

## **Chapter Eight**

### **Non-Residential Relocation Assistance**

For Relocation Assistance purposes the term “person” is any individual, family, partnership, corporation or association. The term “business” means any lawful activity, except a farm operation, that is conducted:

- Primarily for the purchase, sale, lease and/or rental of personal and/or real property, and/or for the manufacture, processing and/or marketing of products, commodities and/or any other personal property.
- Primarily for the sale of services to the public.
- Primarily for outdoor advertising display purposes, when the display must be moved as a result of the project.
- By a nonprofit organization that has established its nonprofit status under applicable federal and state law.

#### ***Types of Non-Residential Displacements***

##### ***Small Business***

A business with less than 500 employees working at the site being acquired or displaced by the project, which site is the location of economic activity. Sites occupied solely by outdoor advertising signs, displays, or devices do not qualify as a business for purposes of eligibility for reestablishment expenses.

##### ***Farm Operation***

The term “farm operation” means any activity conducted solely or primarily for the production of one or more agricultural products or commodities, including timber, for sale or home use, and customarily producing such products or commodities in sufficient quantity to be capable of contributing materially to the operator’s support.

##### ***Nonprofit Organization***

The term “nonprofit organization” means an organization that is incorporated under the applicable laws in Iowa as a nonprofit organization, and exempt from paying Federal income taxes under section 501 of the Internal Revenue Code, (26 U.S.C. 501).

##### ***Tenant or Leaseholder***

A tenant is a person who has the temporary use and occupancy of real property owned by another.

## ***Types of Ownerships in Non-Residential Displacements***

### ***Sole Proprietorship***

This is the simplest form of ownership. It has only one owner. The owner reports income (or loss) on Schedule C (Profit or Loss From Business)

- Line 1 (“Gross receipts or sales”) is gross receipts
- Line 31 (“Net profit or (loss)”) is net income or loss
- Owner does not receive a wage, but income or loss is whatever is shown on Line 31
- Owner reports income (or loss) on Form 1040 (U.S. Individual Income Tax Return)
- Income or loss reported on Line 12 (“Business income or (loss)”)
- May be more than one Schedule C reported
- Sum of Schedule Cs must be equal to Line 12
- Additional wages may be paid to spouse or dependents
- Shown on Form 1040, Line 7 (“Wages, salaries...”)
- Payroll record or W-2 must be furnished for individual(s) if counted as part of the calculation
- Net income or loss for the year
- Form 1040, Line 12, plus
- Form 1040, Line 7, if applicable

### ***Partnership***

This relationship exists between two or more persons who join together to engage in a trade or business. Each partner contributes assets, skills or labor to the partnership. Each partner shares in the income or loss of the business. A partnership may include syndicate, group, pool, joint venture or other unincorporated group. The partnership may be as simple as a handshake or have complex partnership Agreements. A partnership is not a trust, estate or corporation.

Partners report income (or loss) on Form 1065 (U.S. Partnership Return of Income”)

- Line 1a (“Gross receipts or sales”) is gross receipts

- Line 22 (“Ordinary income (loss)”) is ordinary income or loss  Partners do not receive a wage, but sometimes receive a guaranteed payment. If so, it is shown on Line 10 (“Guaranteed payments to partners”)
- Additional wages may be paid to spouses and/or dependents
- Shown on Line 9 (“Salaries and wages....”)
- Payroll record or W-2 must be furnished for individual(s) if counted as part of the calculation
- Individual partner’s share of income or loss is shown on Form K-1 (Partner’s Share of Income, Credits, Deductions, etc.)
- Form K-1 is not used to calculate the partnership net earnings
- Partners generally withdraw all or part of the income of the partnership. Referred to as the “draw”
- The draw is the partner withdrawing part of the income shown on Form 1065, Line 22
- Net income or loss for the year
- Form 1065, Line 22, plus
- Form 1065, Line 10, if applicable, plus
- Form 1065, Line 9, if applicable

### ***Limited Liability Company (LLC)***

LLC’s are created to provide limited liability to business entities similar to that provided to a corporation. Most LLC’s are made up of two or more persons. For tax purposes LLC’s are treated like partnerships. LLC’s may be a general, limited or limited liability partnership or limited liability company. The income or loss is reported on Form 1065 (“U.S. Partnership Return of Income”).

- Line 1a (“Gross receipts or sales”) is gross receipts
- Line 22 (“Ordinary income (loss)”) is ordinary income or loss
- Members of the LLC do not receive a wage, but may receive a guaranteed payment. If so, it is shown on Line 10 (“Guaranteed payments to partners”)
- Wages may be paid to spouses and/or dependents
- Shown on Line 9 (“Salaries and wages....”)

- Payroll record or W-2 must be furnished for individual(s) if counted as part of the calculation
- Individual member's share of income or loss is shown on Form K-1
- Form K-1 is not used to calculate the LLC net earnings
- Members may draw all or part of the partnership income. Referred to as the "draw"
- The draw is part of the income shown on Form 1065, Line 22
- A sole proprietor can become an LLC.
  - ❖ If the case, rules for calculating net earnings are like an LLC,
  - ❖ Income reported on Schedule C, just like a sole proprietor
- The LLC may elect to be treated like a corporation
  - ❖ If the case, rules for calculating net earnings like a corporation
  - ❖ Necessary to look at their corporate tax return to ascertain their net earnings
  - ❖ Net income or loss for the year same as Partnership or Corporation, depending on above elections. Always reported on Schedule C, Form 1120 or Form 1120-S

## ***Corporation***

Sometimes these types of ownerships are referred to as "C Corporations" to distinguish them from "S Corporations". It files a tax return on Form 1120 or 1120A. Owners of a corporation are referred to as shareholders with each owner owning shares in the corporation. If only one owner owns all the shares, they are referred to as the "sole owner" Corporations report income (or loss) on Form 1120 (U.S. Corporation Income Tax Return)

- Line 1c ("Gross receipts/sales") is gross receipts
- Line 12 ("Compensation of officers") is pay to the corporation officers
- Line 28 ("Taxable income before net...") is the taxable income for the year
- Line 29b ("Special deductions") is dividends and special deductions and supported by Schedule C (part of Form 1120)
- Wages may be paid to spouses and/or dependents
- Shown as part of Line 13 ("Salaries and wages")
- Payroll record or W-2 must be furnished for individual(s) if counted as part of

calculation

- If there is a profit, the corporation pays tax on the profit – unlike the partnership which passes the profit through to the partner to report on an individual tax return (Form 1040)
- Obtain a list of shareholders to ascertain whether spouses and/or dependents are included as shareholders (paid under Line 12 or Line 13)
- Profits of the corporation are paid out to individual shareholders in the form of dividends. Dividends paid out are not added as part of the net earnings calculation as they are already included in Line 28
- Owners of a corporation receive W-2 for their wages
- Net income or loss for the year
  - ❖ Form 1120, Line 12, plus
  - ❖ Form 1120, Line 13, if applicable, plus
  - ❖ Form 1120, Line 28, minus
  - ❖ Form 1120, Line 29b

## ***S Corporation***

The S Corporation, if it qualifies, may elect to be generally exempt from federal taxation. It files a tax return on Form 1120S. Owners of this type of corporation are referred to as shareholders with each owner owning shares in the corporation. Shareholders include their share of the profits from the corporation on their individual Form 1040 (U.S. Individual Income Tax Return). The Corporation reports income (or loss) on Form 1120S (U.S. Income Tax Return for an S Corporation).

- Line 1c (“Gross receipts/sales”) is gross receipts
- Line 7 (“Compensation of officers”) is pay to the corporation officers
- Line 21 (“Ordinary income [loss] from trade....”) is the taxable income for the year
- An S Corporation owner should receive a W-2 if they work for the corporation
- Wages may be paid to spouses and/or dependents and are shown as part of Line 8 (“Salaries and wages”)
- Payroll record or W-2 must be furnished for individual(s) if counted as part of calculation

- Income from the corporation is passed through to the owners on a Form K-1 (Shareholder's Share of Income, Credits, Deductions, etc.)
- Form K-1 is not used to calculate the net earnings since it is already included in Line 21
- The owner may withdraw the profits. Referred to as the "draw" The draw is the owner withdrawing part or all of the income shown on Line 21
- Net income or loss for the year
  - ❖ Form 1120S, Line 7, plus
  - ❖ Form 1120S, Line 8, if applicable, plus
  - ❖ Form 1120S, line 21

### ***Farm Operations***

A displaced farm operation is eligible for a fixed payment in lieu of actual expenses for moving and related expenses and reestablishment expenses if it is acquired as a total acquisition. A displaced farm operation is eligible to claim a fixed payment following a partial acquisition if the Iowa DOT determines that:

- The acquisition of part of the land caused the operator to be displaced from the farm operation on the remaining land or
- The partial acquisition caused a substantial change in the nature of the farm operation

For example if the outbuildings or a substantial number of the outbuildings are included in the partial acquisition from a dairy farm operation, a substantial change in the nature of the farm operation has probably occurred.

The fixed payment calculation for farm operations is similar to that of a business. The fixed payment is based on the average net earnings, from all sources, for the two years prior to displacement. In Iowa, if the farm operation had a loss during one year, the farm operations is not penalized, but rather, the net income for that year is considered to be zero.

If the farm operation was not in operation for the two full years prior to displacement, like the business, net earnings will be prorated to an annual amount for the partial year or over a two year period, whichever is greater.

Farm operations may take on any of the entities discussed under Small Businesses: sole proprietor, partnership, corporation or S Corporation.

The calculation of net earnings differs slightly from businesses on the forms used. These differences are:

- A farm may be operated by a single operator and is treated similar to a sole proprietor with the only difference being that the farmer will report income on a Schedule F (Profit or Loss from Farming) which lists such agricultural related expenses such as feed, seed, veterinary fees, etc., instead of Schedule C.
- Owner reports income (or loss) on Schedule F
- Line 11 (“Gross income”) is the farm’s gross income
- Line 36 (“Net farm profit or (loss)”) is the farm’s net earnings
- Owner does not receive a wage, but income or loss is whatever is shown on Line 36
- Owner may report income (or loss) on Form 4797 (Sales of Business Property)
- Line 10 (“Gain or loss”) for breeding stock, etc.
- Owner reports income (or loss) on Form 1040 (U.S. Individual Income Tax Return)
- Form 4797 income or loss reported on Line 14 (“Other gains or losses”)
- Schedule F income or loss reported on Line 18 (“farm income [or loss]”)
- Net income or loss for the year
- Form 1040, Line 14, plus Form 1040, Line 18
- A farm partnership will also report the income on Schedule F and attach it to Form 1065, Partnership Return. The income is then added to the Form 1065 on Line 5 (“Net farm profit/loss”) and included with any other partnership income. Wages paid to a spouse and/or dependents and guaranteed payments to the partners are treated the same as any other partnership.
- Farm corporations (both C and S corporations) report the income from the farm directly on the respective 1120 or 1120S corporate tax returns. Therefore, the same numbers will be used to determine the annual net earnings for the farm corporation as for any other corporate business.

If the farm operation intends to claim the minimum payment of \$1,000 a statement signed by the operator of the farm indicating that fact is generally sufficient to document the file and generate payment. There may, however, be instances when more documentation is needed and the Relocation Supervisor and/or Production Coordinator should be consulted.

### ***Nonprofit Organizations (NPO)***

A NPO is eligible to claim a fixed payment in lieu of actual expenses for moving and related

expenses and reestablishment expenses if the Iowa DOT determines the NPO cannot be relocated without substantial loss of existing patronage (membership or clientele). They are assumed to meet this test unless demonstrated otherwise.

Demonstrating such a loss may prove difficult to document. Proceeding with a fixed payment may be in the best interest of all the parties. Benefits including moving and reestablishment expenses must be provided to the displacee prior to a fixed payment decision being made.

A displaced NPO that meets the criteria described earlier is eligible to claim a fixed payment of a minimum of \$1,000 to a maximum of \$20,000. The amount of this payment is the average gross revenue of the organization less administrative expenses from the two years prior to displacement.

If the NPO was not in existence for the two full years prior to displacement, as in the case of businesses and farm operations, the gross revenue less administrative expenses will be prorated to an annual amount for the partial year or over a two year period, whichever is more advantage to the displacee.

Gross revenues may include membership fees, class fees, cash donations, tithes, receipts from sales or other forms of fund collection that provide money for the organization to operate. Administrative expenses are those for administrative support such as rent, utilities, salaries, advertising and other items as well as fund raising expenses. Expenses for carrying out the purpose of the NPO are not included.

Any claim for a payment in excess of the \$1,000 minimum must be supported by certified financial statements or tax returns and a completed Fixed Payment for Non-Residential Move (See Appendix).

NPO's or exempt organizations can apply to the Internal Revenue Service for special tax-exempt status. The organization must be organized and operated for charitable purposes that serve the public. Charitable purposes include community development, services for children, elderly, disabled or poor, legal services, educational services, health services, arts and culture, etc.

The NPO will file Form 990 (Return of Organization Exempt From Income Tax) annually with the Internal Revenue Service

- Line 12 ("Total revenue") is total revenue received
- Part II ("Statement of Functional Expenses") shows a breakdown of how funds are used
- Column A is total of all expenses
- Column B shows amount spent on program services or its tax exempt purpose
- Column C shows the administrative expenses

- Column D shows the expenses of fund raising
- Totals are carried back to Lines 13-17 of page 1
- The amount used to compute the payment is:
- Column C (“Management and general”)

If the NPO intends to claim only the minimum payment of \$1,000 a statement signed by the organization indicating that fact is generally sufficient to document the file and generate payment. There may be cases when more documentation is needed and the Relocation Supervisor and/or Production Coordinator should be consulted.

### ***Non-Residential Moving Expenses***

This portion of the manual will discuss non-residential aspects of moving businesses, farm operations, NPO's, simple personal property only moves and moving advertising devices, both on and off premise.

Simple personal property moves and advertising device moves are limited to reimbursement of moving expenses.

Businesses, farm operations and NPO's may choose either of two methods for computing non-residential moving expense payments. They may choose:

- Actual Cost Payment Method and Reestablishment Expenses
- Fixed Payment for Moving Expenses Based on Average Net Earnings

These various options available to each type of relocation will be discussed in greater detail on the following pages.

Non-residential moving expense payments are designed to compensate the individual, business, farm operation or NPO for moving and related expenses, which are incurred as a result of having to move personal property from the acquisition area as a result of the project. Eligible expenses include such items as the cost of packing, transporting and unpacking personal property, the cost of storage, if necessary, and other related costs.

Reimbursement of expenses is limited to one move if a second, or split move is voluntary. Payment is limited to the actual, reasonable and necessary expenses which would have been incurred had the displacee moved only once.

The Relocation Advisor must understand which items are considered to be personal property and what is considered to be part of the real property to be acquired. To ensure consistency and avoid double payments this determination should be made during the Valuation Process. The Relocation Advisor should attempt to identify situations when such a determination may be necessary during the initial interview with the displacee.

Iowa law does not specifically identify which items are personal property and which are real property. (In general, a fixture or piece of equipment is considered to be real property, if:

- A typical buyer of the real property would consider the item to be part of the real property.
- The item cannot be removed without injuring the structural integrity of a building, structure or other permanent improvement.

The Appraisal and the Acquisition/Relocation sections should concur in the realty vs. personality determinations prior to the development of issues. Up-front planning and communication is very important to ensure the success of the negotiations and move.

The approved appraisal report should include these determinations. Fixtures and other equipment considered to be part of the real property should be identified, but it is possible that some items may require further identification. Misunderstandings and clarifications must be identified and resolved. The Relocation Advisor is responsible for bringing any questions to the attention of the Relocation Supervisor and/or Production Coordinator for discussion.

### ***Self-Move***

This is a move of personal property in which the displacee elects to take full responsibility. Levels and types of documentation are dependent upon the scope and type of move. In general, payment will be limited to an amount less than the lower of two firm bids from competent movers.

### ***Commercial Move***

Moves performed by competent, licensed and insured moving firms and are based on firm bids. The displacee may contract with the commercial mover of his or her choice, but reimbursement by the Iowa DOT is limited to the lower of two bids.

### ***Eligible Non-Residential Moving Expenses***

Any individual, business, farm operation or NPO that qualifies as a displaced person is entitled to payment or reimbursement of those actual and reasonable expenses that the Iowa DOT determines to be necessary for a successful move. Eligible expenses include:

- Transportation of personal property for a distance not to exceed 50 miles, unless determined that a relocation beyond 50 miles is justified.
- Packing, crating, unpacking and uncrating of the personal property.
- Disconnecting, dismantling, removing, reassembling and reinstalling relocated machinery, equipment, substitute personal property and connections to utilities within the building. Also included are modifications to the personal property, including those mandated by Federal, State or local law, code or ordinance, necessary to adapt it to

the replacement structure, the replacement site and modifications necessary to adapt the utilities at the replacement site to the personal property.

This may include expenses for connection to utilities available on the site, and for providing utilities from the right-of-way to the improvements.

There are instances when it is necessary to make other types of modifications that do not seem to fit any of the above categories in order to reinstall personal property or equipment. An example of such modification is the necessity for the installation of a special base or recessed area to accommodate a piece of equipment.

In general, if the modification to the real property is one that would create a discernible increase in the market value of the whole property, it is most likely an ineligible expense under this provision. Questions should be discussed with the Relocation Supervisor and/or Production Coordinator.

- Storage of the personal property for a period not to exceed 12 months. The storage location cannot be a site in which the displacee has an ownership or tenant interest. The boarding of livestock is not considered to be an eligible storage expense. The 12 month limitation can be waived in extraordinary circumstances. In those instances, the Relocation Supervisor will be consulted for approval. The use of Storage Pods upon the displacee's land is reimbursable provided:
  - ❖ The displacee does not receive any of the funds paid for use of the storage pod or storage pod service utilized.
  - ❖ The displacee may not receive payment for the land the storage pod occupies during the storage period.
- Insurance for the replacement value of the personal property to be moved. This can be during the move and for any storage period determined to be necessary.
- Any license, permit or certification required of the displaced person at the replacement location. Payment may be based on the remaining useful life of the existing license, permit or certification.
- The replacement value of personal property lost, stolen or damaged when insurance covering such loss is not reasonably available. If the loss is through the fault or negligence of the displacee, or his or her agent or employee, reimbursement for the loss will not be allowed.
- Professional services necessary for:
  - ❖ Planning the move of the personal property,
  - ❖ Moving the personal property, and

- ❖ Installing the relocated personal property at the replacement location.
  - ❖ Services performed prior to the purchase or lease of a replacement site to determine its suitability for the displaced person's business operation including but not limited to, soil testing, feasibility and marketing studies (excluding any fees or commissions directly related to the purchase or lease of such site).
  - ❖ In some cases, the displacee is the most qualified person to plan the move. In those cases an agreement can be made to pay the displacee for time spent planning the move based on a reasonable hourly rate or other reasonable basis for payment.
- Re-lettering signs and replacing stationery on hand at the time of displacement that are made obsolete as a result of the move. It is important to note that this material must have been made obsolete as a result of the move and not as a result of a previous move or a change in the name of the business or some other circumstance. Items that do not make reference to the business' obsolete address, telephone number, etc. will not be replaced.

Reimbursement will be limited to the cost of the same general quality. Same general quality means that if business cards or flyers are printed in one color before the move, reimbursement for card printed in two or more colors will be limited to the price for one color.

The number of items to be replaced are the number the business had on hand, or if necessary, the minimum order. Pens, key fobs and other miscellaneous items used by the business to inform the general public and clientele of the location of the business also qualify for replacement of like kind.

- A one-time notification to a business' clientele of its new location. This may be accomplished by postcard, newspaper, shopper or in some cases by radio or television.

It is very important to have an understanding with the displacee that the intent of this provision is not to advertise the sale of products, but to notify the clientele or general public of the move to a new location.

Examples of acceptable notifications from the print media are located in the Appendix. The notification method and content of the notice must be preapproved by the Iowa DOT. Such prior agreement could prevent misunderstandings after the fact.

- The reasonable cost incurred in attempting to sell an item that is not to be relocated.
- Expenses incurred searching for a replacement location. Eligibility is limited to businesses, farm operations, nonprofit organizations and owners of off-premise advertising devices. Payment under this provision cannot exceed \$2,500. Reimbursement may include:

- ❖ Reasonable and necessary expenses incurred for transportation based on generally accepted mileage rates such as the Internal Revenue Service rates.
  - ❖ Meals and lodging away from home. The current expense allowance provided to Iowa DOT employees may be used to gauge reasonableness
  - ❖ Time spent searching based on a reasonable hourly rate. Reasonable is limited to an amount the Relocation Advisor considers to be adequate based on the business the displacee is engaged in and what the earnings of the displacee are. As a general policy we will pay \$40/hour unless justified by further documentation.
  - ❖ Fees paid to someone who provides this service to the displacee.
  - ❖ Time spent in obtaining permits and attending zoning hearings
  - ❖ Time spent negotiating the purchase of a replacement site based on a reasonable salary or earnings.
  - ❖ The displacee must provide adequate documentation of the expenses incurred including locations inspected, dates and time spent.
- Actual direct loss of tangible personal property incurred as a result of the move. The payment will be the **lesser** of:
- ❖ The fair market value (value-in-place) of the item for continued use at the displacement site, less the proceeds from its sale. If the personal property claimed as lost consists of goods that the business sells, the value will be based on the cost of the goods to the business, not the potential selling price if sold during the regular course of the displacee's business.
  - ❖ If the Iowa DOT determines that it is not necessary for the displacee to make a good faith effort to sell the item(s), the Relocation Advisor must document the file of the reason(s) for that decision. In some cases, it is impractical to attempt to sell an obviously obsolete or very low-value item
  - ❖ The estimated cost of moving and reinstalling the item to the replacement location without any consideration for storage expenses. If the operation is discontinued, the distance is assumed to be 50 miles.

Example:

|                                     |          |
|-------------------------------------|----------|
| Fair market value of the item:      | \$ 1,500 |
| Less proceeds from sale:            | - \$ 500 |
| Loss of tangible personal property: | \$ 1,000 |
| Cost of moving the item:            | \$ 750   |

|                    |          |
|--------------------|----------|
| Reinstallation:    | + \$ 150 |
| Total moving cost: | \$ 900   |

In this example, the Iowa DOT would pay the displacee \$900. That, plus the proceeds from the sale would net \$1,400 to the displacee.

Example:

|                                       |          |
|---------------------------------------|----------|
| Fair market value of the item:        | \$ 1,500 |
| No value (obsolete, low value, etc.): | \$ 0     |
| Loss of tangible personal property:   | \$ 1,500 |

|                          |          |
|--------------------------|----------|
| Cost of moving the item: | \$ 750   |
| Reinstallation:          | + \$ 150 |
| Total moving cost:       | \$ 900   |

In this example, the Iowa DOT would reimburse the displacee \$900 to move and reinstall the item.

Example:

|                                     |          |
|-------------------------------------|----------|
| Fair market value of the item:      | \$ 1,500 |
| Less proceeds from sale:            | - \$ 500 |
| Loss of tangible personal property: | \$ 1,000 |

|                          |          |
|--------------------------|----------|
| Cost of moving the item: | \$ 1,000 |
| Reinstallation:          | + \$ 250 |
| Total moving cost:       | \$ 1,250 |

In this example, the Iowa DOT would reimburse the displacee \$1,000. The displacee would receive a total of \$1,500.

This provision is generally initiated by the displacee and in order for the displacee to make an informed decision, it is important that the Relocation Advisor obtain timely and accurate estimates.

- Purchase of substitute property. If an item of personal property which is used as a part of the business is not moved but is promptly replaced with an item that performs a similar function at the replacement location, the displacee is entitled to payment in the amount of the **lesser** of:
  - ❖ The cost of the substitute item including installation costs at the replacement location, minus any proceeds from the sale or trade-in of the replaced item or
  - ❖ The estimated cost of moving and reinstalling the replaced item at the replacement location, without any consideration to storage expenses.

Example:

|  |            |
|--|------------|
| Cost of substitute item:                 | \$ 3,000   |
| Installation costs:                      | + \$ 150   |
| Less trade-in (or less proceeds of sale) | - \$ 1,000 |
| Net cost of substitute item:             | \$ 2,150   |
| <br>                                     |            |
| Cost of moving the item:                 | \$ 750     |
| Reinstallation:                          | + \$ 150   |
| Total moving cost:                       | \$ 900     |

In this example, the Iowa DOT would reimburse the displacee \$900. The displacee would then have a net out-of-pocket expense of \$1,250 (\$2,150 minus \$900) for an item that is most likely newer, more dependable and more energy efficient.

- Low value/high bulk: When the personal property to be moved is of low value and high bulk and the cost of moving the property would be disproportionate to its value in the judgment of the Iowa DOT, the allowable moving cost payment shall not exceed the lesser of:
  - ❖ The amount which would be received if the property were sold at the site or
  - ❖ The replacement cost of a comparable quantity delivered to the new business location.

Examples of personal property covered by this provision include, but are not limited to stockpiled sand, gravel, minerals, metals and other similar items of personal property.

- Impact fees or one time assessments for anticipated heavy utility usage, as determined necessary by the Iowa DOT.
- Reimbursement for other expenses (not listed in the next section as ineligible) may be available. If the Relocation Advisor believes a displacee has or will incur such an expense, the Relocation Supervisor should be consulted.

### ***Ineligible Non-Residential Moving Expenses***

None of the following expenses are considered to be eligible for reimbursement as nonresidential moving and related expenses.

- The cost of moving any structure or real property improvement in which the displacee reserved ownership.
- Interest on a loan to cover moving expenses.
- Loss of goodwill.

- Lost profits.
- Loss of trained employees.
- Personal injury.
- Legal or other costs of preparing a claim for relocation payment, or for representing the displacee with the Iowa DOT.
- Any additional operating expenses for the displacee incurred because of operating in a new location except as provided under reestablishment.
- Physical changes to the real property at the replacement location of the operation except as provided under reestablishment.
- Expense for storage of personal property at a location where the displacee has an ownership or tenant interest.

### ***Types of Moves***

Non-residential moves may involve different types of moves. This portion of the manual will discuss the various types of moves.

#### ***Self-Moves***

A displacee may elect to take full responsibility for the move of their business, farm operation, NPO, personal property or advertising device. This provision allows the Iowa DOT to reimburse the displacee for the move, but the cost determination and levels of documentation required vary based on the estimated cost of the move. Payment to a displacee for a self-move will never exceed the lower of two firm bids or estimates received for the larger, more complicated moves or the Relocation Advisor's estimate based on local information. The advisor should use the Estimated Cost of Self-Move of Personal Property form in preparing the documentation for a self-move.

The documentation and monitoring requirements for the following categories are:

- *Self-Moves of \$2,000 or Less*

Self-moves in this category may be based on the Relocation Advisor's estimate. Very little documentation is needed for a move of this size. The advisor should have a general idea of local costs before contacting the displacee so that an estimate of a move in this category can be determined during the initial inspection.

The advisor can be prepared by surveying local rental agencies for rental rates for trucks, carts, hoists, etc., including insurance before meeting with the displacee. That information should be in the relocation file or if there are a number of similar moves of this type on the project this information should also be included in the Project General File. A sample of a

report of a survey is in the Appendix.

If the displacee indicates a preference for making the move, the Relocation Advisor should be prepared to estimate the cost of the move and reach an agreement with the displacee at that time. The Relocation Advisor does not need to break out equipment and labor costs, only the lump sum amount agreed to with the displacee. The Relocation Advisor should either list the inventory of items to be moved or take pictures in order to document the scope of the move.

The Relocation Advisor should complete the Estimated Cost of Self-Move of Personal Property form and the Claim for Non-Residential Relocation Assistance Reimbursement form. Both the displacee and Relocation Advisor should sign the forms with the claim submitted for review and preparation of a warrant.

The approximate date for the move should be agreed to and the displacee should inform the Relocation Advisor when the move is completed. Once the Relocation Advisor has confirmation that the personal property was moved to the new location, there is no need for a visual inspection of the replacement location, and payment can be delivered or mailed to the displacee.

➤ *Uncomplicated Self-Moves of \$5,000 or Less*

Self-moves in this category are considered uncomplicated as the move will basically require labor and a truck. The difference between this move and the previous category is the quantity of items to be moved, transported and unloaded. A move of this magnitude can be prepared by a qualified Relocation Advisor with concurrence by the Relocation Supervisor or Production Coordinator and must include a breakdown of labor and equipment costs, and a list or photographs of the inventory to be moved, so that the amount agreed upon can be reviewed for accuracy and reasonableness.

The Relocation Advisor should complete the Estimated Cost of Self-Move of Personal Property form and Claim for Non-Residential Relocation Assistance Reimbursement. Both the displacee and Relocation Advisor should sign the forms with the claim submitted for review and preparation of a warrant.

The approximate date for the move should be agreed to and the displacee should submit the appropriate move notification once the move is completed. The Relocation Advisor should make arrangements to inspect the displacement site to ensure the move is complete and all items of personal property were removed as agreed upon. Payment can then be released to the displacee.

➤ *Complicated Self-Moves and Moves of More than \$5,000*

Moving costs in this category will be based on binding moving estimates by competent, knowledgeable professional movers. Monitoring these moves is necessary to ensure that the amounts reimbursed are reasonable and necessary, and that the methods and special handling, if any, were actually performed. Generally, higher dollar moves require more monitoring than lower dollar moves. A detailed moving plan or specification that is pre-

approved by the Iowa DOT generally alleviates the need for the Relocation Advisor to actually monitor the move on-site.

The Relocation Advisor will explain to the displacee that the amount to be reimbursed is “to be based on the lower of two firm estimates”. This does not mean the displacee will be able to claim the amount of the lower estimate. Movers have overhead expenses that displacees, who are not in the moving business, do not have. Movers are in the business to make a profit and displacees are not entitled to make a profit on their moves, but rather to be reimbursed for their actual and reasonable expenses. Movers’ overhead includes employee benefits, fleet maintenance expenses, building and equipment expenses, advertising and other expenses. An amount of 80% of the lowest bid received is considered reasonable for these types of moves.

➤ *Actual Cost Self-Moves*

Actual cost self-moves must be planned and monitored in a manner similar to the category of complicated self-moves of \$5,000 or more. If the displacee uses their own employees, reasonable and acceptable documentation of their salaries and time spent must be provided.

The Relocation Advisor will explain to the displacee that the amount to be reimbursed is “to be based on the lower of two firm estimates” does not mean they will be able to claim the amount of the lower estimate. Movers have overhead expenses that displacees who are not in the moving business do not have. Movers are in the business to make a profit and displacees are not entitled to make a profit on their moves, but rather to be reimbursed for their actual and reasonable expenses. Movers’ overhead includes employee benefits, fleet maintenance expenses, building and equipment expenses, advertising and other expenses. An amount of 80% of the lowest bid received is considered reasonable for these types of moves.

While it is not intended that the displacees suffer losses because they want to perform their moves, they are not entitled to receive what the Iowa DOT would pay a professional mover just because the department would incur that expense if the displacee did not choose the self-move option.

When the displacee and the Relocation Advisor have agreed on a moving plan and at least two estimates have been obtained, the Relocation Advisor should analyze the estimates before attempting to negotiate an agreement with the displacee. Items to be considered are over-the-counter prices of cartons, probable rental rates for equipment and probable labor costs to be incurred by the displacee.

Since movers are professionals, it is assumed that they will pack cartons more quickly and efficiently than the displacee, so the adjustment to the lower estimate should not be based on the labor rate charged by the mover versus the amount the displacee can be expected to incur, or the difference in the cost of cartons. Since the labor cost is probably less, one can assume it will be less efficient, so the Relocation Advisor’s good judgment is required. Once the Relocation Advisor has analyzed the estimates and has an idea of approximate range of reasonable dollar adjustments, the displacee will be contacted to discuss potential reimbursement.

## ***Direct Payments***

In order to minimize or eliminate a hardship, the displacee may request that the vendor be paid directly. The Relocation Advisor can arrange for such payments. The displacee may assign payments to movers and other vendors providing services required by the move. The Assignment of Interest form should be used.

If the vendor has an outstanding lien with the State of Iowa, the Iowa Department of Revenue may attach any payments to satisfy said lien. When this occurs it is important that the Relocation Advisor notify both the displacee and vendor that this has happened. Neither the displacee nor the Iowa DOT will be required to make additional payments to the vendor.

## ***Transfer of Ownership***

Upon request, the displacee will transfer ownership of any personal property not moved, sold or traded in, to the Iowa DOT. Usually this will be in the form of a notarized Letter of Understanding.

## ***Preparing for the Non-Residential Move***

The first step in this process is to list the items to be moved. If the move is small and simple, a photograph or two should be sufficient. If the move is large enough that a photo does not provide adequate information for a subsequent review consider a written list as additional data.

Some moves are so large and complex due to large amounts of machinery, equipment or inventory that it may be advisable to video record the placement and installation of the personal property to be moved. If the operation to be moved has an inventory that fluctuates a great deal, the advisor should update the list shortly before the move.

As the list is being compiled, the options available to the displacee should be discussed. The pros and cons of a self-move, a commercial move or a combination can be discussed. If the operation to be moved is a large plant with machinery and equipment, the advisor should try to get the name of the person or firm who installed the equipment. This information can often be found on a plate on the machine that lists the manufacturer and its address. If necessary, the manufacturer can be contacted for requirements for moving and reinstalling the machine. The potential for "loss of tangible personal property" or "purchase of substitute personal property" should be explored during this process.

Before the potential cost of the move is determined, it is important that the Relocation Advisor and the displacee have an understanding of how the move will be accomplished. Such considerations should include:

- Will special packing be necessary?

- Which items will require disassembly before the move?
- What is the approximate date of the move?
- When will the move be made in order to minimize downtime? Evenings? Weekends?
- Where are the items going? New location? Disposal?
- Are there special adaptations at the new location that need to be made before the items are moved?
- What will be the staging of the move to accomplish it in the most efficient cost effective way?
- Will it be necessary to coordinate the disassembly, move and reinstallation of machinery between various contractors?

A written moving plan is advisable, if the move is large or complicated. Unforeseen circumstances may arise, and having a written “*what, how, when and where*” plan will often prevent misunderstandings.

If bids or estimates are obtained, each bidder or estimator should be provided with the list of items to be moved and the proposed moving plan. The Relocation Advisor should accompany the movers on their inspection of the property in order to clarify items to be moved and any special handling that is needed whenever possible.

Before the services of a mover are retained for estimating purposes, the Relocation Advisor should determine that the mover has a certificate of insurance so that adequate protection for the value of the personal property is available, if a loss or damage occurs during the move. This will insure that the displacee retains the mover’s services and there is adequate protection for the move. If the displacee contracts for the move with another party not involved in the estimating process, the Relocation Advisor should advise the displacee to seek proof of insurance for their protection.

The Relocation Advisor will negotiate a reasonable amount to pay for the moving bid with instructions to the mover that the estimate is for the exclusive use of the Iowa DOT. Often this fee can be negotiated to be deducted from the final bill, if the mover actually performs the move. All bids should be in writing and provide a reasonable breakdown of the specific costs and special handling requirements, if any, noted on the submittal.

The Relocation Advisor will review the estimates to insure completeness and inventory consistency. This is especially critical, if there is a large disparity between the estimates. If there is a substantial difference between estimates, the Relocation Advisor should attempt to resolve them. It is reasonable to assume that two competent, knowledgeable companies moving the same inventory the same distance under similar conditions should be reasonably close in their estimates. If they are not, and the difference cannot be resolved, the advisor should obtain an estimate from a third party, if possible, to assist in providing a sound basis

for the cost of the move.

While there is no fixed dollar ceiling on payments for actual moving estimates, there are limits on what may be paid:

- The payment may not exceed the actual cost of the moving and related expenses, and will be based on receipts for the costs claimed.
- The charges which make up the payment must be reasonable, i.e., typical of the amounts charged for a similar move. This is sometimes difficult to ascertain because of the special nature of some moves.
- The items of cost included in the claim for reimbursement must be necessary to accomplish the move.
- Payment for the commercial move is limited to the low acceptable bid. The Iowa DOT has been involved in a number of moves that have been so large and complicated that the services of specialists from other states have been retained in order to write specifications and oversee the move.

Displacees should be advised that the Iowa DOT must be allowed to monitor the move and inspect the personal property at the displacement and replacement locations. If it is determined by the Relocation Advisor during inspection of the replacement location that there were significant differences in the moving method or in the number of items moved, the amount of reimbursement may be adjusted.

### ***Reestablishment Payments***

In addition to actual moving expenses, a small business, farm or NPO is eligible for reimbursement of reestablishment expenses. These payments are in addition to actual moving expenses and are intended to reimburse the eligible displacee for expenses that the Iowa DOT determines to be reasonable and necessary in connection with reestablishing the small business, farm or NPO at a replacement site. Reimbursement of reestablishment expenses **may not exceed \$10,000**. (see 761 IAC 111.304)

It is important to remember that such expenses should be necessary to reestablish the present operation, not to improve it, allow it to enter new markets, or do those things that the operation should have done itself or wanted to do at the displacement location. Displacement provides an excellent opportunity for an operation to do all of those things itself, but they should not be accomplished with public funds.

Relocation Advisors should not attempt to unreasonably restrict displaced operations, but it is important to keep in mind that this payment is authorized to compensate for reestablishment efforts *caused* by the displacement.

If the displacee received a payment through acquisition, say, as a “cost-to-cure”,

reestablishment cannot be used as this would represent a duplication of payment. However, if deemed reasonable and necessary, all or part of the difference between the actual cost and what was previously paid could be an eligible reestablishment expense.

The Relocation Advisor is not expected to make an exhaustive search for other such payments, the Relocation Advisor is only required to avoid creating a duplication based on their knowledge at the time the payment is made.

Example: The displaced farm is paid \$5,000 in the acquisition process for the loss of a pond as a source of water to feed livestock. It is necessary to replace the pond and the cost of replacement is \$10,000.

If the displacee received assistance from another governmental agency to make up the difference in the cost, there would be no reestablishment expense incurred. If the displacee received a portion, say \$3000, from another governmental agency, the difference, or \$2,000, could be reimbursed as a reestablishment expense.

### ***Eligible Reestablishment Expenses***

All expenses in this category must be reasonable and necessary for reestablishment in the judgment of the Iowa DOT. Expenses eligible for reimbursement include, but are not limited to the following:

- Repairs or improvements to the replacement real property that are required by federal, State or local law, code or ordinance.
- Modifications to the replacement real property to accommodate the operation or to make replacement structures suitable for conducting the business.

In the case of an owner, the cost of constructing a new building on vacant replacement property is a capital expenditure and is generally not eligible as a reestablishment expense since the displacee was previously paid the market value of the acquired structure. Reimbursing the difference between the cost new and the market value would constitute a supplemental building payment and not eligible for reimbursement.

In those rare instances when an operation can locate no available suitable buildings and construction of a replacement structure would enable the operation to remain a viable operation, a portion of the cost may be eligible for reimbursement, subject to avoidance of duplication of payments and the statutory \$10,000 limit for reestablishment.

In the case of an eligible tenant, such a cost would be eligible if the tenant received none of the proceeds from the sale of the structure to the Iowa DOT.

- Construction and installation costs of exterior signing to advertise the operation. Exterior signing may include off-premise signing such as a billboard.
- Redecoration or replacement of soiled, worn or damaged surfaces at the replacement

site. Examples include painting, paneling or floor covering.

- Licenses, fees and permits when not paid as part of moving expenses.
- Advertisement of the replacement location.
- Estimated increased costs of operation during the first two years at the replacement location for items such as:
  - ❖ Lease and rental charges;
  - ❖ Personal property or real property taxes;
  - ❖ Insurance premiums;
  - ❖ Utility charges.
  - ❖ Operating costs are expenses typically reported for income tax purposes. Those records should be made available by the displacee to document the costs at the displacement location. The costs at the replacement location can be documented with leases, property tax information, estimates from utility companies, etc.
- Other items that the Iowa DOT considers essential to the reestablishment of the operation. Any expense the Relocation Advisor believes should be considered for reimbursement should be brought to the attention of the Relocation Supervisor and/or Production Coordinator.

In the case of more than one building/tenant on one parcel the landlord is entitled to only one Reestablishment payment.

### ***Ineligible Reestablishment Expenses***

The following is a nonexclusive listing of reestablishment expenditures not considered to be reasonable, necessary or otherwise eligible:

- Purchase of capital assets such as office furniture, filing cabinets, machinery or trade fixtures.
- Purchase of manufacturing materials, production supplies, product inventory or other items used in the normal course of the operation.
- Interest on money borrowed to make the move or purchase the replacement property.
- Expenses incurred to reestablish a part-time business in the home which does not contribute materially to the displacee's income. See definition later in this Chapter.

## **Contribute Materially**

The term “contribute materially” is defined in 761 IAC 111.305(5) (f) as “*The business contributed materially to the income of the displaced person during the two taxable years prior to displacement.*” The Iowa DOT may elect to consider other periods if deemed to be more equitable. Basic parameters may be described as follows:

- The income from the business resulted in average annual gross receipts of at least \$5,000
- The income from the business resulted in average net earnings of at least \$1,000
- The income from the business resulted contributed at least 33 1/3 percent of the owner’s or operator’s average annual income from all sources.

## ***Non-Residential Fixed Payment for Moving Expenses or In Lieu of Payment***

A displaced business, farm operation or NPO may be eligible to choose to accept a fixed payment in lieu of the payments for actual moving and related expenses and actual reasonable reestablishment expenses. Landlords and billboard owners are not eligible for a Fixed Payment.

Payment under this category can range from a minimum payment of \$1,000 to a maximum payment of \$20,000.

There are several advantages to the fixed payment. First, it is simple to administer and relieves the Iowa DOT and the displacee of having to detail actual moving costs. Second, it provides flexibility for the displacee to use the fixed payment to cover those costs it deems to be most important. This can be especially useful for the eligible operation which chooses not to reestablish and may have to cover loss of income or the cost of discontinuing operations.

Not all small businesses, farm operations or NPO’s will be eligible for a fixed payment under this category. To be eligible for this payment, the displacee must meet certain criteria. Specific requirements and payment calculations for small businesses, farm operations and nonprofit organizations are slightly different and each is discussed separately.

### ➤ *Small Businesses*

A displaced business is eligible for a fixed payment in lieu of actual costs of moving and related expenses and reestablishment expenses if the Iowa DOT determines that the business meets ALL of the following criteria:

- The business owns or rents personal property which must be moved and for which an expense would be incurred in such move and the business vacates or relocates from the displacement site. The amount of personal property to be moved must be significant enough to require an expense.

- The business cannot be relocated without a substantial loss of its existing patronage (clientele or net earnings). The displacee is assumed to meet this requirement unless the Iowa DOT determines otherwise.

It would be difficult to demonstrate that a business does not meet this criteria. However, there are some types of businesses that would not lose patronage that are off-site or location is not a factor in conducting their business. Examples are those who do business strictly by mail or telephone; or in some cases, satellite office locations.

If the Relocation Advisor believes that no substantial loss will be incurred and assembles appropriate documentation, it should be submitted to the Relocation Supervisor for approval.

- The business is not part of a commercial enterprise having more than three other entities which are not being acquired. This criteria excludes chain operations from receiving a fixed payment.
- The business is not operated at the displacement dwelling solely for the purpose of renting such dwelling to others. This criteria excludes the residential landlord from receiving a fixed payment..
- The business is not operated at the displacement site solely for the purpose of renting the site to others. This criteria would exclude the landlord of the business from receiving a fixed payment.
- The business contributed materially to the income of the displacee during the two taxable years prior to displacement.
  - ❖ Produced average annual gross receipts of at least \$5,000
  - ❖ Produced average annual net earnings of at least \$1,000
  - ❖ Contributed at least one-third of the average annual gross income from all sources.

In rare cases, the application of this criteria may create an inequity or hardship for the displacee. The Iowa DOT will consider the use of other criteria in these instances.

In some instances there may appear to be more than one business displaced. Under some circumstances, two or more businesses may have to be treated as a single displacement which is entitled to only one fixed payment. When this is an issue, it should be discussed with the Relocation Supervisor and/or Production Coordinator. Factors to be considered when determining the number of displacees include:

- The extent to which the same premises and equipment are shared. Lease agreements, if any, can indicate specific arrangements or agreements.

- The extent to which substantially identical or interrelated business functions are carried out. Business cards, telephone listings, advertising, etc. can provide documentation.
- The extent to which the business and financial affairs are co-mingled. Income tax records may be a good indicator.
- The extent to which their clientele or general public consider them to be one or more than one entity.
- The extent to which the same person(s) or closely related persons own, control or manage the affairs of the business(es).

Many times, for tax purposes, the displacee will establish more than one corporation, all “under one roof”. These situations may require a judgment call and the Relocation Advisor should prepare a note to the file that adequately explains the reasons for either the existence of one business or the existence of more than one business.

A displaced business that meets ALL of the above criteria is eligible to receive a payment of \$1,000 to \$20,000.

The payment is a calculation based on the average net earnings of the business for the two years prior to displacement. In Iowa, if the business had a loss during one year, they are not penalized, but rather, the net income for that year is considered to be zero.

Examples: The business was displaced (or moved) in 2012.

|                      |           |
|----------------------|-----------|
| Net Income for 2010: | \$ 15,000 |
| Net Income for 2011  | \$ 18,000 |
| Two Year Average:    | \$ 16,500 |

The fixed payment calculated is \$16,500

|                      |           |
|----------------------|-----------|
| Net Income for 2010: | \$ 17,000 |
| Net Income for 2011: | \$ 25,000 |
| Two Year Average:    | \$ 21,000 |

The fixed payment calculated is \$20,000, the statutory maximum.

|                      |            |
|----------------------|------------|
| Net Income for 2010: | \$ 12,000  |
| Net Income for 2011: | \$ (5,000) |
| Two Year Average:    | \$ 6,000   |

The fixed payment calculated is \$ 6,000 because the net income for 2011 was considered to be zero.

If the business was not in operation for the full two years prior to displacement, net earnings will be prorated and projected to an annual amount for the partial year or over a two year

period, whichever is greater.

Example: The business started up in March, 2010, and the net income for the ten months of operation in 2010 was \$ 15,000, or \$1,500 per month. The projected net income for 2010 is then \$18,000 (\$1,500 per month times 12 months). The business had net income of \$20,000 in 2011. The calculated fixed payment is \$19,000.

|  |          |
|--|----------|
| 2010 Projected Income 12 mo. @ \$1,500/mo. | \$18,000 |
| 2011 Actual Income                         | \$20,000 |
| Two year average                           | \$19,000 |
| Fixed Payment is                           | \$19,000 |

Example: The business started up in March, 2010, and the net income for the ten months of operation in 2010 was \$5,000, or \$500 per month. The projected income for 2010 was \$6,000 (\$500 per month times 12 months). The business had net income of \$16,000 in 2005. The calculated fixed payment is \$11,000.

|   |          |
|---|----------|
| 2010 Projected Income 12 mo. @ \$ 500/mo. | \$ 6,000 |
| 2011 Actual Income                        | \$16,000 |
| Two year average                          | \$11,000 |
| Fixed Payment is                          | \$11,000 |

An alternative method of calculating the fixed payment is available. Considering the total net income of \$22,000 for the 22 month period the average monthly income becomes \$1,000 per month that the displacee was in operation. \$1,000 per month would project a two year net income of \$24,000, or a fixed payment of \$12,000.

|   |          |
|---|----------|
| 2010 and 2011 Projected Income 24 mo. @ \$1,000/mo. | \$24,000 |
| Two year average                                    | \$12,000 |
| Fixed Payment is                                    | \$12,000 |

This alternative method averages in the slow first year of operation and spreads those startup costs over the entire calculated period. In this example, the displacee would be offered a fixed payment of \$12,000.

Average annual net earnings may be based on a different time period for good reason. These reasons must be beyond the displacee's control such as: family illness, economic downturn, strikes, etc. However, the years used in the calculation must be consecutive in order to avoid a payment based on a "pick and choose" process.

Net earnings include any compensation obtained from the business by the owner, the owner's spouse and the owner's dependents.

In order to qualify for a fixed payment calculation, the displacee must furnish the Iowa DOT

proof of net earnings through income tax returns for the covered years. The vast majority of fixed payment calculations are performed using bonafide income tax returns. All submittals must include the complete, signed return for the covered years.

In certain instances, financial statements can be used but they must be certified by the preparer and must reflect realistic NET earnings. If the displacee fails to provide sufficient documentation to calculate the fixed payment, the displacee is not eligible for payment.

If the small business intends to claim only the minimum payment of \$1,000 a statement signed by the owner of the business indicating that fact is generally sufficient to document the file and generate payment. There may be cases when more documentation is needed and the Relocation Supervisor and/or Production Coordinator should be consulted.

There are a number of categories of businesses and thus methods of income tax reporting. Each is somewhat different in structure, taxability and in the method of calculating of net earnings. The following explains each type and how the calculation of net earnings is determined based on 2000 Internal Revenue Service forms and schedules.

## **Chapter Eight Overview**

- There are several types of Non-Residential Displacements
  - ❖ Small Business
  - ❖ Farm Operation
  - ❖ Non-Profit Organization
  - ❖ Tenant/Leaseholder
  
- We need to identify the different types of ownerships in Non-Residential Displacements, and recognize how they file their taxes
  - ❖ Sole Proprietorship
  - ❖ Partnership
  - ❖ Limited Liability Company (LLC)
  - ❖ Corporation
  - ❖ S Corporation
  - ❖ Farm Operations
  - ❖ Non-Profit Organizations
  
- All non-residential displacees are entitled to actual, reasonable and necessary moving expenses
  - ❖ Self-Move
  - ❖ Commercial Move
  - ❖ Eligible Non-Residential Moving Expenses
  - ❖ Ineligible Non-Residential Moving Expenses
  - ❖ Related Non-Residential Eligible Expenses (761 IAC 111.303) Emphasizing 111.303(b) by “others”
  
- Different types of moves are available
  - ❖ Self-Moves of less than \$2,000
  - ❖ Self-Moves of Less than \$5,000
  - ❖ Complicated Self-Moves and Actual Moves of More than \$5,000
  - ❖ Actual Cost Self-Moves
  - ❖ Direct Payments
  - ❖ Transfer of Ownership
  
- The Relocation Advisor must assist in preparing for the non-residential move
  
- Reestablishment Payments are available to non-residential displacees
  - ❖ Eligible Reestablishment Payments
  - ❖ Ineligible Reestablishment Payments
  - ❖ Contribute Materially
  
- Non-Residential Fixed Payment for Moving Expenses or In Lieu of Payment
  - ❖ Qualifications
  - ❖ Examples

