Decision-Making Matrix: Move, Abandon, or Substitute Personal Property

Under 49 CFR § 24.301(g) – Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA)

Scenario	Options for Cost Reimbursements		
	Move (Estimated Move Cost or actual cost)[1]	**Abandon** (Lesser of Appraised Value-in-Use or Estimated Move Cost)[2]	**Substitute** (Lesser of estimated Move Cost or Replacement Cost)[3]
Asset's ***function is needed*** at the replacement site	✓ Use when moving is cost-effective. Appropriate for small businesses and large, complex, or custom equipment that's difficult or expensive to replace. (This is the most frequently used of all options) ***Best choice*** when: • The assets at the displacement site are fairly new and ideal for the business at the replacement site.	✓ Use cautiously. ***Best choice*** when: • If value-in-use minus salvage is higher than move or substitute costs, this may be optimal. (This infrequently occurs) • This is the default scenario when a displacee insists that an item cannot be moved. (This is generally not optimal.)	✓ Use when replacement is more economical or practical. ***Best choice*** when: • Cost to move is greater than substitution amount • Moving causes downtime (substitution can eliminate or minimize downtime) • New equipment provides improved performance • A new type or style of item is needed in-order to properly fit or function at the replacement site
Asset's ***function is not needed*** at the replacement site	✓ Use if the asset has resale potential or future use. • ***Best choice*** when: The item can be sold, moved, and installed with relocation benefits at the buyer's location. (Check with the displacing public agency on eligibility for this scenario) • The asset is needed for parts or other reasons.	✓ Use as last resort to any of the moving or substitution options. ***Best choice*** when: • The asset's function is not needed at the replacement property • Going out of business • The asset does not function • None of the other options are suitable.	? Allowable, but not generally used. Substitution generally applies when the asset's function will be replaced at the new site. ***Good choice*** when: • The asset's function may eventually be needed at the replacement property.

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How to Use This Matrix

Use this table to help guide the displacee's most cost-effective, beneficial, and justifiable approach for each item of personal property when planning a relocation under the URA. Decisions should be based on functional need, comparative cost, and potential reimbursement eligibility. Each situation can vary, requiring a more in-depth analysis to determine the best option.

Do you have questions for a specific scenario? Get answers at RightofWayCommunity.com. In order to collaborate, for forum spam protection you must register, it's free.

Footnotes & URA Regulation Links

1. ***Eligible actual moving expenses*** (Move): Covered under 49 CFR § 24.301(g)(1), (2), and (3) – Specifies reimbursement for actual, reasonable, and necessary moving costs for personal property. Available at: https://www.ecfr.gov/current/title-49/part-24#p-24.301(g)

   Note: Be sure to include all costs applicable and listed in 24.301(g)(1), (2), and (3).
   - Costs for overtime and off-hours work are eligible when necessary to minimize downtime.
   - Costs for modifications and adaptations of the item to fit or properly function at the replacement property should be included in this estimate when they are necessary.

2. ***Actual direct loss of tangible personal property*** (Abandonment): Covered under 49 CFR § 24.301(g)(15) – Allows reimbursement for items not moved but abandoned, based on the lesser of its value-in-use or the estimated move cost. Available at: https://www.ecfr.gov/current/title-49/part-24/section-24.301#p-24.301(g)(15)

3. Notes:
   - This is typically the least desirable option if the business will continue its operations at the replacement property
   - Eligibility for this choice requires an attempt to sell the item. Any proceeds from a sale must be deducted from the value-in-use amount within the calculation.

4. ***Purchase of substitute personal property*** (Substitution): Covered under 49 CFR § 24.301(g)(17) – Allows for replacement of items rather than moving them, reimbursed at the lesser of the move cost or cost of a comparable replacement item that provides a similar function. The move cost for substitution only needs to be a cost estimate. A bid or quote is not required. Be sure the move estimate includes all moving costs applicable found under 49 CFR § 24.301(g)(1), (2), and (3). Substitution guidelines are available at: https://www.ecfr.gov/current/title-49/subtitle-A/part-24/section-24.301#p-24.301(g)(17)

   Note: Eligibility for this choice may require an attempt to sell or trade in the item being substituted. Check with the displacing agency. Any proceeds from a sale or trade-in must be deducted from the substitution cost within the calculation.