



Virginia Department of Corrections

Financial Management and Procurement

Operating Procedure 240.2

Moving and Relocation Expenses

Authority:

Directive 240, *Moving and Travel Expense*

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None

Content Owner:	Denise Waddy Payroll Director	<i>Signature Copy on File</i>	6/23/22
		Signature	Date
Reviewer:	Louis B. Eacho Chief Financial Officer	<i>Signature Copy on File</i>	6/23/22
		Signature	Date
Signatory:	Joseph W. Walters Deputy Director for Administration	<i>Signature Copy on File</i>	7/12/22
		Signature	Date

REVIEW

The Content Owner will review this operating procedure annually and re-write it no later than three years after the effective date.

The content owner reviewed this operating procedure in August 2023 and necessary changes have been made.

COMPLIANCE

This operating procedure applies to all units operated by the Virginia Department of Corrections (DOC). Practices and procedures must comply with applicable State and Federal laws and regulations, American Correctional Association (ACA) standards, Prison Rape Elimination Act (PREA) standards, and DOC directives and operating procedures.

Table of Contents

DEFINITIONS	3
PURPOSE	4
PROCEDURE.....	4
I. Eligibility for Reimbursement.....	4
II. Tenure Agreement.....	4
III. Use of DOC Moving Equipment, Vehicles, and Supplies	5
IV. Temporary Quarters	6
V. Other Relocations.....	6
VI. Reimbursement Procedures.....	6
VII. Accounting	7
VIII. Reimbursement Responsibilities	8
REFERENCES.....	8
ATTACHMENTS	8
FORM CITATIONS	8



DEFINITIONS

Agency Fiscal Officer - The Business Manager at major institutions, including assigned field units, Support Services Manager at Regional Offices, including field units not assigned to major institutions, Business Manager at Virginia Correctional Enterprises (VCE), Operations Manager at the Academy for Staff Development, and the Chief Financial Officer for Central Office Organizational Units and the Community Corrections units.

Storage Expense - Amounts paid a vendor for the storage of household goods and personal effects for a maximum of 30 days temporary (in-transit) storage.

Temporary Quarters - Lodging or housing in which the employee lives at a reasonable cost, until a permanent residence is secured, or up to a maximum of 90 calendar days; temporary quarters could consist of any type of lodging or housing, such as hotels/motels, apartments, or single family dwellings.

Tenure Agreement - An agreement to remain in the employment of the Department of Corrections from the first day in the new position until two years thereafter; this agreement must be signed prior to incurring moving expenses.



PURPOSE

This operating procedure establishes the process for reimbursement to regular full-time salaried employees of the Department of Corrections (DOC) for those expenses incurred in the moving and relocation to a new work location.

PROCEDURE

I. Eligibility for Reimbursement

A. Reasonable and necessary moving and relocation expenses may be reimbursed when all of the following conditions are met:

1. The DOC will ascertain that the new employee is the best qualified applicant available to fill the newly created or vacant position, as determined or confirmed by the Director. In the case of DOC reorganization, availability of qualified applicants or employees must be determined in accordance with equitable criteria established by the Director.
2. Relocation will be at the request of the Director and for the good of State service, i.e., an employee is transferred to another location at the sole discretion of the DOC.
3. The distance between the employee's new work location and the former residence must be at least 50 miles greater than the distance between the employee's old work location and the former residence. Actual commuting distance to the new work location from the former residence must increase by at least 50 miles one way.
4. An estimate of total moving and relocation expenses must be submitted by the employee and approved in advance by the Director.
 - a. The employee is responsible for consulting with the employing agency's procurement department to determine the required number of bids in accordance with current *Virginia Public Procurement Regulations* as published by the Virginia Department of General Services.
 - b. Copies of the required bids should be provided to the agency prior to a formal commitment to utilize the common carrier.
 - c. The bid(s) should be attached to the *Employee Moving and Relocation Expense Summary 240_F9* when the invoice is submitted to the Business Office for payment. All other submissions for payment must be sent to the Payroll office for processing.
 - d. When at all possible, the employee should utilize a common carrier based in Virginia. When outside of the Commonwealth of Virginia, employees should contact Virginia common carriers to inquire if they are able to match bids submitted by out-of-state firms.

B. Moving and relocation expenses will not be reimbursed by the DOC when:

1. Employees change locations within the DOC as a result of disciplinary action.
2. Employees transfer to temporary or part-time positions.
3. Employees relocate as a result of actions taken under DHRM Policy 1.30, *Layoff* or Operating Procedure 175.2, *Layoffs and Reduction in Workforce*.
4. The move is at the request of, or for the convenience of, the employee.

II. Tenure Agreement

A. Any employee to be compensated for moving and relocation expenses must execute a *Tenure Agreement 240_F10* with the DOC before any expenses are incurred that the employee subsequently intends to request state-funded reimbursement or payment and before any state resources, including state vehicles/equipment, are utilized for moving and relocation.

B. After review by the Human Resource and Payroll offices and approval by the Chief of Corrections



Operations or appropriate Deputy Director, the Director must approve the offer of a Tenure Agreement in advance of such an agreement being made with an employee or future employee.

- C. A condition of reimbursement is that the employee must satisfactorily maintain employment on a regular full-time basis in DOC service for at least two years, commencing on the date that the employee starts work on a regular basis at the new location.
1. If this condition is not met, the employee must reimburse DOC the full cost of moving and relocation expense paid by the DOC.
 2. The reimbursement may be prorated or waived if state employment is terminated or the employee is moved to a part-time position in the DOC for reasons beyond the employee's control and acceptable to the DOC.
 3. The Director may approve waivers of reimbursements if circumstances justify.
- D. Three copies of the *Tenure Agreement 240_F10* will be signed by the employee, Chief of Corrections Operations or appropriate Deputy Director, and the Director. One signed copy must be filed with the Human Resources Office prior to or at the time of making the commitment for employment in the new location and two copies will be given to the employee.
- E. The employee must submit one signed copy of the *Tenure Agreement* to the Payroll Unit when making a claim for reimbursement. The Payroll Unit will keep a copy on file as the authority for the reimbursement and the basis for claiming repayment if the terms of the agreement are not fulfilled.
- F. A new *Tenure Agreement* must be completed each time the employee relocates at DOC expense. Any remaining period of employment obligation on the old Tenure Agreement will carry forward and be served at the new work location.
1. Multiple *Tenure Agreements* with the same individual for overlapping time periods may be in force at the same time.

Example: An employee is transferred to a new work location on November 1, 2022. They sign a Tenure Agreement for two years. On April 1, 2024, they are transferred to another job and sign a second *Tenure Agreement*. The employee's obligation on the first agreement would carry forward to the new location and involve overlapping time for seven months (4/1/24 - 10/31/2024).
 2. All Tenure Agreements end two years after the agreement date. Under the example above, the second *Tenure Agreement* will have ended March 31, 2026 and the employee will have been under *Tenure Agreement* for a total of 41 months.
 3. The Director may approve an additional 12 months for submission of allowable expenses if circumstances justify and the employee was required by the DOC to transfer.
- G. The Regional Administrator or the Organizational Unit Head at Headquarters is responsible to ensure that the following steps are completed for those employees in their area who are eligible for moving and relocation reimbursement:
1. Submit a *Tenure Agreement 240_F10* to the Payroll Office that will then be forwarded to the Chief of Corrections Operations or appropriate Deputy Director and then to the Director for signature before or at the time the offer of employment or transfer is made.
 2. Have the employee sign a Tenure Agreement before any expenses are incurred.
 3. Make sure that the employee receives copies of this operating procedure and CAPP Manual Topic 20345, *Moving and Relocation* at the time that the Tenure Agreement is signed.

III. Use of DOC Moving Equipment, Vehicles, and Supplies

- A. Current DOC employees may use DOC truck, trailer, hand truck, or other appropriate moving equipment and supplies for moves within the Commonwealth of Virginia under the following conditions:



1. In accordance with a written agreement executed as an addendum or modification to the *Tenure Agreement*.
 2. With the written approval of the Director or designee if the employee is moving due to a DOC directed transfer outside the recruitment and selection process.
- B. All requirements for use of State vehicles apply, including but not limited to:
1. All drivers must have proper license for the class of vehicle.
 2. Obey all traffic laws.
 3. Not exceed load limits or capacities of the vehicle.
 4. Proper reporting of any accidents.
 5. Return vehicle and equipment to the pickup point clean and in good condition.
- C. Only DOC employees may ride in a state vehicle used for this purpose.
- D. Fuel for state vehicles may be obtained from State facilities and/or using State fuel cards.
- E. No inmates or probationers/parolees or on-duty personnel may be used to provide labor for moving.
- F. The employee will be responsible for any damages to personal possessions.
- G. The employee will be responsible to reimburse the DOC for any damages to DOC vehicles or equipment caused by negligence of the employee or others assisting in the move.

IV. Temporary Quarters

- A. Reimbursement for reasonable lodging or rent may be claimed for a period of 90 calendar days from the first day of work at the new location.
- B. Reasonable residential parking fees will be reimbursed during the 90 calendar days of temporary quarters.
- C. Expenses for meals may be claimed for the first 30 calendar days of residence in temporary quarters.
- D. All such expenses must be reasonable, necessary, and in accordance with CAPP Topic No. 20335, *State Travel Regulations*.

V. Other Relocations

- A. Provided the criteria for reimbursement as stated in this operating procedure are met, reasonable and necessary moving and relocation expenses of employees may, at the option of the Director, be reimbursed in accordance with the State Comptroller's moving and relocation regulations and DOC operating procedures when such reimbursement is a condition of or a commitment for employment.
- B. Exceptions for higher dollar amounts than allowed by the State Comptroller require the Director to obtain Cabinet Secretariat level approval.
- C. Special consideration may be given by the State Comptroller for relocations that require the employee to establish a new residence in a specific geographical location when commuting distance is not increased by 50 miles.

VI. Reimbursement Procedures

- A. Attachment 1, *Moving and Relocation Expenses* outlines specific expenses to be reimbursed and the related tax status, as well as a listing of those expenses that are not considered as valid moving and relocation expenses and will not be reimbursed. See CAPP Manual Topic 20345, *Moving and Relocation* for complete information on reimbursable expenses and limitations.
- B. Reimbursement to employees for moving and relocation expenses are supplemental wage payments and must be handled by Payroll except for payments to common carriers.



1. Reimbursements made directly to the employee will be made through the Special Payment process. Details of this procedure are found in the CAPP Manual, Topics 20345, *Moving and Relocation* and 50515, *Special Payments*. Except for common carrier, reimbursements through services other than CARDINAL HCM Payroll procedures, i.e., Petty Cash, are not allowed.
2. Reimbursements for lodging, meals, and mileage will be in accordance with the State Travel Regulations. The following must be submitted to the Payroll Unit for processing:
 - a. A *Travel Expense Reimbursement 240_F6* must be used to itemize expenses and submitted as supporting documentation
 - b. Receipts and other supporting documentation
 - c. *Employee Moving and Relocation Expense Summary 240_F9*, Virginia Department of Accounts form DA-02-182, must be completed by the employee and submitted to payroll for review. See Attachment 2, *Moving and Relocation Expense Summary - Instructions*, for guidance in completing the *Summary*.
 - d. The Payroll Unit will submit the *Summary* to the Director for signature.
3. Third Party Payments - Payments to common carriers will be processed by Agency Fiscal Officers, as follows:
 - a. *Accounting Voucher*, Virginia Department of Accounts form DA-20-250, may be used only for third party payments to common carriers for the transportation of the employee's household goods and personal effects from the former residence to the residence at the new location and/or temporary storage of household goods and personal effects up to 30 days if an employee cannot otherwise move into the new residence.
 - b. A copy of the *Employee Moving and Relocation Expense Summary 240_F9*, Virginia Department of Accounts form DA-02-182, must be properly completed and attached, along with required invoices, to the back of each voucher being submitted and a copy sent to the Payroll Unit.
 - c. No other third party payments can be made for moving and relocation expenses.
4. A total dollar limit of \$11,000 for reimbursement for all expenses other than for transportation and storage of household goods has been established. This amount includes necessary employer payroll taxes. See CAPP Manual Topic 20345, *Moving and Relocation* for more information.
5. The employee is responsible to notify the DOC if the employee's spouse is a State employee and otherwise eligible for moving and relocation expenses. Reimbursement of any such expenses will be paid to only one employee and only to move the primary household to the new location. See CAPP Manual Topic 20345, *Moving and Relocation* for more information.
6. Pre-employment expenses are not considered moving and relocation expenses as discussed in this procedure. See CAPP Manual, Topic 20345, *Moving and Relocation* for more information.

VII. Accounting

- A. Approved moving and relocation expenditures must be paid out of funds appropriated for maintenance and operation of the employing unit.
- B. All current Internal Revenue Service (IRS) regulations must be followed.
- C. The Payroll Unit must take steps necessary to account for moving and relocation expense reimbursements and payments to meet both employer withholding and employee reporting of gross income and applicable payroll taxes as defined by the Internal Revenue Service, through compliance with these and state procedures.
- D. The DOC Payroll Director must review each claim for reimbursement for moving and relocation expenses prior to processing to the State Comptroller to ensure that it is in accordance with the State Comptroller's moving and relocation regulations. Improperly executed and/or approved claims must be returned to the employee for proper execution.



VIII. Reimbursement Responsibilities

A. Refer to the CAPP Manual Topic 20345, *Moving and Relocation*, for DOC responsibilities.

B. Minimum actions applicable to the employee are as follows:

1. Each employee eligible for moving and relocation expense reimbursement will be responsible for obtaining original receipts and other documents that are necessary to support all claims for reimbursement.
 - a. Each designated category of reimbursement expenses should be itemized and submitted for payment within 30 days after the last expenditure is made or the last invoice is received for expenses in a given category.
 - b. All claims for payment should be submitted within 30 days after the employee moves into the new permanent residence, but in no case later than 12 months after beginning employment at the new location, unless an extension is granted.
2. All expenses submitted for reimbursement must be within the guidelines of these regulations.
3. If the employee does not fulfill the two-year employment term specified by the *Tenure Agreement*, the total gross amount of reimbursements received by the employee and paid to third parties on behalf of the employee, plus all taxes deducted that relate to those reimbursements, must be refunded. Under these circumstances, the employee's gross income for tax purposes must be adjusted by the DOC for the total amount refunded to the DOC.

REFERENCES

Current IRS Regulations

Commonwealth Accounting Policies and Procedures (CAPP) Manual:

Section 20335 - *State Travel Regulations*

Section 20345 - *Moving and Relocation*

Section 50515 - *Special Payments*

Virginia Department of General Services - Virginia Public Procurement Regulations

Department of Human Resources Management (DHRM) Policy 1.30, *Layoff*

Operating Procedure 175.2, *Layoffs and Reduction in Workforce*

ATTACHMENTS

Attachment 1, *Moving and Relocation Expenses*

Attachment 2, *Employee Moving & Relocation Expense Summary - Instructions*

FORM CITATIONS

Travel Expense Reimbursement 240_F6

Employee Moving and Relocation Expense Summary 240_F9

Tenure Agreement 240_F10

