

ADMINISTRATIVE POLICIES AND PROCEDURES

SUBJECT: MOVING EXPENSES

NUMBER: 257

AUTHORIZING BODY: PRESIDENT'S CABINET

RESPONSIBLE OFFICE: VICE PRESIDENT FOR FINANCE AND ADMINISTRATION

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RATIONALE: This policy provides guidelines for the eligibility, approval, and reimbursement of employee moving expenses. Moving expense reimbursement should only be provided for competitive recruitment purposes to attract qualified candidates.

POLICY: Oakland University (University) will, with pre-approval from the department's respective Executive Officer, reimburse reasonable and appropriate moving expenses for certain new employees as noted below.

The new employee's change in commute must meet the IRS distance test.

Moving expenses must be incurred within one year of the employee start date.

The maximum allowable reimbursement is determined by the employee's classification.

Moving expenses must be funded within the hiring unit's resources.

Moving Expenses for new Executive Officers, Deans, Academic Administrators, full-time tenure track faculty, coaches and Administrative Professionals (in salary band S or higher or equivalent Individual Contract Full-time (IF) positions) may be reimbursed up to a maximum of \$10,000.



SCOPE AND APPLICABILITY: New employees who meet the criteria listed above.

DEFINITIONS:

Academic Administrator: An academic employee such as an associate dean, associate provost, or academic director as defined by the e-class AA.

Administrative Professional: A professional staff member (AP) as defined by the e-class PF.

Deductible Expenses: Expenses which are non-taxable income and are not subject to withholding. Reimbursement of expenses that are classified as deductible moving expenses under the Internal Revenue Code are treated as non-taxable income provided the employee meets certain federal time and distance standards. Such expenses will not be reported on the employee's W-2 tax and wage statement.

Executive Officer: President, Vice President or others defined by the e-class EE.

Nondeductible Expenses: Expenses which are considered additional compensation to the new employee and will be reported as wages. All appropriate taxes will be withheld for Nondeductible Expenses and reported on the employee's W-2 tax and wage statement.

PROCEDURES:

The hiring supervisor shall obtain written pre-approval to reimburse moving expenses from the respective Executive Officer. The approved moving expense reimbursement shall be included in the employment offer letter.

Not all moving expenses are reimbursable, and not all reimbursable expenses are deductible (tax exempt).

All employees receiving moving expense reimbursement must complete a Moving Expense Reimbursement Summary form. This form will separate Deductible and Nondeductible Expenses and require certification from the employee. Explanation and examples of Deductible and Nondeductible Expenses are provided in the instructions tab of the Moving Expense Reimbursement Summary form, in Internal Revenue Service Publication 521, and as listed below.

DEDUCTIBLE REIMBURSABLE EXPENSES

Some expenses an employee may incur in the moving process are eligible for reimbursement and are also tax-exempt. Examples of these types of expenses include, but are not limited to, the following:

Cost of transporting household goods and personal effects

- Cost of a moving company
- Cost of a truck rental in a self directed move
- Actual fuel expenses in a self directed move, OR the standard federal mileage rate for moving expenses
- Parking fees and tolls while in transit
- The cost of packing, crating, and transporting household goods
- The cost of shipping the Employee's car and household pets to the new home
- The cost of connecting or disconnecting utilities because appliances were moved
- The cost of storing and insuring household goods within any period of 30 consecutive days after the Employee's belongings are moved from the former home and before they are delivered to the new home.

Travel expenses for the Employee & members of household (one trip per person, and you do not have to travel together or at the same time)

- Airfare (coach)
- Lodging while in transit (one night at the old location & one night upon arrival)
- Actual fuel purchases OR the standard federal mileage rate for moving expenses
- Parking fees and tolls while in transit

NON-REIMBURSABLE EXPENSES

There are certain expenses an employee may incur in the moving process which are ineligible for reimbursement including, but not limited to, the following:

- Vehicle registration fees
- Driver's license fees
- Expenses related to buying or selling a home
- Home improvements to sell previous home
- Home improvements for new home
- Meals for family members
- Mortgage penalties
- Real estate taxes
- Security deposits
- Loss on sale of previous home
- Loss from disposing of memberships
- Expenses related to breaking a lease

REIMBURSEMENT PROCESS

Moving expenses must be paid by the employee. Direct payment of an employee's moving expenses by the University is not allowable.

To reimburse the employee, the department must complete a Payment Voucher (PV) using account code K069 and attach the following: a complete and signed Moving Expense Reimbursement Summary, Executive Officer pre-approval, all original itemized receipts, and a copy of the employment offer letter; all documentation must be sent to the Accounts Payable Office.

REPAYMENT

In the event an employee who has received moving expense reimbursement terminates or resigns employment within twelve (12) months of his/her employment date, the employee will be responsible for repaying the entire reimbursement amount to the University.

RELATED POLICIES AND FORMS:

Payment Voucher

APPENDIX:

Moving Expense Reimbursement Summary Form