RELOCATION REIMBURSEMENT POLICY

I. GENERAL

The Fairbanks North Star Borough may provide reimbursement of travel and moving expenses for some new hires in certain positions when the individual is relocating to Fairbanks, Alaska from outside the Fairbanks North Star Borough for employment.

II. PURPOSE

This policy establishes the rules governing relocation reimbursement, providing clear guidance for reimbursing costs associated with relocating new employees.

III. RESPONSIBILITY

A. Department directors shall ensure that their department staff follows the procedure set forth in this policy.

B. Compliance with this policy is the responsibility of Borough employees seeking relocation reimbursement.

C. Human Resources shall maintain this policy.

IV. POLICY

A. New hires for certain positions, typically exempt professionals who are recruited outside the Borough boundaries, may be considered for relocation expense reimbursement based upon staffing needs, urgency in filling positions, and other peripheral management considerations.

B. Maximum reimbursement of travel and moving expenses shall not exceed one month’s starting salary.

C. Reimbursement will be made for reasonable and actual expenses incurred by the new employee, spouse, and dependent children to travel to Fairbanks, including lodging, transportation, moving expenses and mileage, if applicable.

D. An employee who has received relocation reimbursement and who voluntarily terminates employment prior to serving one year of employment with the Borough will be required to repay the Borough for such reimbursement on the basis of one-sixth (1/6) of the total amount reimbursed for each month of the one-year period remaining after date of hire, unless such termination is a result of death, prolonged illness, disability or a decision by the Borough to non-retain the employee.

1. E.g. An employee voluntarily terminating within the first 6 months of employment is required to pay back the full amount that was reimbursed.
2. If an employee was reimbursed $5,000 in expenses and works for 9 months the following calculation applies: $5,000/6=$833.33X3 months remaining from hire date to termination date= $2,499.99.

3. Amounts to be repaid will be deducted from the employee’s final paycheck.

V. PROCEDURE

A. Hiring Authorities who would like to offer relocation reimbursement should notify Human Resources at the time the hiring packet is submitted. Funding for this purpose is the responsibility of the Department employing the individual.

B. Human Resources will evaluate the request and has authority to approve relocation for exempt professional positions. Human Resources will seek the Mayors approval for any requests made for non-exempt positions. Hiring Authorities may not discuss relocation reimbursement with the candidate until the request has been evaluated and approved.

C. If relocation reimbursement is approved, it shall be noted in the individual’s employment offer letter with the maximum allowable reimbursement amount specified. A copy of this policy shall be provided to the new hire.

1. The Borough is not responsible for payment to anyone other than the new hire for authorized relocation expenses; charges for relocation expenses are not to be billed directly to the Borough.

2. Requests for reimbursement must be made by the employee within six (6) months of hire in order to be considered for reimbursement. Requests for reimbursement should be made to the Personnel/Payroll Manager in Human Resources. The Employee is required to submit original receipts showing the charges and payment method.

3. All amounts paid for relocation are taxable (income, social security and Medicare taxes) to the employee in the calendar year in which it is paid, and shall be reported on the employee’s wage and tax statement (IRS form W-2). Employees are advised to consult a tax accountant or other professional as to potential tax implications.

4. **Reimbursable Expenses**: Reimbursable expenses are those that are reasonable for the circumstances of the move, as determined by the Chief Financial Officer or designee. E.g., the most direct route available by conventional transportation. Some examples are (this is not an inclusive list):
   a) Airfare (lowest cost/economy class airfare)
   b) Lodging during travel between locations
   c) Mileage or actual costs of gas/oil
   d) Cost of moving household goods and personal effects. (packing, crating and shipping/in transit storage costs)
   e) Mailing/postal charges
f) Cost of shipping a vehicle

g) Rental cost of a trailer or truck to move household effects and charges by a commercial hauler

5. If traveling by vehicle, actual receipts for gas and oil may be submitted or a mileage allowance may be claimed. Mileage reimbursement amount is established by the federal government. If claiming mileage, a mileage log must be kept and submitted with the reimbursement request.

6. **Non-Reimbursable expenses**: Each expense submitted will be reviewed and considered based upon the documentation provided. Below is a list of items that are not reimbursable under the Relocation Reimbursement Policy (this is not an exclusive list):

    a) Vehicle repairs, general vehicle maintenance, tires, insurance or depreciation of a vehicle

    b) Purchase of a vehicle, trailer or other mechanism to move goods

    c) Any part of the purchase costs of a new home or rental costs

    d) Car tags, driver’s license, and other items needed to establish residency in Alaska

    e) Expenses related to breaking an existing lease, mortgage penalties, security deposits, real estate taxes, etc.

    f) Home improvements to help sell your current home

    g) Loss on the sale of your home

    h) Loss on disposing of memberships in clubs

    i) Pre-moving house hunting expenses

    j) Return trips to your former residence

    k) Additional costs to transport animals, plants, antiques, collector items, and firearms

    l) Meals or per-diem while in transit between locations

VI. **SUPPLEMENTAL INFORMATION**

A. References –

   1. FNSB Code 2.32.130 /Relocation Allowance

B. Definitions – None

C. Attachments – None

D. Revision History

Supersedes Policy No. Effective Dates

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