UNIVERSITY OF CALIFORNIA

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SANTA BARBARA · SANTA CRUZ

OFFICE OF THE EXECUTIVE VICE PRESIDENT— CHIEF FINANCIAL OFFICER

OFFICE OF THE PRESIDENT 1111 Franklin Street. 6th Floor Oakland, California 94607-5200

January 5, 2021

CONTROLLERS

Subject: Mileage Reimbursement Rate Changes Effective January 1, 2021

The University's mileage reimbursement rates for expenses incurred in connection with the business use of a private automobile will *decrease* in accordance with the Internal Revenue Service standard mileage rates published in <u>IRS Notice 2021-02</u>. The following new rates are effective for expenses incurred on or <u>after January 1, 2021</u>:

- The reimbursement rate for the use of a private automobile for University business travel *will decrease* from 57.5 cents a mile to 56 cents a mile.
- The reimbursement rate for driving an automobile in connection with a move or relocation will *decrease* from 17 cents a mile to 16 cents a mile. (Note that reimbursements for moving- related expenses, including mileage, are considered taxable wage income as of January 1, 2018).

I would like to remind the campuses that we are considered a public agency. As such, we should use University resources in a prudent manner. University employees traveling on official business shall observe normally accepted standards of propriety in the type and manner of expenses they incur, and avoid any expenditure that would appear extravagant or lavish under the circumstances.

Business and Finance Bulletin G-28, *Travel Regulations*, will be revised to include the mileage rate change at the next update. If you have any questions, please call John Barrett at (510) 987-0903.

Hrwas

Peggy Arrivas Associate Vice President and Systemwide Controller

cc: Executive Vice President and Chief Financial Officer Brostrom

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