RESOLUTION NO. 2019-101

RESOLUTION OF THE NAPA COUNTY BOARD OF SUPERVISORS, STATE OF CALIFORNIA, AMENDING NAPA COUNTY POLICY MANUAL, PART I: SECTION 37Z, EFFECTIVE AUGUST 20, 2019

WHEREAS, Napa County Human Resources Policies are set forth in the Napa County Policy Manual; and

WHEREAS, the Director of Human Resources has reviewed Napa County Policy Manual Part I: Section 37Z, Reimbursement of Relocation and Temporary Living Expenses; and

WHEREAS, as a result of this review, the Director of Human Resources recommends that County Policy Manual Part I: Section 37Z be amended to make various changes to the language and remove outdated Internal Revenue Service guidelines.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the County of Napa as follows:

The Board hereby modifies Section 37Z of Part I of the Napa County Policy Manual, relating to "Reimbursement of Relocation and Temporary Living Expenses," as shown by the redlined changes in Exhibit "A," attached hereto and incorporated herein, and directs the Clerk of the Board of Supervisors to integrate the changes to Section 37Z of Part I of the Napa County Policy Manual, relating to "Reimbursement of Relocation and Temporary Living Expenses," so that the Section reads in the manner set forth in Exhibit "B," attached hereto and incorporated herein.

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THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED by the Napa County Board of Supervisors, State of California, at a regular meeting of the Board held on the 20th day of August, 2019, by the following vote:

AYES: SUPERVISORS PEDROZA, WAGENKNECHT, DILLON, RAMOS and GREGORY

NOES: SUPERVISORS NONE

ABSTAIN: SUPERVISORS NONE

ABSENT: SUPERVISORS NONE

NAPA COUNTY, a political subdivision of the State of California

By: RYAN GREGORY, Chair of the Board of Supervisors

APPROVED AS TO FORM
Office of County Counsel
By: Susan B. Altman, Deputy
Date: July 30, 2019
NAPA COUNTY OF NAPA
REIMBURSEMENT OF RELOCATION AND TEMPORARY LIVING EXPENSES

I. STATEMENT OF POLICY

The reimbursement of relocation and temporary living expenses, as described in this policy, allows the Napa County of Napa to recruit the most qualified candidates for department head, assistant department head, major division head, or any difficult-to-fill position, as determined by the Human Resources Director or his/her designee.

Purpose of Policy:

This policy states the official guidelines for the reimbursement of pre-approved relocation and temporary living expenses for new hires. This Policy covers requirements and procedures for reimbursement of intrastate and interstate relocation and temporary living expenses. The County Executive Officer must approve any exceptions to this policy.

Except as otherwise provided by contract, ordinance or statute, the policies and procedures specified herein shall supersede any and all relocation and temporary living expenses reimbursement policies and procedures previously adopted and shall be deemed to govern in the case of any apparent conflict with similar policies and procedures.

II. DEFINITIONS

A. Difficult-to-fill Position

“Difficult-to-fill position” shall mean a position for which factors such as labor market conditions, specialized qualifications and/or salary result in a candidate pool of insufficient quality and/or quantity to meet the County’s staffing needs as determined by the Human Resources Director or his/her designee.

B. Home

“Home” shall mean a house, apartment, condominium, houseboat, mobile home or similar dwelling.

C. Household Goods

“Household goods” shall mean personal effects and items used or to be used in the employee’s residence necessary for the maintenance of a household.

D. Intrastate Relocation
PART I: SECTION 37Z

“Intrastate relocation” shall mean a move from one location to another location within the state of California.

E. Interstate Relocation

“Intrastate relocation” shall mean a move from one location outside of the state of California to a location within the state of California.

F. New Hire

“New hire” refers to an individual who has been offered, and has accepted, a department head, assistant department head, major division head, or difficult-to-fill position, with the Napa County of Napa.

G. Pre-approval

“Pre-approval” shall mean the requesting Department has received authorization from the County Executive Officer, or his/her designee, to offer reimbursement of relocation and temporary living expenses as described in this policy to a new hire filling a department head, assistant department head, major division head, or difficult-to-fill position.

H. Residence

“Residence” shall mean primary place of dwelling.

I. Temporary Living Expenses

“Temporary Living Expenses” shall mean rental expense for a house, apartment, condominium, hotel, motel, houseboat, mobile home or similar dwelling temporarily occupied by the new hire until residency is established, not to exceed six (6) months from date of hire.

III. ELIGIBILITY

A. Reimbursement of relocation and temporary living expenses shall only be made for new hires in department head, assistant department head, major division head, or difficult-to-fill positions.

B. Reimbursement of relocation and temporary living expenses requires pre-approval by the County Executive Officer who will authorize reimbursement requests on a case-by-case basis. Factors taken into consideration when authorizing reimbursement requests include, but are not limited to, recruitment difficulties, the distance that the new hire must move to allow for a reasonable commute to the new work location, the necessity of the relocation for County operations, and the overall benefits of the relocation to the County.

C. Not all reimbursement of relocation expenses is non-taxable under IRS moving expense guidelines. In order for the reimbursement of relocation expenses to be non-taxable, the new hire’s move must meet the IRS distance and time tests as follows:

1. The Distance test is met if the distance from the former residence to the new work location is at least 50 miles greater than the distance from the former residence to
the previous work location. (Please see illustration of distance test at the top of next page.)
Illustration of Distance Test

DISTANCE TEST IS MET
Your new main job location is at least 50 miles farther from your former residence than your old main job location was.

DISTANCE TEST IS NOT MET
Your new main job location is not at least 50 miles farther from your former residence than your old main job location was.

2. Time test is met if the new hire works a minimum of 39 weeks during his/her first year of employment.

D. Reimbursements of preauthorized relocation and temporary living expenses for a move that does not meet the IRS distance and time eligibility will be subject to applicable IRS tax withholding rates.

E. In addition to the distance and time tests, the IRS may have limitations on the types of reimbursed expenses that are tax deductible.

C. The tax treatment of County’s reimbursement of qualified expenses will be treated in conformance with IRS regulations.

IV. REIMBURSEMENT ALLOWANCE

A. The maximum intrastate relocation and temporary living expense allowance shall be $10,000, with a maximum of $5,000 of that amount being allocated for temporary living expenses.

B. The maximum interstate relocation and temporary living expense allowance shall be $15,000, with a maximum of $5,000 of that amount allocated for temporary living expenses.
V. PROCEDURES FOR CLAIM SUBMISSION

A. General Policy

1. All expense claims must be rendered no later than six (6) months after the date incurred but and within the fiscal year incurred whenever feasible.
2. Unless otherwise provided in this Policy, all expense claims shall be pre-authorized.
3. Pre-authorization may be obtained via any e-mail.

B. Documentation

New Hires must document and certify itemized relocation and temporary living expenses following these provisions.

1. Expense claims shall be submitted on forms prescribed by the Auditor-Controller with prior approval of the Department Head or his/her designee.
2. Except as otherwise provided in this Policy, the original receipts or acceptable substitute (the Auditor-Controller may accept, at his/her discretion, other forms of documentation such as credit card receipts, invoices, statements, cancelled checks, etc.) shall be submitted with the claim for reimbursement for every item of expense.
3. In cases where receipts cannot be obtained, a statement to that effect shall be entered on the prescribed form and the reason given. In the absence of a satisfactory explanation, as determined by the Auditor-Controller, the amount involved shall not be allowed.

VI. REPAYMENT OF RELOCATION AND TEMPORARY LIVING EXPENSES REIMBURSEMENT

A new hire will be required to repay the Napa County a percentage of the reimbursement of these expenses if he/she resigns or separates within the first three years of employment. The reimbursement percentage is determined as follows:

A. One hundred (100) percent if the resignation or separation occurs before completion of the first year of employment.

B. Sixty-seven (67) percent if the resignation or separation occurs following one year of employment, but prior to completion of the second year of employment.
B. C. Thirty-three (33) percent if the resignation separation occurs following two years of employment but prior to completion of the third year of employment.

A. In the event that a new hire must is required to repay any a percentage of the reimbursement received from for relocation and temporary living expenses, the new hire authorizes the County to deduct any monies owed from their last pay warrant.

If a new hire discovers an excess of actual relocation expenses within 60 days of discovery by either, the new hire authorizes the County or the employee of the excess payment to deduct any overpayment from the County Warrant following the discovery.
NAPA COUNTY
REIMBURSEMENT OF RELOCATION AND TEMPORARY LIVING EXPENSES

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C. The tax treatment of County’s reimbursement of qualified expenses will be treated in conformance with IRS regulations.
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3. In cases where receipts cannot be obtained, a statement to that effect shall be entered on the prescribed form and the reason given. In the absence of a satisfactory explanation, as determined by the Auditor-Controller, the amount involved shall not be allowed.

VI. REPAYMENT OF RELOCATION AND TEMPORARY LIVING EXPENSES REIMBURSEMENT

A new hire will be required to repay Napa County a percentage of the reimbursement of these expenses if they separate within the first three years of employment. The reimbursement percentage is determined as follows:
PART I: SECTION 37Z

A. One hundred (100) percent if the separation occurs before completion of the first year of employment.

B. Sixty-seven (67) percent if the separation occurs following one year of employment, but prior to completion of the second year of employment.

C. Thirty-three (33) percent if the separation occurs following two years of employment but prior to completion of the third year of employment.

In the event that a new hire is required to repay a percentage of the reimbursement for relocation and temporary living expenses, the new hire authorizes the County to deduct any monies owed from their last pay warrant.

If a new hire discovers an excess of actual relocation expenses, the new hire authorizes the County to deduct any overpayment from the County Warrant following the discovery.