Certain articles and items.** The following article and items are specifically excluded from reimbursable moving costs and may not be moved at State



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expense:

- a. Non-human, living things. Any flora or fauna, live plants, shrubbery, trees, sod, pets, livestock, breeding stock, draft animals, etc.
 - b. Articles of high intrinsic, artistic or sentimental value. Jewelry, works of art, collectibles, collections, memorabilia, antiques, etc.
 - c. Cash, negotiable instruments and documents. Cash, stocks, bonds, checks, currency, coins, bank drafts, notes, trading stamps, money orders, postage stamps, precious metals, silverware, coin collections, securities, deeds, wills, manuscripts, contracts, other valuable papers, etc.
 - d. Explosive, corrosive and flammable materials and devices. Firearms, ammunition, fireworks, explosives, gasoline, kerosene, other flammables, oily mops and rags, chemicals such as chlorine, acids, other dangerous goods, property or substances liable to cause injury or damage to others or their property, etc.
 - e. Except for a single personal vehicle, automobiles, trucks, sport utility vehicles, airplanes, boats, motorcycles, camping vehicles, mobile homes not the primary residence of the employee, go carts, motor scooters, gold carts, tractors, trailers, powered farm equipment, all-terrain vehicles, ride-able mowers, motorized vehicles, other powered conveyances, etc.
 - f. Perishables. Perishable foodstuffs subject to spoilage.
 - g. Miscellaneous. Building materials, lumber, large non-motorized farm equipment, poultry roosts, rabbit hutches, storage sheds, excessive hobby material and equipment, firewood, play sand, etc.
 - 1) It is suggested that the employee personally move articles of the types listed above or separately provide for moving services, insurance coverage, etc. for such articles.
 - h. Illegal substances. Illegal drugs, unlawfully acquired or possessed controlled substances, etc.
 - i. Any property not owned by the employee or a member of his family.
2. **Storage.** No reimbursements shall be made for charges incurred for the storage of household goods or the insurance of household goods while in storage.
 3. **Meals.** The employee shall not be reimbursed for meal expenses incurred by him, his family or any other person in connection with the move.
 4. **Certain expenses ancillary to the move.** The following expenses that might be



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incidental to the employee's relocation do not qualify for reimbursement:

- a. Cleaning and preparation services. Maid services, cleaning and clean-up, refurbishment, refinishing, touch up, landscaping, scavenging, trash hauling, site preparation, demolition, refitting of carpets and draperies, pool and spa cleaning and draining, etc.
 - b. Fines and penalties. Penalties, fines or late fees imposed upon the employee, members of his household, the common carrier, mover, hauler or rental agency as a result of negligence, nonfeasance or malfeasance on the part of the employee or his agents.
 - c. Disconnection and disassembly services. The disassembly or disconnection of washer, dryers, refrigerators, ice makers, dishwashers, freezers, ranges, ceiling fans, swing or gymnasium sets, antennas, satellite dishes, storage sheds, mirrors, curtains, curtain rods, entertainment equipment, computer equipment, exercise equipment, water beds, hobby equipment, air conditioners, heat pumps, water heaters, furnaces, televisions, swamp coolers, septic tanks, wells, gas or charcoal grills, out buildings, hot tubs, pools, spas, animal pens or dwellings, aquariums, etc.
 - d. Connection and assembly services. The assembly, connection or reconnection of washers, dryers, refrigerators, ice makers, dishwashers, freezers, ranges, ceiling fans, swing or gymnasium sets, antennas, satellite dishes, storage sheds, mirrors, curtains, curtain rods, entertainment equipment, computer equipment, exercise equipment, water beds, hobby equipment, air conditioners, heat pumps, water heaters, furnaces, televisions, swamp coolers, septic tanks, wells, gas or charcoal grills, out buildings, hot tubs, pools, spas, animal pens or dwellings, aquariums, etc.
 - e. Security deposits or loss of security deposits. The payment or loss of any security deposits for rental units, communication or entertainment services, utilities, etc.
5. **Expenses related to the sale of the former residence.** The expenses set forth below and any other expenses relating to the sale of a former residence shall not be reimbursed.
- a. Commissions. Any fee paid to a realtor or any other person or entity for services rendered in connection with the marketing, listing, or sale of the former residence.
 - b. Advertising. Any fee paid to any person or entity for advertising, marketing, listing or the preparation of signage relating to the sale of the former residence.
 - c. Legal fees. Any fees paid to any attorney, legal aid, paralegal or document service for any legal or paralegal services relating to the sale of the former



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residence.

- d. Document preparation fees. Any fees paid to any attorney, legal aid, paralegal or document service for the preparation of any documents, notes or instruments relating to the sale of the former residence.
 - e. Closing costs. Closing costs, selling points, survey fees, escrow fees, title fees, recording fees, release fees, transfer taxes, etc., related to the sale or disposition of the former residence.
 - f. Cleanup and maintenance costs. Repairs to or maintenance of the former residence incurred to make the former residence more marketable; interior and exterior cleaning and fix-up expenses; trash removal, landscaping, painting, touch up, etc.
 - 1) The preceding restrictions apply equally to fixed-location and mobile homes.
6. **Lease breakage fees and related expenses.** The expenses set forth below and any other expenses relating to the breaking a lease shall not be reimbursed:
- a. Lease breakage fees. Any fee, penalty or charge imposed for abandoning leased premises or for terminating a lease agreement before its scheduled expiration.
 - b. Forfeitures of security deposits. Any prepaid rent, security deposit, pet deposit or damage indemnification deposit that is lost in connection with the abandonment of leased premises.
 - c. Damage, condition and cleaning assessments relating to the leased premises. Any fee, penalty, charge or assessment imposed as a result of damages to the leased premises or on because of the condition of the leased premises at the time of abandonment.
 - d. Damage assessments relating to surrounding common or individual areas. Any fee, penalty, charge, judgment, fine, forfeiture or assessment resulting from damage to surrounding common or individual areas.
7. **Professional and miscellaneous fees related to the move.** No reimbursement will be allowed for any of the following expenses.
- a. Legal and professional fees to review any contracts with the Agency, common carriers, haulers. Equipment lessors, realtors or any agent of the employee involved with any aspect of the move.
 - b. Additional accounting or tax preparation fees incurred as a result of the move.



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- c. Surveying, engineering and related charges.
 - d. Buyer's points, seller's points, recording fees, tax stamps, loan origination fees, appraisal fees, escrow fees, title insurance, mortgage insurance, closing costs, etc.
 - e. The costs of litigation or arbitration arising from any dispute associated with the move.
8. **Losses on the sale of property.** No losses experienced on the sale of real or personal property will be reimbursed.
 9. **Market adjustments and rate changes.** No losses experienced or to be experienced because of changes in interest rates, lease rates, property values or residence replacement costs will be reimbursed.
 10. **House hunting.** No costs associated with finding a new residence will be reimbursed.
 11. **Expenses related to the acquisition of the new residence.** No reimbursement will be allowed for any expenses incurred with the acquisition of a new residence.
 12. **Actual costs in excess of estimates.** The Agency retains the right not to reimburse any amounts by which actual costs exceed any estimates required by this policy.
 13. **Actual costs in excess of the limit of reimbursement.** The Agency shall not reimburse any amounts by which actual costs exceed the limit of reimbursement.
 14. **Employee Taxes.** Neither the Agency nor the State shall be liable for any income taxes imposed by any jurisdiction upon the employee as a result of the Agency's payment or the employee's receipt of any funds paid or advanced with respect to any moving expenses.
- F. **Employee Time.** The Agency may authorize an eligible employee time to move while on duty.
1. Total time off. Up ten (10) workdays, as outlined below, of on-duty time may be authorized to an employee in connection with a relocation.
 - a. House hunting. Up to five (5) workdays of on-duty time may be authorized to locate a new residence and sell the former residence.
 - b. Moving. Up to five (5) workdays of on-duty time may be authorized to pack, unpack, travel and move.
 2. Authorization. Authorized time off for the move shall be considered work time.



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- a. Employees shall be required to justify the need for the number of days off requested.
 - b. The Agency shall exercise discretion when authorizing time off.
3. Time off. Time off allowed for relocation shall be considered ordinary, straight time.
- a. Overtime. Overtime shall not be accrued for activities related to the move.
 - b. Compensatory time. Compensatory time shall not be accrued for activities related to the move.
 - c. Annual leave. Time off related to the move in excess of the limits established above, if granted, shall be charged to annual leave.
- G. **Approval of Estimates.** Before engaging any contractor to be used as a common carrier or mobile home hauler, the employee must submit to the Agency three separate estimates.
1. The employee retains the right to engage the contractor of his choice.
 2. Subject to the limit of reimbursement, the Agency retains the right to reimburse the employee an amount equal to the lower of:
 - a. The actual amount charged by the contractor, or
 - b. The lowest of the three submitted estimates.
 3. The bids are to be submitted to the Agency not later than thirty (30) days prior to the contemplated date of the move.
- H. **Accounting and Reporting.** Reimbursements of employee moving expenses are to be charged to COBJ 7593.
- I. **Other.** The following miscellaneous provisions apply:
1. Privity of contract. Neither the Agency nor the State is or shall be party to any contract between the employee and any commercial concern engaged by the employee to effect his move.
 - a. Neither the Agency nor the State is or shall be responsible for any debts incurred by the employee with respect to this move.
 - b. Neither the Agency nor the State assumes nor shall assume any responsibility for resolving any disputes between the employee and his agents.



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2. Use of State vehicles or equipment. Except as otherwise provided, the use of state equipment to move an employee or members of his family or any living thing, to tow a trailer or mobile home, or to transport or store household goods is expressly prohibited.
 - a. An Agency, in connection with an employee's relocation, may authorize the employee to drive a State vehicle from his former duty post to his new duty post.
 - 1) The employee is strictly prohibited from transporting any member of his family or any person other than another State employee in a State vehicle.
 - 2) The employee is strictly prohibited from transporting household goods in a State vehicle.
 - 3) The employee is strictly prohibited from towing any trailer or mobile home with a State vehicle.
3. Prior written agreement required. Any reimbursement of moving expenses is subject to prior written agreement between the employee and the Agency.
 - a. This policy provides the framework within which reimbursements for employee reimbursements may be made. It is not to be construed as an offer by the Agency or the State to reimburse such expenses.
 - b. No obligation for the reimbursement of relocation expenses shall insure to the Agency or the State without a prior written agreement between the employee and Agency Management.
4. Subject to availability of funds. All reimbursements to be made are subject to the availability of sufficient funds.
5. Neither the Agency nor the State is or shall be responsible for any damages or loss. Neither the Agency nor the State is or shall be responsible for any damage or loss sustained by any party from any cause relating to this relocation.
 - a. All claims for damage to or loss of household goods shall be submitted directly to the common carrier, hauler, storage facility, rental agency, insurance company or other agent of the employee.
 - b. All claims for personal injury shall be submitted directly to the employee, common carrier, hauler, storage facility, rental agency, insurance company or other agent of the employee.
6. Restriction against duplicate reimbursement. An employee may not be reimbursed for any moving expenses for which the employee or any member of the employee's family is otherwise eligible to receive reimbursement.



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7. False statements or documentation. The filing of any false documents or the making of any false statements in connection with a relocation, the reimbursement of relocation expenses, advances paid in connection with relocation expenses, etc. will be cause for disciplinary action up to and including termination and will be prosecuted to the extent permitted by the law.

8. Agency policies and procedures. Agencies shall adopt such internal administrative and accounting policies and procedures as may be necessary to assure compliance with State policy.

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